

DEVELOPMENT AGREEMENT

THE STATE OF TEXAS

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COUNTY OF TRAVIS

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This Development Agreement (“Agreement”) is between the CITY OF BEE CAVE, TEXAS a general law municipality located in Travis County, Texas (“City”), and Masonwood 71, Ltd., a Texas limited partnership (“MASONWOOD”), City and MASONWOOD are referred to individually as a “Party” or collectively as “Parties”.

INTRODUCTION

MASONWOOD controls and will own approximately 147.59 acres of land (the “Land”) located within the extraterritorial jurisdiction (“ETJ”) of the City as more particularly described on the attached **Exhibit “A”**. The boundaries of development and proposed uses of the Land are depicted on the concept plan (the “Concept Plan”) attached as **Exhibit “B”**. This Agreement confirms that all of the Land is located within the ETJ of the City of Bee Cave.

MASONWOOD intends to develop the Land as a master-planned, mixed-use project that will include commercial, multi-family, and single family residential uses in general accordance with the Concept Plan (the “Project”). Because the Land constitutes a significant area of the City ETJ that will be developed in phases under a master development plan, MASONWOOD and City wish to enter into this Agreement to provide an alternative to typical City regulatory processes for development in its ETJ, encourage innovative and comprehensive master-planning of the Land, provide certainty of regulatory requirements throughout the term of this Agreement, and encourage the creation of a high-quality community for the benefit of the present and future residents of City and the Project.

Authority for this Agreement exists under Chapter 212 Subchapter G Texas Local Government Code, Chapter 43 Texas Local Government Code, Chapter 245 Texas Local Government Code, Section 54.016 of the Texas Water Code and Sections 42.042, 212.172, and 402.014 of the Texas Local Government Code and such other statutes as may be applicable.

MASONWOOD and City agree to work with each other in good faith to enhance and preserve the general area for the citizens of City and surrounding areas. Therefore, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged including the agreements set forth below, the Parties agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.01 Definitions. In addition to the terms defined elsewhere in this Agreement or in City ordinances the following terms and phrases used in this Agreement will have the meanings set out below:

Additional Land: Land that may be added to the Project in accordance with Section 3.05.

Agreement: This Development Agreement between City and MASONWOOD.

City Administrator: The City Administrator of City.

City Council: The City Council of City.

Code of Ordinances or Code: shall mean the City's ordinances in effect on the effective date of this Agreement and as may be amended from time to time.

Effective Date of this Agreement: The date when one or more counterparts of this Agreement individually or taken together bear the signature of all Parties.

Land: The property described in Exhibit "A" and the Additional Land if applicable.

Landowner: shall mean MASONWOOD, upon acquisition of the Land, and any subsequent owners of any or all of the Land, or the landowners of the Land on the Effective Date of this Agreement, if they choose to exercise their rights afforded in Section 7.02 of this Agreement.

MASONWOOD shall mean Masonwood 71, Ltd. and any party to whom MASONWOOD assigns all or a portion of its rights under this Agreement.

Project: shall mean development of the Land as generally shown and described on the Concept Plan and any Additional Land which is developed consistent with the terms of this Agreement.

Single-Family Tract: shall mean all of the Land except for those portions shown as "Neighborhood Services" and "Multi-Family" on the Concept Plan.

Any terms which are used herein and which are defined in the Code of Ordinances shall have the meaning ascribed to them in the Code of Ordinances unless same are expressly defined in this Agreement in which case the definition contained herein shall control. Capitalized terms which

are used and defined in this Agreement shall have the meaning ascribed to them in this Agreement.

ARTICLE II

COMPLIANCE WITH CITY REGULATIONS

Section 2.01 Requirements. The City and Landowner acknowledge and agree that except as expressly waived, modified or abated by this Agreement, all of the City's laws, ordinances (including without limitation, subdivision ordinances), codes, regulations, requirements, technical construction standards and development review procedures and processes (collectively the "**Requirements**") in effect on the Effective Date of this Agreement, except as modified by the terms of this Agreement, and applicable to the Land shall apply to any and all development activity undertaken on the Land (or any portion of the Land) in connection with the Project. It is expressly understood and agreed by the City and MASONWOOD, that the Requirements shall be limited to those which would apply to the Land as a tract of land located in the ETJ of the City and not in the municipal corporate limits of the City, unless this Agreement expressly includes Requirements that apply in the municipal corporate limits of the City but not the ETJ.

Notwithstanding the foregoing terms of this Article II, the following regulations and ordinances or portions of ordinances shall apply to development activity on the Land or any portion of the Land as they are enacted and/or amended by the City from time to time:

- (i) regulations for sexually oriented businesses;
- (ii) fees imposed in conjunction with building or development permits;
- (iii) ordinances incorporating uniform building, fire, electrical, plumbing, and/or mechanical codes, adopted by a national code or international organization and/or local amendments to such codes enacted solely to address imminent threats of destruction of property or injury to persons;
- (iv) Noise Standards (Section 32.05.008 of the Code);
- (v) Signage Requirements (Section 28.01.001, et seq. of the Code);
- (vi) regulations for annexation;
- (vii) regulations for utility connections;

- (viii) regulations to prevent imminent destruction of property or injury to persons, including regulations effective only within a floodplain established by federal flood control programs and enacted to prevent the flooding of buildings intended for public occupancy;
- (ix) construction standards for streets and public works whether located on public or private lands or easements, unless there is a conflict between the standards for the City and the standards for Travis County, in which case the County's standards shall control; and
- (x) solid waste and litter regulations.

Notwithstanding the foregoing terms of this Article II, the following regulations and ordinances or portions of ordinances shall apply to development activity on the Land or any portion of the Land as they are enacted and/or amended by the City from time to time so long as such amendments do not prevent the development from occurring on the Land in general accordance with the Concept Plan:

- (i) Lighting Ordinance (32.05.012 "Lighting and Glare Standards" of the Code);
- (ii) Exterior Design Standards (32.05.005 "Exterior Construction and Design Requirements" of the Code);
- (iii) NPS Permits (Section 30.02.005 of the Code);
- (iv) Concept Plan and Site Plan Review Processes (Section 32.02.006 of the Code) with the exception of 32.02.006(f)(1) and (1)(3)(N);
- (v) Landscaping Requirements (Section 32.05.002 of Code) with the exception of 32.05.002(f)(2). MASONWOOD will not, however, be allowed to remove any Protected Tree, Specimen Tree or Specimen Tree Stand from within the buffer area that would be required under Section 32.05.002(f)(2) of the Code. MASONWOOD may provide additional landscaping within the buffer area;
- (vi) Fencing, Walls and Screening Requirements (Section 32.05.003 of the Code);
- (vii) Parkland and public facility dedication (Section 30.04.004 of the Code). MASONWOOD shall be entitled to credit for park land dedication under this Section for any open space, greenbelt or park areas within the Project, even if not

dedicated to the City, if such areas are dedicated to a homeowner's or similar property owner's association; and

- (viii) Neighborhood Services Zoning Site Development Restrictions (Section 32.03.009 of the Code) with the exception of 32.03.009(e)(3) and (e)(6). This provision shall only be applicable to the Neighborhood Services portions of the Project.

Section 2.02 Allowable Uses of the Land. In addition to the Requirements, the Parties agree that allowable uses of the Land as the Project is developed shall be limited to those uses listed on **Exhibit "C"** attached hereto and incorporated herein and as depicted on the Concept Plan. This Section 2.02 and Exhibit C shall govern and restrict allowable uses only and shall not serve to impose any other site development or land use requirements on the Land; except as other provided as part of the Requirements.

Section 2.03 Development Standards for the Single-Family Tract. In addition to the Requirements, development occurring on the Single-Family Tract shall adhere to the Development Standards as set forth in **Exhibit "D"** attached hereto and incorporated herein.

Section 2.04 Other Development Standards Applicable to the Entire Project. In addition to the Requirements, any development occurring within the Project shall adhere to the Project Development Standards as set forth in **Exhibit "E"** attached hereto and incorporated herein.

