

## PUBLIC IMPROVEMENTS DISTRICT DEVELOPMENT AND REIMBURSEMENT AGREEMENT

This Public Improvements District Development and Reimbursement Agreement (this "*Agreement*") is made by and among the CITY OF BASTROP, TEXAS (the "*City*"), a Texas municipal corporation, HUNTERS CROSSING LOCAL GOVERNMENT CORPORATION (the "*Corporation*"), a Texas public non-profit corporation, and SABINE INVESTMENT COMPANY ("*Developer*"), a Delaware corporation.

### RECITALS

A. Pursuant to Chapter 372 of the Texas Local Government Code (as amended, the "*Act*"), the City Council of the City created Hunters Crossing Public Improvement District (the "*PID*") by Resolution No. R-2001-19.

B. At its regular meeting on December 9, 2003, the City Council of the City authorized and approved the creation of the Corporation, to be formed and organized pursuant to Chapter 431 of the Texas Transportation Code, as amended. On December 9, 2003, the City Council also approved Articles of Incorporation and Bylaws for the Corporation. Pursuant to the requirements of Chapter 372 of the Texas Local Government Code, at its regular meeting on November 25, 2003, the City Council adopted the "Hunters Crossing Public Improvement District Service and Assessment Plan dated November 19, 2003 (the "*Service Plan*"), which Service Plan provides for the construction and financing of certain improvements within the PID, payable from assessments levied against the property within the PID.

D. Developer and the City have previously agreed for Developer to plan, construct and finance on behalf of the PID the improvements described in the Service Plan, subject to review and approval of such plans by the City and reimbursement by the PID as provided in this Agreement. Developer has also agreed to advance certain costs related to the creation, organization, operation and administration of the PID and the Corporation, subject to reimbursement by the PID as provided in this Agreement.

### AGREEMENT

For and in consideration of the promises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City, the Corporation and Developer agree as follows:

### ARTICLE I GENERAL TERMS

1.01 Definitions. Except as otherwise may be expressly provided in this Agreement, capitalized terms used herein will have the following meanings:

(a) "*Assessments*" means the special assessments levied by the City on property within the PID pursuant to the Service Plan and Sections 372.013 and 372.014 of the Texas Local Government Code..

(b) "*Business Day*" means a day other than a Saturday, Sunday or legal holiday in the State of Texas or the City.

(c) "*City Manager*" means the City Manager of the City or his or her designee.

(d) "*City Attorney*" means the attorney designated by the City Council to serve as City Attorney.

(e) "*City Council*" means the City Council of the City.

(f) "*City Engineer*" means the professional civil engineer designated by City Council to serve as City Engineer.

(g) "*City Staff*" means those employees of the City designated by the City Manager to administer this Agreement.

(h) "*Director of Finance*" means the Director of Finance of the City or his or her designee.

(i) "*Insurer*" means an entity which insures municipal bonds and by virtue of such insurance, such bonds are rated at least "AA" by at least one nationally recognized rating agency.

(j) "*PID Bonds*" means bonds or other obligations issued by the Corporation which are to be paid from the Assessments.

(k) "*PID Fund*" means the separate fund in the City Treasury established by the City under that name Hunters Crossing PID Fund or such other similar name.

(l) "*Project*" means those improvements contemplated and provided for in the Service Plan, as approved by the City.

(m) "*Project Costs*" means any and all costs and expenses, including interest, related to the activities included in the approved Service Plan. The Project Costs shall be subject to approval by the City Council of the City of the City Bastrop, and such approval shall not be unreasonably withheld.

(n) "*Project Manager*" means the agent of Developer for carrying out the responsibilities enumerated in Article IV hereof and other responsibilities delegated by Developer.

(o) "*Project Plans*" means the plans and specifications for the Project, or portions thereof, prepared by Developer and its consultants and approved by the City as set forth in **Section 2.02** hereof.

(p) "*Service Plan*" means the plan described in Section 372.013 of the Texas Local Government Code as approved by the City Council of the City of Bastrop on November 25, 2003 and covering a period of at least five years and that also defines the annual indebtedness and the projected costs for the contemplated improvements. The Service Plan shall be reviewed and updated

annually for the purpose of determining the annual budget for improvements and Supplemental Services.