ARTICLE III

DEVELOPMENT PLAN

Section 3.01 Phased Development. MASONWOOD intends to develop the Land in phases. MASONWOOD may, in its sole discretion, plat each phase of the Project in multiple, separate subdivision plats. City acknowledges that the portions of the Land not under active development may remain in use for agricultural lands, wildlife lands, or ranching purposes or for the cellular phone tower and associated improvements as exist on a portion of the Land as of the Effective Date.

Section 3.02 Concept Plan and Exceptions.

Concept Plan. For purposes of this Agreement, the Concept Plan means and includes the general development plan laid out on **Exhibit "B"** attached hereto. City hereby confirms its approval of the Concept Plan. Provided however, that the actual location of single family lots are not approved as part of the Concept Plan. The approval of the location of lots will be approved as

part of future City approvals associated with site plan approval, development plat approval or subdivision plat approval as applicable. The configuration and location of the single-family lots as shown on the Concept Plan is for illustrative purposes and the Concept Plan shall not control or mandate the location, configuration, or concentration of lots within the Single-Family Tract. The City's Subdivision Ordinance, except as expressly modified herein, shall control the configuration, location and concentration of lots within the Single-Family Tract and approval of the configuration, location and concentration of the single family lots will occur within the City's ordinary process for subdivision and plat approval. The maximum number of lots (304) which are allowed for development in the Single Family Tract does not guarantee that 304 lots may actually be developed within the Single Family Tract. The actual number of lots that can be developed will depend upon compliance with the configuration, location, concentration and other regulations contained within the Subdivision Ordinance. MASONWOOD is guaranteed the right to develop the 60, 70 and 80 foot size lots according to the percentages expressed in Exhibit "D".

a. City acknowledges that the Concept Plan generally complies with the City's Comprehensive Plan, as amended; approves the land uses, densities, exceptions, utility and roadway alignments and sizing and other matters shown on the Concept Plan to the extent that they comply with the Requirements as modified by this Agreement. MASONWOOD confirms that the Concept Plan complies with the Requirements except as expressly stated and described herein. No specific development contemplated by, or indicated on the Concept Plan may be undertaken or commenced unless same complies and has been approved by the City in accordance with the Requirements as modified by this Agreement. Specifically, no development may be undertaken on the Land until such time as the required permit or permits meeting the Requirements, as modified by this Agreement, has been submitted and approved by the City in accordance with the procedures set forth in the Requirements.

b. **Exceptions\Variances.** By its authority as set forth in Section 30.02.004(a) of the Code, the City, by its approval of this Agreement confirms that it has made necessary findings and hereby grants and approves the exceptions, waivers, variances, and credits to City development regulations, ordinances, and Requirements for the Project as follows:

(i) MASONWOOD shall have the right to develop the Land to those densities, lot sizes, setbacks, and other development standards as described herein and in Exhibit D, E and F.

(ii) Buildings within the Project may be constructed to a maximum height of forty feet (40'). Notwithstanding the forgoing, any multi-family or apartment buildings built on the Land may not exceed a total of three (3) stories or a height of forty feet (40') unless the multi-family or apartment building is built with pitched roofs, in which case the maximum height may be forty-five (45'). Notwithstanding the forgoing, it is

acknowledged and agreed that chimneys do not count toward the maximum height of multi-family or apartment buildings;

(iii) Impervious cover calculations for the Land, pursuant to Section 20.04.044 and other applicable Sections of the Code of Ordinances shall be calculated for the Project as a whole such that portions of the Project may exceed the allowable impervious as long as the entire Project does not exceed the total impervious cover allowed by Code. For example, the Neighborhood Services Tract may contain more than 40% impervious cover as long as the overall total impervious cover for the Project does not exceed 40%. Furthermore, up to a maximum of five acres of impervious cover from the Land may be transferred to the approximately 136.059 acre tract of land abutting the Land and owned by Lake Travis Independent School District and further described in Document Number 2010014061 of the Real Property Records of Travis County, Texas (the "LTISD Land"). Transfers of impervious cover from the Land to the LTISD Land shall be allowed to be made as if the LTISD Land were part of and included within the Land and without any reduction or penalty such as required in Section 20.04.043(c) of the Code or any similar provision of the Code. The transfer of impervious cover from the Land to the LTISD Land may occur before, after or concurrently with the addition of land from the LTISD Land to the Land as described to in Section 3.05 below. Provided however, transfer of five acres of impervious cover to LTISD shall only occur if the Project has such impervious cover acreage available to transfer and such impervious cover must be treated to the City's NPS pollution control standards.

(iv) Impervious cover calculations for the Project shall not include:

- a.) Any impervious cover associated with Vail Divide for the portion of Vail Divide that is built or proposed to be built outside of the Land and which is shown on Page 2 of the Concept Plan as "Offsite Portion of Vail Divide"; or
- b.) Any impervious cover associated with Vail Divide in the area labeled on the Concept Plan as ROW Reserve – Vail Divide.

Subject to the limitations set forth above, impervious cover calculations shall be based on the Code requirements of 40% of the site area in accordance with the City's NPS ordinance;

(v) For any commercial or multi-family development contained within the Project, cut and fill shall be allowed not exceeding ten (10) feet unless a variance is granted to allow cut and fill to exceed ten (10) feet;

(vi) Any other provisions that are approved as part of this Agreement and which represent a variance from Code.

c. **Changes to the Concept Plan.** MASONWOOD must submit any proposed Major Amendment to the Concept Plan or the terms of this Agreement to the City for approval. If the change is a Minor Change then approval or denial may be given by the City Administrator, subject to the review process set forth in Section 3.03. If the change is not a Minor Change, then approval of such change must be sought in accordance with the procedures, processes and provisions of the Requirements and the Code. For purposes of this Agreement a “**Minor Change**” shall mean any of the following changes to the Concept Plan as long as such change does not result in the Project being in violation of the Requirements or this Agreement:

- (i) adjustments to road alignments that do not exceed twenty-five feet (25') from the alignment shown on the Concept Plan;
- (ii) increase or decrease in the size of the Neighborhood Services Tract, Multi-Family Tract or the Single-Family Tract as shown on the Concept Plan as long as such increase or decrease in size does not exceed ten percent (10%) of the total size of the tract as shown on the Concept Plan; or
- (iii) development of the Multi-Family Tract or the Neighborhood Services Tract as single-family lots, along with an increase in the maximum number of lots according to the lot size percentages for the Project described in Exhibit D, provided the allowable impervious cover for the Project does not increase and such development otherwise complies with all terms and conditions of this Agreement, including, without limitation, the Single Family Tract Development Standards set forth in Exhibit D and the Single Family Tract Architectural Standards set forth in Exhibit D-1.

A Major Amendment is any amendment or change to the Development Agreement that is not a Minor Change.

Section 3.03 Review Process. For purposes of this Section 3.03, completeness of any application and the term of any permit or approval will be evaluated in accordance with this Agreement and the City Code of Ordinances applicable to such permits or approvals. Provided however, that the term for approval of the Concept Plan shall coincide with the term of this Agreement.

Section 3.04 Review/Submittal Fees. Nothing herein shall be deemed to limit the fees which the City may charge in connection with prospective development activity on the Land including without limitation any and all application review building and development fees which may be established by the City from time to time and which are applicable to the Project. All such fees shall be paid at the time the requesting party requests the City to undertake the action for which

the fee is established. The amount of the fee owed by the requesting party with respect to any specific action requested of the City shall be based on the City fee schedule and payment policy in effect at the time the request for the specific action is made, provided however, that any development fees received by the City from the Landowner for review of this Project prior to the date of this Agreement will be credited against any development fees due to the City for review of the Project after the date of this Agreement.

Section 3.05 Addition of Property to the Land. At any time during the Term, MASONWOOD may add a portion of the LTISD Land not exceeding fifteen (15) acres to the Project and, upon such addition, such portion of the LTISD Land shall be considered part of the Land for all purposes of this Agreement. If any of the LTISD Land is added to this Agreement it will be subject to and benefit from all provisions and requirements of this Agreement. If such land is added to the Agreement, it will be allowed to include the same uses identified in Exhibit C for the Neighborhood Services Tract. In order to be effective, the addition of such land to the Agreement must be in writing in the form of a Notice to include the Additional Land (the "Notice"), signed by the owner of the Land and the Additional Land, legally describing the land being added to the Agreement and being recorded in the Real Property Records of Travis County, Texas. Prior to recording the Notice, MASONWOOD shall be required to provide it to the City Administrator. The City Administrator shall have the right to review and approve the Notice, such approval not to be unreasonably withheld or delayed, prior to its recordation. Upon such recordation, the addition of such portion of the LTISD Land to this Agreement shall be considered final and official.

Section 3.06 Term of Approvals. The Concept Plan, variances and approvals granted in this Agreement will be effective for the term of this Agreement, including any renewals as provided by Section 7.01.

ARTICLE IV DISTRICT CREATION AND ANNEXATION

Section 4.01 Consent to Creation of District. The City acknowledges receipt of MASONWOOD's request attached hereto as **Exhibit F**, in accordance with Section 54.016, Texas Water Code and Section 42.042, Texas Local Government Code, for creation of a municipal utility district (the "District") over the entirety of the Land described in Exhibit "A". On the Effective Date of this Agreement, the City has approved the resolution attached as **Exhibit G** (the "Consent Resolution") consenting to the inclusion of the Land described in Exhibit "A" within the proposed District. The City agrees that **Exhibit G** will constitute and evidence the City's consent to the creation of the District within its extraterritorial jurisdiction. No further action will be required on the part of the City to evidence its consent; however, the

City agrees to provide any additional confirmation of its consent that may be required by MASONWOOD or the District if requested to do so, including without limitation executing the Consent Resolution attached as **Exhibit G** for the District if required by the Texas Commission on Environmental Quality (“TCEQ”).

Section 4.02 Annexation.

The City agrees that it will not annex the Land until the earlier of, (i) twenty (20) years from the Effective Date of this Agreement; or (ii) the date when water, wastewater, street and drainage facilities have been completed to serve at least 90% of the developable acreage within the Land and either MASONWOOD has been reimbursed by the District for the water, wastewater, street and drainage facilities in accordance with the rules of the TCEQ, or the City or a third-party utility provider has expressly assumed the obligation to reimburse MASONWOOD under those rules. The City agrees that a request for annexation will not be required to be submitted with any final plat of property within the Land. MASONWOOD agrees that it will voluntarily request annexation into the City when and if City requests that the Land be annexed into the City according to the terms of this section and this requirement shall be binding on any subsequent landowner.

ARTICLE V

VAIL DIVIDE EXTENSION

Section 5.01 Vail Divide. City and MASONWOOD agree as follows with regard to the extension of the proposed roadway known as Vail Divide as it relates to the Property and as it is generally depicted on the Concept Plan:

a. MASONWOOD shall not be required to construct any portion of Vail Divide, except as necessary to provide access to the Project as shown on the Concept Plan and as may be required by a Traffic Impact Study conducted in accordance with the Requirements. The City shall not require MASONWOOD to build the portion of Vail Divide shown as “ROW Reserve – Vail Divide”. That portion of Vail Divide is only shown on the Concept Plan in case the LTISD or a governmental entity chooses to construct Vail Divide along such route. Such area shall remain open and unobstructed by improvements that would obstruct the extension of Vail Divide and shall be restricted to use as right-of-way or interim use that does not conflict with such interim use. Such restriction must appear in any final plat for the Project or other instrument recorded in the Real Property Records of the County.

b. any portions of Vail Divide completed by MASONWOOD will be required to be dedicated to Travis County or the City as applicable.

c. the City's Comprehensive Plan categorizes Vail Divide as a Minor Arterial, requiring 92 feet of right-of-way. MASONWOOD shall not be obligated to build the portion of Vail Divide shown on the Concept Plan as ROW Reserve – Vail Divide. However, if Vail Divide is built in such area, the City and MASONWOOD agree that no more than half of the necessary right-of-way for Vail Divide will be required to be dedicated from the Land by MASONWOOD, and in no event shall the right-of-way required from the Land for ROW Reserve-Vail Divide exceed 46 feet in width as is generally shown on the Concept Plan.

d. MASONWOOD shall be required to provide detention according to Code and water quality treatment according to the NPS ordinance for all stormwater drainage associated with the Offsite Portion of Vail Divide as shown on the Concept Plan or as otherwise required to be constructed according to the Traffic Impact Study (except for any part of such roadway that was built by LTISD and is already treated for water quality and treated by LTISD). MASONWOOD shall not be required to provide detention or water quality treatment for any portion of Vail Divide in the area shown as "ROW Reserve – Vail Divide" on the Concept Plan.

ARTICLE VI

AUTHORITY AND VESTING OF RIGHTS

Section 6.01 Authority. This Agreement is entered into, in part, under the statutory authority of *Section 54.016 of the Texas Water Code and Sections 42.042, 212.172, and 402.014 of the Texas Local Government Code, Chapter 212, Subchapter G, Texas Local Government Code; Chapter 43, Texas Local Government Code, Chapter 245, Texas Local Government Code*, and such other statutes as may be applicable. The Parties intend that this Agreement shall guarantee the extraterritorial jurisdiction status of the Land as provided in this Agreement, authorize certain land uses and development on the Land, provide for the uniform review and approval of plats and development plans for the Land, provide exceptions to certain ordinances as described herein, and provide other terms and consideration including the continuation of land uses and for zoning upon the eventual annexation of the Land to City. City acknowledges and agrees that it has authority under the *Texas Water Code, Texas Local Government Code* and other applicable ordinances or statutes to enter into this Agreement.

Section 6.02 Vesting of Rights. This Agreement constitutes an application for a permit by MASONWOOD for the development of the Project and initiates the development permit process for the Project described herein under Chapter 245 of the Texas Local Government Code. City

acknowledges that MASONWOOD has vested authority to develop the Project in accordance with this Agreement. It is the intent of City and MASONWOOD that these vested development rights include, without limitation, the character of land uses, the number of single family and multi-family units and the amount of commercial development, the general location of roadways, the design standards for streets and roadways, and development of the Land in accordance with the Concept Plan and as set forth in this Agreement and the applicable Requirements as described in Section 2.01. Landowner waives any vesting of development rights which may have occurred prior to the execution of this Agreement.

Section 6.03 Landowner's Right to Continue Development. In consideration of MASONWOOD'S agreements hereunder, City agrees that it will not during the term of this Agreement, impose or attempt to impose: (a) any moratorium on building or development within the Project; or (b) any land use or development regulation that limits the rate or timing of land use approvals, whether affecting preliminary plats, final plats, site plans, building permits, certificates of occupancy or other necessary approvals, within the Project. The preceding sentence does not apply to temporary moratoriums uniformly imposed throughout City due to an emergency constituting imminent threat to the public health or safety, provided that such a moratorium will continue only during the duration of the emergency.

ARTICLE VII

TERM ASSIGNMENT AND REMEDIES

Section 7.01 Term. The term of this Agreement will commence on the Effective Date and continue for fifteen (15) years, unless terminated on an earlier date under other provisions of this Agreement or by written agreement of City and MASONWOOD. Upon the expiration of fifteen (15) years, this Agreement shall be extended upon request by MASONWOOD, for up to two (2) successive fifteen (15) year periods.

Section 7.02 Termination and Amendment by Agreement. This Agreement may be terminated or amended as to all of the Land at any time by mutual written consent of City and MASONWOOD, or may be terminated or amended only as to a portion of the Land by the mutual written consent of City, the owners of the portion of the Land affected by the amendment or termination, and MASONWOOD. In addition, MASONWOOD or the then owner of the Land may terminate this Agreement at any time prior to development occurring on the Land if such party determines, in its sole discretion, that it is not beneficial for such party to proceed with the Project in accordance with the terms of this Agreement. If such party terminates this Agreement at a time when any site plan has been approved for any contemplated development activity on the Land, such termination shall render any approved site plan void and no development approved on the site plan shall be undertaken on the Land.