(q) *"Supplemental Services"* means the provision of special supplemental services authorized by Chapter 372, Local Government Code, including the maintenance and operation of public improvements and facilities in the PID.

1.02 Singular and Plural. Words used herein in the singular, where the context so permits, also include the plural and vice versa.

## ARTICLE II PROJECT DESIGN AND CONSTRUCTION

2.01 Selection and Retention of Consultants and Contractors. Developer will be responsible for selecting and entering into contracts with the various consultants and contractors (including, but not limited to, engineers, land planners, architects, landscape architects, construction companies and attorneys) as it determines in its reasonable discretion to be necessary or desirable for the planning and construction of the Project. The procedures employed by Developer in making such selections and entering into such contracts shall be in compliance at all times and in all respects with all laws applicable to the City's conducting such procedures and entering into such contracts, to the extent that such laws apply to the Developer's doing so pursuant to this Agreement.

2.02 Design of the Project. Developer will cause the Project to be designed and constructed in phases as Developer reasonably determines to be appropriate. Such design and construction must be in accordance with applicable City ordinances. In connection therewith, Developer may submit to the City proposed plans and specifications for portions of the Project and, accordingly, commence construction of the Project, in phases as such plans and specifications are approved by the City.

(a) Section One-A. The City acknowledges and agrees that it has reviewed, approved and accepted the plans and specifications and construction of a portion of the Project involving public improvements to Section One-A of the Hunters Crossing Subdivision, as more particularly described in Exhibit "A" attached hereto and made a part hereof.

(b) Balance of the Project Design. With respect to the balance of the Project not already completed and approved by the City as provided in **Section 2.02(a)** above, Developer will cause to be prepared proposed plans and specifications for the Project and will submit such plans and specifications to the City for its review and approval and reviewed and approved by the City under the applicable ordinances, rules, and regulations of the City.

2.03 Project Construction. Following the City's approval of the Project Plans, Developer will proceed with entering into one or more contracts with contractors as Developer reasonably determines in its discretion to be needed for construction of such portion of the Project related to such approved Project Plans. Developer will provide a copy of all contracts entered into by Developer in connection with construction of the Project to the City and the Corporation. The City shall be permitted to inspect the construction of the Project at any time. If the City, or its agent, discovers noncompliance with any applicable City standards, then the City shall be authorized to

notify Developer of the noncompliance. Upon receipt of the notification of noncompliance, Developer shall stop work and promptly correct the noncompliance. No further work shall be commenced unless and until the City, or its agent, has inspected the new work. Failure by the City to stop work or to conduct periodic inspections does not waive the City's rights to reject any element of the Project that does not comply with all applicable City standards.

2.04 Project Review. Developer will notify the City and the Corporation of completion of construction of the Project (or a portion thereof) pursuant to the Project Plans as may be required by applicable City ordinances, rules, and regulations. Promptly thereafter, the City will inspect such construction and notify Developer of the City's acceptance or rejection thereof. The City's inspection and acceptance or rejection of the Project will be in accordance with applicable City ordinances, rules, and regulations. If the City rejects any aspect of such construction, the City must specify in its notice of rejection the basis of such rejection in reasonable detail. Thereafter, Developer will cause its contractor to correct any deficiencies to the Project as reasonably required by the City.

2.05 Acceptance of Project. Upon completion of the Project (or portion thereof) and the City's approval thereof, the City agrees to accept title to the Utilities and Streets (each defined below) included in the completed Project (or portion thereof) and agrees to maintain, operate and repair the Utilities and Streets and any property or facilities proposed to be dedicated hereunder by Developer to the City.

2.06 Compliance with City Requirements. Nothing in this Agreement shall reduce, alter, or diminish the City's ability to require Developer to comply with all applicable City Code provisions, standards, ordinances, and technical standards.

### ARTICLE III MAINTENANCE OF THE PROJECT

3.01 Obligation of the City. Upon completion of the improvements related to portions of the Project described in the Service Plan as the water distribution system and wastewater collection system (collectively the "*Utilities*") and public streets and rights-of-way (collectively the "*Streets*") which make up a part of the Project and upon the City's approval of the Utilities and Streets, title to such improvements will be transferred by Developer and dedicated to the City. Thereafter, the City will be responsible for operating, maintaining and repairing the Utilities and Streets.