If MASONWOOD does not close on the Land or its contract to purchase the Land is terminated, then the current owners of the Land (Aubrey Grumbles, Paulette Grumbles and Robert Grumbles) shall have the option, exercisable by written notice to City within 60 days of the termination (the "Option Period") of MASONWOOD's contract to purchase the Land, to either succeed to all rights and obligations of MASONWOOD and be substituted for MASONWOOD for all purposes under this Agreement, or assign this Agreement to a new developer/purchaser of the Land who assumes all of the rights and obligations of MASONWOOD hereunder. This Agreement will automatically terminate if the City does not receive written notice from the current owners of the Land of their intention to succeed to the rights and obligations of MASONWOOD under this Agreement or receive written proof of the assignment and acceptance of rights and obligations of this Agreement from a subsequent developer/purchaser before the expiration of the Option Period.

Notwithstanding any other provisions stated in this Agreement, the owners of the Land at the Effective Date execute and join in this Agreement solely for purpose of evidencing their consent to MASONWOOD's efforts to obtain development approvals from the City prior to closing of the sale of the Land to MASONWOOD, but do not assume for themselves or their Land any obligations whatsoever except as specifically stated in the provisions of Section 7.02 dealing with the option to assume the Agreement in the event MASONWOOD does not purchase the Land.

In the event that the Agreement is terminated as to the Land, or if applicable, a portion of the Land, for any reason other than City's default, then any future development on the Land or applicable portion of the Land subject to the termination shall not have any right to development afforded pursuant to Article VI.

Section 7.03 Assignment.

a. This Agreement, and the rights and obligations of MASONWOOD, in whole or in part, may be assigned by MASONWOOD to a subsequent owner, developer and/or builder of all or a portion of the Land upon written notice to City. Any assignment will be in writing, specifically set forth the assigned rights and obligations and be executed by the proposed assignee.

b. MASONWOOD will provide to City at least fifteen (15) days advance written notice of any assignment or partial assignment of MASONWOOD'S rights and obligations under this Agreement. If MASONWOOD assigns its rights and obligations as to a portion of the Land, then the rights and obligations of any assignee and MASONWOOD will be severable and MASONWOOD will not be liable for the nonperformance of the assignee and vice versa. In the case of nonperformance by one developer, City may pursue all remedies against that

nonperforming developer but will not impede development activities of any performing developer as a result of that nonperformance. This Agreement is not intended to create any encumbrance to title as to any ultimate consumer who purchases any portion of the Land.

Section 7.04 Remedies.

a. If City defaults under this Agreement, MASONWOOD shall provide notice of such default by stating, in writing, the specific nature of the default and any action required to cure the default. If such default remains uncured after thirty (30) days, MASONWOOD may (i) enforce this Agreement by seeking specific performance from a Travis County District Court; (ii) terminate this Agreement by providing written notice of such termination to City as to all of the Land owned by MASONWOOD, or as to the portion of the Land affected by the default; or (iii) pursue injunctive relief to cure the default from a court of proper jurisdiction.

b. If MASONWOOD defaults under this Agreement, City shall provide notice of such default by stating, in writing, the specific nature of the default and any action required to cure the default. If such default remains uncured after thirty (30) days, or thereafter MASONWOOD fails to diligently pursue such cure to completion, City may terminate this Agreement or seek injunctive relief or specific performance from a court of proper jurisdiction.

c. Each Party waives any action for damages against the other except for the recovery of attorney's fees, as per subparagraph d below.

d. If either Party defaults, the prevailing Party in the dispute will be entitled to recover its reasonable attorney's fees, expenses and court costs from the non-prevailing Party.

e. If a default is by an assignee of only a part of the Land and Project, the only default is by such assignee, this Agreement may be terminated only as to the part or portion of the Land and the Project on which the assignee is in default.

Section 7.05 Cooperation.

a. City and MASONWOOD each agree to cooperate with each other as may be reasonably necessary to carry out the intent of this Agreement, including but not limited to, the execution of such further documents as maybe reasonably necessary.

b. City agrees to cooperate with MASONWOOD at MASONWOOD'S expense, in connection with any waivers, permits or approvals MASONWOOD may need or desire from LCRA, Travis County, TCEQ, United States Environmental Protection Agency,

United States Fish Wildlife Service, or any other regulatory authority in order to carry out the development of the Project or the Concept Plan.

c. In the event of any third Party lawsuit or other claim relating to the validity of this Agreement or any actions taken hereunder, MASONWOOD and City agree to cooperate in the defense of such suit or claim and to use their respective reasonable efforts to resolve the suit or claim without diminution in their respective rights and obligations under this Agreement. MASONWOOD and City will each be responsible for its own attorney's fees and other expenses which may be incurred in connection with any such lawsuit or claim.

d. MASONWOOD or City may initiate mediation on any issues in dispute between MASONWOOD and City, and the other Party shall participate in good faith. The cost of mediation shall be a joint expense.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.01 Notice. Any notice given under this Agreement must be in writing and may be given: (i) by depositing it in the United States mail, certified, with return receipt requested, addressed to the Party to be notified and with all charges prepaid; (ii) by depositing it with Federal Express or another service guaranteeing "next day delivery," addressed to the Party to be notified and with all charges prepaid; (iii) by personally delivering it to the Party or any agent of the Party listed in this Agreement; or (iv) by facsimile with confirming copy sent by one of the other described methods of notice set forth. Notice by United States mail will be effective on the earlier of the date of receipt or three (3) days after the date of mailing. Notice given in any other manner will be effective only when received. For purposes of notice, the addresses of the Parties will, until changed as provided below, be as follows:

City: City of Bee Cave
Attn: City Administrator
4000 Galleria Parkway
Bee Cave Texas 78738

With Required
Copy to: Ms. Patty Akers, City Attorney
Akers & Boulware-Wells, L.L. P.
6618 Sitio Del Rio Blvd.
Building E, Suite 102
Austin Texas 78730

MASONWOOD:

Masonwood 71, Ltd.
1004 MoPac Circle, Ste. 201
Austin, Texas 78746

With Required
Copy to:

William P. McLean
McLean & Howard, LLP
Barton Oaks Plaza, II
901 S. MoPac Expressway, Ste. 225
Austin, Texas 78746

The Parties may change their respective addresses to any other address within the United States of America by giving at least five (5) days' written notice to the other Party. MASONWOOD may, by giving at least five (5) days' written notice to City, designate additional Parties to receive copies of notices under this Agreement.

Section 8.02 Severability; Waiver. If any provision of this Agreement is illegal invalid or unenforceable, under present or future laws it is the intention of the Parties that the remainder of this Agreement not be affected, and, in lieu of each illegal, invalid, or unenforceable provision that a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal invalid or enforceable provision as is possible. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 8.03 Applicable Law and Venue. The interpretation, performance, enforcement and validity of this Agreement is governed by the laws of the State of Texas. Venue will be in a court of appropriate jurisdiction in Travis County, Texas.

Section 8.04 Entire Agreement. This Agreement contains the entire agreement of the Parties. There are no other agreements or promises, oral or written, between the Parties regarding the subject matter of this Agreement. This Agreement can be amended only by written agreement signed by the Parties. This Agreement supersedes all other agreements between the Parties concerning the subject matter.

Section 8.05 Time. Time is of the essence of this Agreement. In computing the number of days for purposes of this Agreement, all days will be counted including Saturdays, Sundays and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday or legal holiday.

Section 8.06 Authority for Execution. City certifies, represents and warrants that the execution of this Agreement is duly authorized and adopted in conformity with City ordinances. MASONWOOD hereby certifies, represents and warrants that the execution of this Agreement is duly authorized and adopted in conformity with the articles of incorporation and bylaws or partnership agreement of each entity executing on behalf of MASONWOOD.

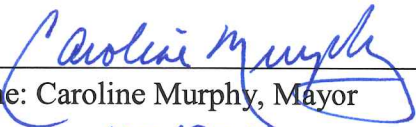
Section 8.07 Exhibits. The following exhibits are attached to this Agreement and made apart hereof for all purposes:

- Exhibit "A" The Land
- Exhibit "B" The Concept Plan
- Exhibit "C" Allowable Uses
- Exhibit "D" Single-Family Tract Development Standards
- Exhibit "E" Project Development Standards
- Exhibit "F" Developer's District Request
- Exhibit "G" District Consent Resolution

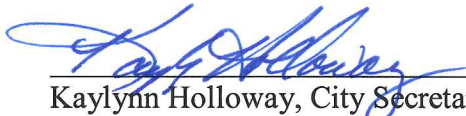
{Signatures on following page}

The undersigned Parties have executed this Agreement on the dates indicated below.