3.02 Obligations of the Corporation. Upon completion of the improvements related to portions of the Project described in the Service Plan as stormwater drainage and detention (collectively, the "*Drainage Facilities*"), landscaping, fencing, irrigation system, entry signage features, monuments, lighting, hike and bike trail system and Hunter's Crossing Park (collectively, the "*Landscaping Improvements*") which make up that portion of the Project not included in the Utilities and Streets and upon the City's approval of the Drainage Facilities and Landscaping Improvements, title to such improvements will be transferred by Developer to the Corporation. Thereafter, the Corporation will be responsible for operating, maintaining and repairing the Landscaping Improvements, subject to reimbursement from the PID all costs incurred by the Corporation in connection therewith.

**ARTICLE IV**  
**ADDITIONAL OBLIGATIONS OF THE CITY**

4.01 Assessments. To the extent permitted by law, the City covenants and agrees to levy annual Assessments on property in the PID in accordance with the Service Plan, as the same may be amended from time to time by the Corporation with approval of the City. It is contemplated that each Assessment shall consist of an assessment for Project Costs and an assessment for Supplemental Services.

4.02 Collection of Assessments. The City covenants and agrees that it will, as authorized under the Act and other applicable laws, continuously use its best efforts to collect Assessments levied pursuant to the Service Plan during the term of this Agreement in the manner and to the same extent that it attempts to collect City taxes. To the extent the City may legally do so, the City covenants and agrees that it will not permit a reduction, abatement, or exemption in the Assessments due on property in the PID until Developer has been fully reimbursed under the terms of this Agreement and (except as may be agreed upon by the City and the Corporation and Developer) all bonds secured by Assessments have been paid in full. The City will use good and sound practices pursuant to the City's policies and standard practices to collect the Assessments. The City may delegate its responsibility to collect Assessments to the Corporation or to a third party contractor; however, such delegation does not release the City from its obligation hereunder to collect the Assessments.

4.03 PID Fund. The City hereby covenants and agrees that it will establish and maintain the PID Fund as one or more separate accounts or subaccounts in the City's treasury. The City agrees to deposit into the PID Fund all Assessments collected by the City, its agents or contractors. Reasonable administrative costs, including reserves for operational, maintenance and repair costs as reasonably determined by the Corporation, shall be deposited in separate subaccounts of the PID Fund. The City shall also establish subaccounts for Assessments arising from each assessment roll and subaccounts for the bond proceeds for each series of PID Bonds.

4.04 Payments to Developer and to City. The City acknowledges that Developer will pay Project Costs, as such costs are incurred and payable. All such payments shall be based upon invoices therefore, in detail reasonably acceptable to the City, delivered by the Developer to the City, accompanied by evidence reasonably acceptable to the City that such amounts have been paid in full by the Developer. Promptly, upon acceptance by the City of the public improvements constructed by Developer as part of the Project, the City agrees to reimburse Developer for such Project Costs paid by Developer, together with interest as provided in **Section 4.05** below, solely from funds actually received by the City from: (a) the Assessments; and/or (b) the net proceeds of PID Bonds in accordance with the terms hereof. Such payments to Developer shall be made at least annually and no later than 90 days after the date payment of the Assessments for such year are due and payable to the City or PID. For any payment of an Assessment in the form of a one-time lump sum payment of the entire assessment, payment to Developer by City shall be made no later than forty-five (45) after such one-time lump-sum payment is received by the City. Developer acknowledges that the City will incur administrative costs in billing, collecting, and/or accounting related to the initial and on-going administration, financial, legal and assessment collection services of the PID. Developer

acknowledges and agrees that the City shall be reimbursed for such costs together with interest as provided in **Section 4.05** below, solely from funds actually received by the City from: (a) the Assessments; and/or (b) the net proceeds of PID Bonds in accordance with the terms hereof. Such payments to City shall be made at least annually and no later than 90 days after the date payment of the Assessments for such year are due and payable to the City or PID. Interest Rate. The outstanding amounts due to Developer pursuant to this Agreement shall bear interest on the unpaid principal amount thereof outstanding from time to time at the Prime Rate plus two percent per annum. Interest will accrue from the date of each borrowing to pay Project Costs. As used herein "**Prime Rate**" means the per annum interest rate as published in the Wall Street Journal.