**CITY OF BEE CAVE, TEXAS,
A general law municipality**

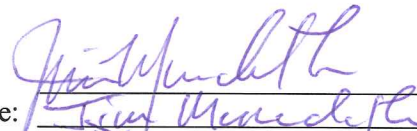
By: 
Name: Caroline Murphy, Mayor
Date: 10-18-11

ATTEST:


Kaylynn Holloway, City Secretary

**MASONWOOD 71, LTD.,
a Texas limited partnership**

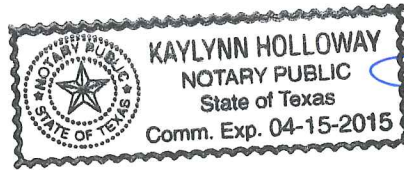
By: Masonwood 71, G.P., LLC,
a Texas limited liability company,
its general partner

By: 
Name: Tim Meredith
Title: P.Z.C.S.
Date: 10/11/11

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me the 18th day of October, 2011, by Credence Murphy, Mayor of the City of Bee Cave, Texas, a general law municipality.

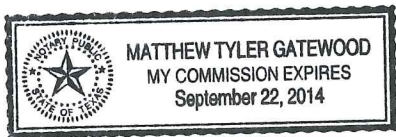


[Signature]
Notary Public Signature

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me the 11th day of October, 2011, by Jim Meredith, Manager of Masonwood 71, G.P., L.L.C., a Texas limited liability company and general partner for Masonwood 71, Ltd.

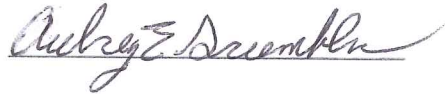


[Signature]
Notary Public Signature

Joinder by Grumbles:

The owners of the Land at the Effective Date execute and join in this Agreement for all purposes.

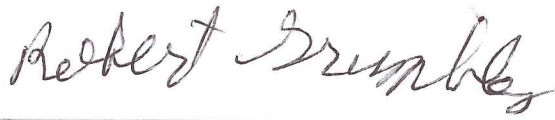
AUBREY E. GRUMBLES



PAULETTE S. GRUMBLES



ROBERT W. GRUMBLES

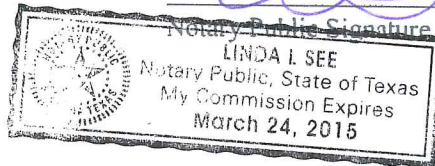


STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me the 18th day of Sept, 2011, by Robert Grumbles.

[Handwritten Signature]



STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me the 12th day of Sept, 2011, by Paulette Grumbles.

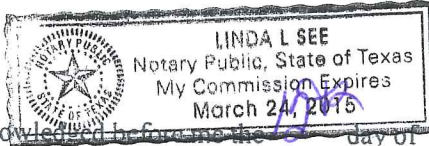
[Handwritten Signature]

Notary Public Signature

STATE OF TEXAS §

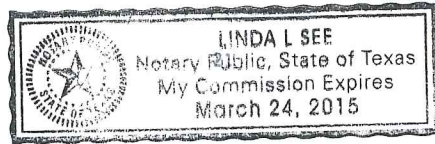
COUNTY OF TRAVIS §

This instrument was acknowledged before me the 12th day of Sept, 2011, by Aubrey Grumbles.



[Handwritten Signature]

Notary Public Signature



Development Agreement

Exhibit A

78.37 Acres

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE J. REYNOLDS SURVEY No. 44, BEING ALL OF THAT 78.04 ACRE TRACT OF LAND CONVEYED TO AUBREY ELTON GRUMBLES BY DEED RECORDED IN DOCUMENT No. 2007217321 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN at a 1/2" iron rod set at Texas State Plane Coordinates Central Zone N=10087021.85 and E=3036067.76 in the South Right of Way Line of Highway No. 71 (a right of way 150 feet wide at this point) at the Northeast Corner of that 74 Acre Tract conveyed to Artie Grumbles by deed recorded in Volume 1951, Page 246 of the Travis County Deed Records, and at the Northwest Corner of the said 78.04 Acre Tract, from which point a concrete right of way monument bears N.84°33'54"W., 1108.38 feet and the Northwest Corner of the said 74 Acre Tract bears N.84°33'54"W., 939.18 feet;

THENCE S.84°33'54"E., along the South Line of Highway 71 and the North Line of the 78.04 Acre Tract, at 696.34 feet pass a concrete right of way monument, in all a distance of 776.38 feet, to a 1/2" iron rod set at the Northwest Corner of that one acre tract described as the save and except rectangular square of land being 210 feet in length on each side

THENCE S.28°21'04"W., along the West Line of the One Acre Tract, a distance of 210.00 feet to a 1/2" iron rod set at the Southwest Corner of said One Acre Tract;

THENCE S.84°33'54"E., along the South Line of the One Acre Tract, a distance of 210.00 feet to a 1/2" iron rod set at the Southeast Corner of said One Acre Tract and to a point in the East Line of the said 78.04 Acre Tract;

THENCE S.28°21'04"W., along said East Line, a distance of 3697.19 feet to a 1/2" iron rod found in the North Line of R. M. 3238 (Hamilton Pool Road) at the Southeast Corner of said 78.04 Acre Tract;

THENCE S.71°44'33"W., along the South Line of the said 78.04 Acre Tract and the North Line of R. M. 3238, a distance of 42.97 feet to a concrete right of way monument found;

THENCE S.79°33'37"W., along the South Line of the said 78.04 Acre Tract, the North Line of that 5.5 Acre Tract conveyed to Philip Cook by deed recorded in Volume 11766, Page 129 of the Real Property Records of Travis County, Texas, and along a fence, a distance of 170.29 feet to a large cedar fence post;

78.37 Acres

THENCE along the South Line of the said 78.04 Acre Tract and the North Line of the 5.5 Acre Tract, the following two courses:

1. N.64°34'26"W. a distance of 353.45 feet to a large cedar fence post;
2. N.62°48'55"W. a distance of 367.77 feet to a 1/2" iron rod set in the fence at the Southwest Corner of the 78.04 Acre Tract and the Southeast Corner of the said 74 Acre Tract;

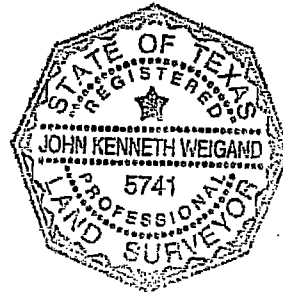
THENCE N.27°57'11"E., along the West Line of the 78.04 Acre Tract and the East Line of the 74 Acre Tract, a distance of 3686.62 feet to the said Point of Beginning.

Containing 78.37 acres, more or less, as shown on the survey attached.