**4.05 Special Obligations.** Any payment to be made by the City under this Agreement is a special obligation of the City payable solely from the PID Fund, as and to the extent provided in this Agreement. This Agreement does not give rise to a charge against the general credit or taxing powers of the City or any other taxing unit and is not payable except as provided in this Agreement. Developer and its successors and assigns shall never have the right to demand payment thereof out of any funds of the City other than the PID Fund.

**4.06 PID Bonds.** To the extent permitted by law, and subject to the provisions of **Sections 4.07, 4.08 and 4.09** below, the City agrees to use its best efforts to cause the Corporation to issue one or more series of PID Bonds, the proceeds of which will be used to: (a) provide for a reserve in an amount not to exceed a reasonable reserve as determined by the City, (b) pay costs of issuance of the PID Bonds, and (3) reimburse Developer for Project Costs that have been incurred and paid for by the Developer under this Agreement. Subject to the provisions of **Sections 4.07, 4.08 and 4.09** below, the timing of issuance, the principal amount, interest rate(s), and payment and other terms and provisions of any such series of PID Bonds shall be determined by the City in its sole discretion.

**4.07 Time of Issuance.** The City agrees to use its best efforts to cause the Corporation to issue, the first series of PID Bonds when \$250,000.00 or more of annual Assessments have been levied and have become due and payable, whether in installments or otherwise, with respect to property within the PID. To the extent permitted by law and subject to the provisions of **Section 4.07**, the City agrees to use its best efforts to issue and/or cause the Corporation to issue additional series of PID Bonds each time an additional \$250,000 or more of Assessments have been levied on and become due and payable, whether in installments or otherwise and to the extent permitted by law, with respect to property within the PID.

**4.08 Use of PID Bond Proceeds.** Subject to the provisions of any ordinances or resolutions of the City and/or the Corporation hereafter enacted to authorize the issuance of PID Bonds, the parties agree that upon the issuance of the first series of PID Bonds and every other issuance thereafter, the City (and/or the Corporation, as may be appropriate) will deposit the proceeds of each series of PID Bonds into one or more subaccounts of the PID Fund to fund debt service and reasonable reserves as otherwise provided herein. The remainder of the PID Bond proceeds will be deposited in a separate subaccount of the PID Fund. Promptly, after payment of costs of issuance, the City (and/or the Corporation, as may be appropriate) will pay the remainder of the PID Bond proceeds from a series of PID Bonds to Developer until all obligations to Developer to reimburse the Developer for Project Costs that have been incurred and paid for by the Developer under this Agreement are discharged. The payment to Developer shall be limited to reimbursement for the Project Costs that benefited the property on which the Assessments securing such bonds were levied

by the City (and/or the Corporation, as may be appropriate), including interest thereon as provided in this Agreement. At least annually, or more often at the City's discretion, the City (and/or the Corporation, as may be appropriate) shall transfer to a designated subaccount in the PID Fund the collected Assessments, less reasonable administrative costs. Such amounts will be used to pay debt service on the PID Bonds (including optional and mandatory calls) and, if necessary, to replenish the debt service fund and reserve fund. Once the City has received Assessments in an amount equal to that year's debt service on a series of PID Bonds and provided the reserve funds are fully funded, the City shall pay any remaining Assessments (other than prepayments) to Developer to the extent that the Developer is entitled to reimbursement for Project Costs, including interest hereunder. Prepayments of Assessments will be deposited in such accounts established by the ordinance or resolution authorizing the issuance of the PID Bonds, and subject to the terms of any ordinance or resolution authorizing the issuance of outstanding PID Bonds, shall be used to refund or prepay any outstanding PID obligations first to Developer until fully paid and then any other obligations in the City's sole discretion. Notwithstanding the foregoing or any provision of this Agreement to the contrary, no part of any Assessment levied and collected for ongoing supplemental services or administrative and operating purposes shall be used to reimburse the Developer for Project Costs.