John K. Weigand 5.31.2011

J. Kenneth Weigand
Registered Professional Land Surveyor No. 5741
State of Texas

RJ Surveying & Associates, Inc.
1212 East Braker Lane
Austin, Texas 78753



All iron rods set have "RJ Surveying" cap
Bearings are Texas State Plane Central Zone

69.22 Acres

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE J. REYNOLDS SURVEY No. 44, AND BEING ALL OF THAT TRACT OF LAND SAID TO CONTAIN 75 ACRES CONVEYED TO ROBERT WELDON GRUMBLES BY DEED RECORDED IN DOCUMENT No. 2007217320 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN at a 1/2" iron rod set at Texas State Plane Central Zone coordinates N=10087110.80 feet and E=3035132.80 feet in the South Line of Highway 71 (a right of way 150 feet wide at this point) at its intersection with the West Line of the said J. Reynolds Survey, the same being the Northwest Corner of the said 75 Acre Tract and the Northeast Corner of that 136.059 Acre Tract conveyed to Lake Travis Independent School District by deed recorded in Document No. 2010014061 of the Official Public Records of Travis County, Texas, from which point a concrete right of way monument bears N.84°33'54"W., 169.20 feet;

THENCE S.84°33'54"E., along the South Line of Highway 71 and the North Line of the said 75 Acre Tract, a distance of 939.18 feet to a 1/2" iron rod set at the Northeast Corner of the 75 Acre Tract and the Northwest Corner of that 78.04 Acre Tract conveyed to Aubrey Eldon Grumbles by deed recorded in document No. 2007217321 of the Official Public Records of Travis County, Texas;

THENCE S.27°57'11"W., along the East Line of the 75 Acre Tract and the West Line of the 78.04 Acre Tract, a distance of 3686.62 feet to a 1/2" iron rod set in a fence at the Southeast Corner of the 75 Acre Tract and the Southeast Corner of the 78.04 Acre Tract;

THENCE N.62°41'03"W., along the South Line of the said 75 Acre Tract, the North Line of that 5.5 Acre Tract conveyed to Philip Cook by deed recorded in Volume 11766, Page 129 of the Real Property Records of Travis County, Texas, and along a fence, a distance of 700.17 feet to a large cedar fence post;

THENCE N.01°19'47"E., along the fence, the same being the common Line of the 75 Acre Tract and the 5.403 Acre Tract, a distance of 223.18 feet to a large cedar fence post at the Southeast Corner of the said 136.059 Acre Tract conveyed to Lake Travis Independent School District;

THENCE along the West Line of the 75 Acre Tract, the East Line of the said 136.059 Acre Tract, and along the fence, the following five courses:

69.22 Acres

1. N.18°31'36"E. a distance of 298.33 feet to a 1/2" iron rod with "Delta Surveying" cap;
2. N.25°36'46"E. a distance of 291.24 feet to a 1/2" iron rod with "Delta Surveying" cap;
3. N.26°43'33"E. a distance of 341.43 feet to a spindle found;
4. N.27°21'01"E. a distance of 741.15 feet to a 1/2" iron rod with "Delta Surveying" cap;
5. N.28°16'56"E. a distance of 1467.47 feet to the said Point of Beginning.

Containing 69.22 acres, more or less, as shown on the survey attached.

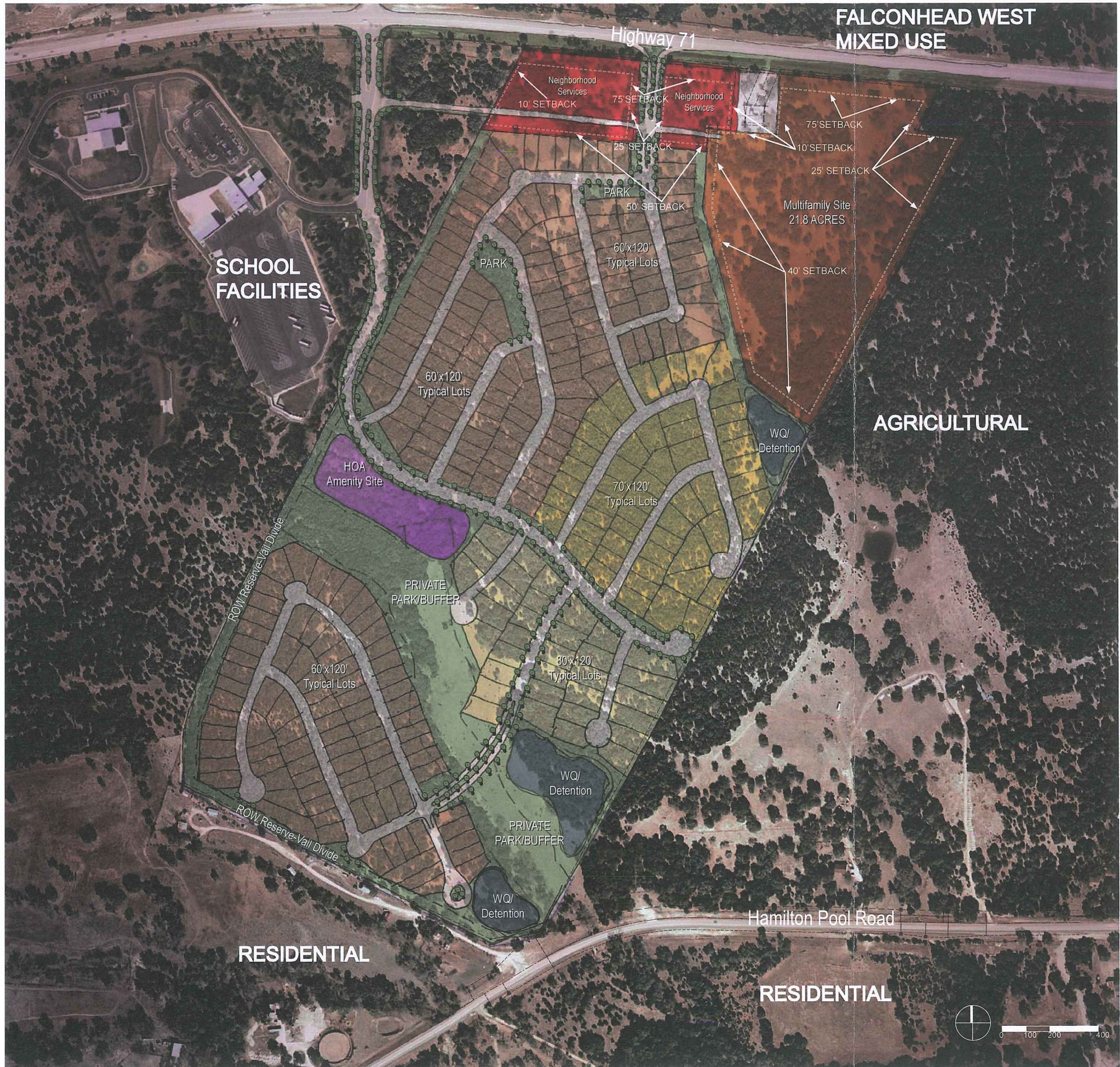
John K. Weigand 5-31-2011

John Kenneth Weigand
Registered Professional Land Surveyor No. 5741
State of Texas



RJ Surveying & Associates, Inc.
1212 East Braker Lane
Austin, Texas 78753

Bearings are Texas State Plane Central Zone
All iron rods set have "RJ Surveying" cap



**GRUMBLES TRACT
MASONWOOD 71, LTD - BEE CAVE, TEXAS**
Conceptual Master Plan

NOTE:
PROJECT TO BE DEVELOPED IN PHASES

LOT MIX	
80' x 120'	34 Lots
70' x 120'	53 Lots
60' x 120'	217 Lots
Total Lots	304 Lots +/-
SITE DATA	
<u>Existing:</u>	
Total Acreage:	147.59
Net Acreage:	135.34
Allowable Impervious Cover:	54.14 ac.
<u>Proposed:</u>	
<u>Single Family:</u>	
Total Lots:	304 @ 2,500 sq. ft. per Lot = 17.5 ac. I.C.
Total Linear Footage of Streets:	19,594 LF => 14.3 ac. I.C.
(BLVD: 2,101 LF, 129,426 SF; LOCAL: 17,493 LF, 494,918 SF)	
Amenity Site:	1.0 ac. I.C.
Total Proposed single family acreage impervious area:	+/- 32.8 acres
<u>Multifamily:</u>	
Total Acreage:	21.8
Total Proposed impervious area:	+/- 9.8 acres
<u>Neighborhood Services:</u>	
Total Acreage:	7.6
Total Proposed impervious area:	+/- 6.1 acres
(80% of gross area)	
Total Proposed Impervious Cover:	+/- 48.7 acres
Note: The data presented herein is subject to review and verification by the City of Bee Cave.	