4.09 Exception to Requirement for Issuance of PID Bonds. Notwithstanding any provision of this Agreement to the contrary, neither the City nor the Corporation shall be required to issue PID Bonds at any time if the City, in its sole judgment, shall determine that the issuance thereof will interfere with or place in jeopardy the ability of the City or any subordinate entity of the City to issue "qualified tax-exempt obligations," as that term is defined and applied by applicable federal tax laws, regulations, rulings, and court decisions, or that such issuance otherwise will be detrimental to the City's issuance of its bonds or other obligations, including, without limitation, the City's determination that the issuance of PID Bonds will have adverse effects on the City's credit ratings, or will cause the City to incur higher interest costs on its bonds or obligations than it would otherwise incur.

## **ARTICLE V**

### **PROJECT MANAGER**

5.01 General Powers. Developer's authorized agent, Ronnie Moore, shall act as Project Manager and shall act as an agent of Developer and shall be responsible for the supervision and inspection of the acquisition, design, construction, assembly, installation and implementation of the Project or phases thereof, as designated by the City in accordance with **Article II** of this Agreement and in accordance with the Service Plan. The grant of specific powers, duties and responsibilities to the Project Manager pursuant to this Agreement shall not be construed to limit the general powers granted by this Section to Developer to hire and utilize contractors and other consultants in connection with the Project, including the appointment and replacement of the Project Manager in Developer's sole discretion.

5.02 Designation. Developer may change its designation of the Project Manager for the Project or any phase thereof at any time upon written notification to the City and the Corporation and subject to the approval of the City Engineer, whose approval shall not be unreasonably withheld, conditioned or delayed.

**ARTICLE VI**  
**MISCELLANEOUS**

6.01 Personal Liability of Public Officials. To the extent permitted by applicable law, no public official shall be personally responsible for any liability arising under or growing out of this Agreement.

6.02 Default.

(a) A party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

(b) Before any failure of any party to perform its obligations under this Agreement shall be deemed to be a default hereunder, the party claiming such failure shall notify, in writing, the party alleged to have failed to perform the required obligations and shall demand performance. No default hereunder may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining party within 30 days of the receipt of such notice, subject, however, to the terms and provisions of Section 6.03(c). Upon a default hereunder, the non-defaulting party or parties, in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained. Except as otherwise set forth herein, no action taken by a party pursuant to the provisions of this Section or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any party at law or in equity. Each of the parties hereof shall have the affirmative obligation to mitigate its damages in the event of a default by the other party.

(c) Notwithstanding anything in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any party (including, but not limited to, the giving of notice under this subsection (c)), is delayed as a result of circumstances which are beyond the reasonable control of such party (which circumstances may include, without limitation, pending or threatened litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or tornadoes, labor action, strikes or similar acts) the time for such performance shall be extended by the amount of time of such delay. The party claiming delay of performance as a result of any of the foregoing "force majeure" events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than ten (10) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a "force majeure" event causing such delay, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Section.

(d) In addition to any other right or remedy available pursuant to this Agreement, in the event of a material breach by either party under this Agreement which continues for 30 days after written notice to such party thereof and such party's failure to cure or diligently proceed to cure such breach to the non-breaching party's reasonable satisfaction, the non-breaching party shall have the



such breach to the non-breaching party's reasonable satisfaction, the non-breaching party shall have the right (but not the obligation), in its sole discretion, to exercise its rights hereunder, with regard to mandamus, specific performance or mandatory permanent injunction to require the breaching party to do so.

6.03 Notices. All notices, demands, requests, consents and approvals, which may be given or which are required to be given by either party to the other, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed effective when: (i) personally delivered to the intended recipient; (ii) sent, by certified or registered mail, return receipt requested, postage pre-paid, addressed to the intended recipient at the address specified below; (iii) delivered in person to the address set forth below for the party to whom the notice was given; (iv) deposited into the custody of a recognized regional or national overnight delivery service, addressed to such party at the address specified below; or (v) sent by facsimile, telegram or telex, provided that receipt for such facsimile, telegram or telex is verified by the sender and followed by a notice sent in accordance with one of the other provisions set forth above. For purposes of this **Section 6.04**, the addresses of the parties for all notices are as follows (unless changed by similar notice in writing given by the particular person whose address is to be changed):