THIS INFORMATION IS BASED ON THE BEST AVAILABLE INFORMATION AND IS SUBJECT TO CHANGE WITHOUT NOTICE

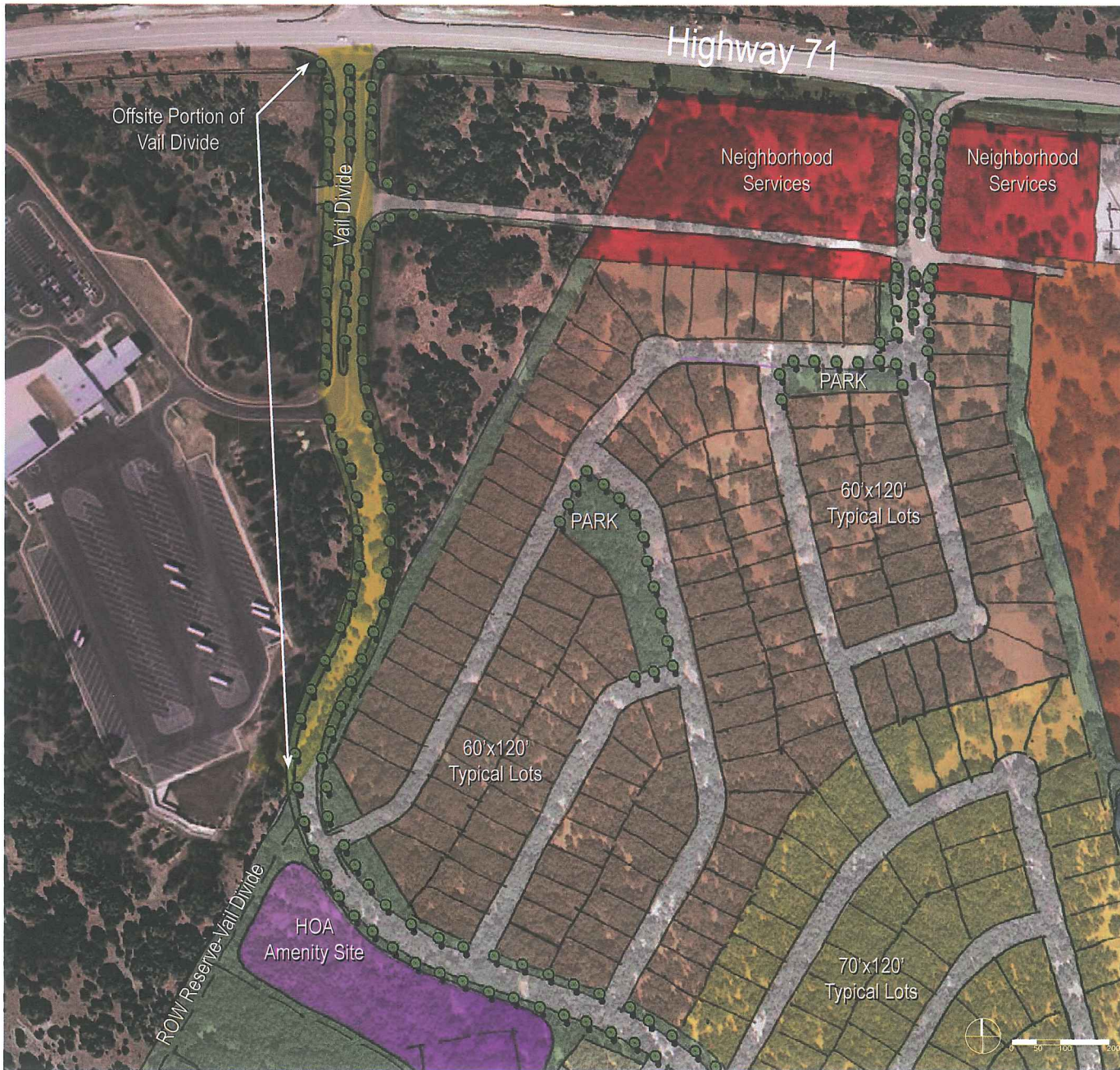


EXHIBIT “C”
Allowable Uses Table

The following table provides for the uses that shall be allowed for the Land as the Project is developed. All uses of the Land existing at the Effective Date of the Agreement shall be permitted to continue on the Land including, without limitation, the agricultural, wildlife or ranching activities, or the cellular phone tower and associated improvements as existing on the Land as of the Effective Date.

1. The Neighborhood Services Tract: Any of the following land uses shall be allowed on the portion of the Land depicted as “Neighborhood Services” on the Concept Plan:

- All uses that are Permitted under the Neighborhood Service District (NS) as defined in Section 32.03.009 of the Code and Section 32.04.001 of the Code. Any Conditional Uses under Neighborhood Service District shall be Conditional Uses for the Neighborhood Services Tract.
- Restaurant, including drive through and in vehicle service
- Bank with drive-through teller service
- Gas station including convenience store
- Any uses that are allowed for the Single-Family Tract

2. The Multi-Family Tract: Any of the following land uses shall be allowed on the portion of the Land depicted as “Multi-Family” on the Concept Plan:

- All uses that are Permitted under the Multi-Family Residential – 1 District (MF-1) as defined in Section 32.03.007 of the Code and Section 32.04.001 of the Code. Any Conditional Uses under Multi-Family Residential - 1 District shall be Conditional Uses for the Multi-Family Tract.
- All uses that are permitted for the Single-Family Tract.

3. The Single-Family Tract: Any of the following land uses shall be allowed on the remaining portion of the Land that is shown on the Concept Plan as being developed into subdivided, residential lots. Any Conditional Uses under any of the following described Districts shall be Conditional Uses for the Single-Family Tract.:

- Single-Family Rural Residential (SF-RR) (Section 32.03.003)
- Single-Family Residential - 20 (SF-20) (Section 32.03.004)
- Single-Family Residential-Patio Home (SF-PH) (Section 32.03.005)

EXHIBIT "D"
Single-Family Tract Development Standards

The following Development Standards shall be applicable to the development of the Single-Family Tract. To the extent that any of the following standards conflict with the Code, the following shall control. Capitalized terms contained herein shall be defined as indicated in this Ordinance and these Development Standards, as reflected on the Concept Plan or as defined in the City of Bee Cave Code of Ordinances, depending upon context.

1. General Intent

The intent for the Single-Family Tract is to incorporate development standards consistent with the quality standards utilized in typical single family City of Bee Cave developments. The Single-Family Tract shall be designed and constructed as a single-family detached residential development including up to a maximum of 304 residential lots, together with open space, amenity, water quality and detention facilities, and accessory uses, as generally depicted on the Concept Plan.

2. Maximum Number of Lots. The maximum number of lots allowed to be built as part of the Project shall be 304, all of which must be located on the Single-Family Tract. Notwithstanding the forgoing, the number of single-family lots within the Project may be increased above 304 if MASONWOOD elects to develop lots on either the Neighborhood Services Tract or the Multi-Family Tract in accordance with the terms of Section 3.02 of the Agreement. In no event shall the number of single-family lots built on the Single-Family Tract exceed 304.

3. Lot Sizes\Minimum Percentages. The permissible lots sizes for the Project will be as set forth below (expressed in number of feet). The Project shall not contain more than 71.4% of the lots that are 60 feet x 120 feet. Additionally, the Project must include a minimum of 11.2 percent lots in the 80 x 120 category and 17.4 percent in the 70 x 120 category as specified below. Lots may be developed in phases and the percentage of 60 x 120 lots may exceed 71.4% for the phase if such increased percentage will not cause the overall percentages for the Project and the projected totals for each lot size to change, in the reasonable judgment of the City.

80 x 120 – at least 11.2% of the lots (Projected Total for Single-Family Tract – 34 Lots)

70 x 120 – at least 17.4% of the lots (Projected Total for Single-Family Tract – 53 Lots)

60 x 120 (Projected Total for Single-Family Tract – 217 Lots)

3. Size of Lots.

- (a) Minimum Lot Area: Approximately 7,200 Square Feet per Lot for 60 x 120's, 8,400 Square Feet per Lot for 70 x 120's and 9,600 Square Feet for 80 x 120's.
- (b) Minimum Lot Width: Approximately 60 Feet for 60 x 120's, 70 Feet for 70 x 120's and 80 Feet for 80 x 120's
- (c) Minimum Front Yard: Twenty-Five Feet (25').
- (d) Minimum Side Yard: Five Feet (5') for each Side.
- (e) Minimum Side Yard Adjacent to a Street: Fifteen Feet (15') to ROW.
- (f) Minimum Rear Yard: Fifteen Feet (15').
- (g) Minimum Rear Yard Adjacent to a Street: Fifteen Feet (15') to ROW.
- (h) Minimum Lot Width for Lots Fronting on Cul-De-Sac: Thirty-Five Feet (35').