**To the City:** City of Bastrop  
904 Main Street  
Bastrop, Texas 78602  
Attn: Jeff Holberg, City Manager  
Fax No. (512) 321-6684

**with copy to:** Brown & Carls, L.L.P.  
106 East 6<sup>th</sup> Street, Suite 550  
Austin, Texas 78701  
Attn: Trish Carls  
Fax No. (512) 472-8403

**To the Corporation:** Jeff Holberg  
c/o City of Bastrop  
904 Main Street  
Bastrop, Texas 78602  
Fax No. (512) 321-6684

**with copy to:** Steve Mills  
c/o Sabine Investment Company  
1015 Main Street  
Bastrop, Texas 78602  
Fax No. (512) 303-7392

**To Developer:** Sabine Investment Company  
1015 Main Street  
Bastrop, Texas 78602  
Attn: Steve Mills, President  
Fax No. (512) 303-7392

with copy to:

Jackson Walker L.L.P.  
100 Congress Avenue, Suite 1100  
Austin, Texas 78701  
Attn: Jerry Webberman  
Fax No. (512) 236-2280

6.04 Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is signed by the City, the Corporation and Developer. No course of dealing on the part of the City, the Corporation or Developer nor any failure or delay by the City, the Corporation or Developer with respect to exercising any right, power or privilege pursuant to the Agreement shall operate as a waiver thereof, except as otherwise provided in this Section.

6.05 Successors and Assigns. No party to this Agreement shall have the right to assign its rights under this Agreement or any interest herein, without the prior written consent of the other parties (which consent will not be unreasonably withheld, conditioned or delayed), except that (a) Developer may assign the right to receive payments from the PID Fund, and (b) Developer may assign its rights and responsibilities hereunder to any entity which acquires all or part of Developer's assets or to an affiliate of Developer, without consent of any party, provided, however, that any such assignment shall not relieve Developer of liability under this Agreement.

6.06 Exhibits, Titles of Articles, Sections and Subsections. Any exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the parties and shall not be construed to have any effect or meaning as to the agreement between the parties hereto. Any reference herein to a Section or Subsection shall be considered a reference to such Section or Subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

6.07 Applicable Law and Venue. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect. Personal jurisdiction and venue for any civil action commenced by any party to this Agreement will be deemed to be proper only if such action is commenced in the District Court for Bastrop County, Texas or the United States District Court for the Western District of Texas, Austin Division.

6.08 Entire Agreement. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES REGARDING THE PID.

6.09 Term. This Agreement shall terminate on the earlier of December 31, 2023, or the date on which the City discharges its obligations hereunder and dissolves the PID.

6.10 Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any of the parties, the parties agree that such approval or consent shall not be unreasonably withheld, conditioned or delayed.

6.11 Parties Bound. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective heirs, executors, administrators, personal representatives, legal representatives, successors and assigns.

6.12 Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of the Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in the Agreement.

6.13 Prior Agreements Superseded. This Agreement constitutes the sole and only agreement of the parties to the Agreement and supersedes any prior understandings or written or oral agreements between the parties concerning the planning, development and financing of the Project.

6.14 Time of Essence. Time is of the essence of this Agreement.

6.15 Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

6.16 Multiple Counterparts. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one (1) agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

6.17 Days and Deadlines. As used in this Agreement, "*days*" means and refers to calendar days. However, if a deadline falls or notice is required on a Saturday, Sunday, or a legal banking holiday, then the deadline or notice shall be extended to the next calendar day which is not a Saturday, Sunday, or a legal banking holiday. The term "*Business Days*" means any day which is not a Saturday, Sunday, or a legal banking holiday.

6.18 Audit Rights. The City and Sabine each have the right, at such party's expense, to audit the books and records of the Corporation relating to the PID from time to time upon reasonable written notification to the Corporation.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the 24<sup>th</sup> day of February 2004.

**THE CITY OF BASTROP, TEXAS**

By: Tom Scott  
Tom Scott, Mayor

**HUNTERS CROSSING LOCAL GOVERNMENT CORPORATION**

By: Jeff Holberg  
Jeff Holberg, President

**SABINE INVESTMENT COMPANY**

By: Steve Mills  
Steve Mills, President