4. Height Regulations: Maximum Height:

- (a) Two and one-half (2-1/2) stories, not to exceed thirty-five feet (35') for the main building or house.
- (b) Twenty-five feet (25') for other accessory buildings, including detached garage or accessory dwelling units.
- (b) Other requirements (see Section 32.05.006).

5 Parking Regulations:

- (a) Single-Family Dwelling Unit - A minimum of two (2) enclosed parking spaces behind the front building line and on the same lot as the main structure

(b) Other - (See Section 32.05.001, Off-Street Parking and Loading Requirements)

(6) Special Requirements:

(a) Recreational vehicles, travel trailers or motor homes may not be used for on-site dwelling purposes.

(b) Electrical fencing and barbed wire is prohibited as perimeter fencing except for containment of farm animals on parcels of one (1) or more acres.

(c) Open storage is prohibited, except for materials for the resident's personal use or consumption such as firewood and gardening materials.

(d) Single-family homes with side entry garages where lot frontage is only to one street shall have a minimum of twenty-five feet (25') from the door face of the garage or carport to the side property line for maneuvering.

(e) Swimming pools shall be constructed and enclosed in accordance with the City building code.

(f) Concept plan and site plan approval shall be required for any nonresidential use, such as a school, church, child-care center or private recreation facility, in the Single-Family Tract. Any nonresidential land use which may be permitted in this district shall conform to the "R" - Retail District standards, so long as the building footprint does not exceed 20,000 square feet.

(g) Single-family detached homes shall be located on individual lots that are owned in fee simple title.

4. Construction Standards.

The intent of the Project is for the construction of homes on the Single-Family Tract that are substantially similar to the Architectural Standards described in the attached **Exhibit "D-1"** and the elevations, street and amenity scenes as depicted in the attached **Exhibit "D-2."** **Exhibits "D-1"** and **"D-2"** are included for conceptual purposes only to illustrate the general intent of the Project and homes built within the Single-Family Tract may not be exactly as depicted therein.

EXHIBIT "D-1"

Single-Family Tract Architectural Standards

1. Minimum Square Footage of homes (if two or more stories):

- a. 60' Lots- 2,100 square feet
- b. 70' Lots- 2,400 square feet
- c. 80' Lots- 2,700 square feet

Minimum Square Footage of homes (if one story):

- d. 60' Lots- 1,800 square feet
- e. 70' Lots- 2,100 square feet
- f. 80' Lots- 2,400 square feet

2. Masonry Requirements for homes

- a. The exterior wall of a residence constructed on any of the sixty or seventy foot wide lots shall have a minimum of one hundred percent (100%) masonry construction (which includes but is not limited to brick, ledge stone, field stone, stucco, glass façade or any other similar material) for the first floor, one hundred percent (100%) masonry construction for the exterior of the front of the second floor, and thirty-three percent (33%) masonry construction for the exterior side wall(s) of the second floor. The exterior wall area of a residence constructed on an eighty foot wide lot shall have one hundred percent (100%) masonry construction. The use of "Hardie panel or Hardie board panel" siding is prohibited as a building material. "Hardie plank" may be used in non structural areas.

3. Garages

- a. Each home shall have a garage that holds a minimum of two cars

4. Roof Construction

- a. Pitch- No roof shall have a pitch less than 5/12, except for over porches and eaves which may have a minimum pitch of 4/12.

5. Home Elevation Repeating

- a. Same side of street- No home elevation shall be repeated within two lots of the same elevation
- b. Across Street- No home shall be repeated directly across the street or within one lot of the lot directly across the street.

EXHIBIT D-2

Single Family Street Scenes and Elevations





Conceptual Landscaping and Street Scene









EXHIBIT "E"

Project Development Standards

The following Development Standards shall be applicable to the development of the Project as a whole and the entirety of the Land. To the extent that any of the following standards conflict with the Code, the following shall control. Capitalized terms contained herein shall be defined as indicated in this Ordinance and these Development Standards, as reflected on the Concept Plan or as defined in the City of Bee Cave Code of Ordinances, depending upon context.

1. Impervious Cover and Non-Point Source Pollution Control Standards for Water Quality Controls

(a) Impervious Cover. Impervious cover for the Project shall not exceed 40%.

(b) Maintenance. BMPs and water quality controls such as vegetative filter strips ("VFS") and areas identified for re-irrigation shall be located within easements or on property owned and controlled by a Home Owner's Association or the District who shall be responsible for maintenance and compliance with the water quality and storm water detention requirements for the Project and execution of any applicable Maintenance Agreements. If any BMPs or water quality controls or re-irrigation areas are intended to be located within the boundary of an individual lot, the plat of the Project shall provide restrictions sufficient to guarantee that such areas will be used for water quality or storm water purposes and that such restrictions may not be altered without the approval of the City of Bee Cave.

(c) Re-irrigation areas may be located within Rights-of-Way.

2. Water Quality Buffer Zone.

Permitted uses within the water quality buffer zone shall include those allowed by Sec. 20.04.045 of the Code and, in addition, open space and private trails.

3. NPS Project Requirements and Allocation of Impervious Cover.

(a) At the time the first Site Plan application is submitted for approval or the first Plat application is submitted for approval, the Developer shall submit a Drainage and NPS Master Plan demonstrating that the Project, as a whole, will comply with the City's Non-Point Source

Pollution control requirements and Storm Water detention requirements, including providing for regional detention and NPS facilities; if such facilities are proposed for the Project.

(b) If regional storm water detention facilities and/or water quality controls and BMPs are not constructed to serve the Project as a whole, then each Site Plan and/or Plat application submitted to the City for approval shall demonstrate that storm water detention facilities and/or water quality controls are sufficient to comply with the Requirements for any construction or development that may take place within the area covered by the application in accordance with the allowable impervious cover or density allowed for the Project.

(c) Since the Project must achieve 40% impervious cover for the Project as a whole and each tract that is subdivided in the future may be afforded more or less than 40% impervious cover, evidence of the percentage or allotment of impervious cover shall be approved as part of plat or site plan approval. The city may require restrictive covenants as applicable. Restrictive covenants applicable to percentage or allotment of impervious cover shall not be changed without approval of the City. In addition, each Site Plan application shall contain a certification from a licensed engineer as to the amount of impervious cover available for development within the subject area, the amount of impervious cover available to the Project after development within the subject area and that the proposed impervious cover complies with the Requirements of this Agreement and or restrictive covenants.

4. Multifamily.

The density of multifamily units shall be limited to 14 units per acre or 300 units, whichever is less.

5. Other Provisions.

(a) Sidewalks. Sidewalks shall be constructed in the right-of-way along one side of streets located adjacent to residential lots.

(b) Permit Issuance. Building permits for model homes only may be issued prior to construction of all public improvements or recording of the final plat for the applicable portion of the Project; provided, however, that (i) all weather roads, (ii) pressurized water lines with sufficient fire flow capacity, and (iii) water quality and detention facilities, intended to serve the land covered by the building permit shall be functioning and substantially

complete. Certificates of occupancy may not be issued until all required public improvements are constructed and the final plat is recorded.

(c) Discrepancies. In the event that a discrepancy occurs between what is depicted on the Concept Plan and the terms of the Agreement, the terms of the Agreement shall control.

included may properly be included in the District. The area proposed to be within the District consists of two contiguous tracts, which are described in **Exhibit "A"**, which is attached hereto and incorporated herein for all purposes.

IV.

The undersigned is the owner of title to land within the District and is the owner of a majority in value of the lands therein as indicated by the tax rolls in Travis County, Texas. There are no residents on the land.

V.

The general nature of the work to be done by the District at the present time is the construction, acquisition, maintenance, and operation of a waterworks, sanitary sewer, and drainage system for commercial and domestic purposes, park and recreation facilities and services, and road improvements.

VI.

There is, for the following reasons, a necessity for the above-described work: There is not now available within the area, which will be developed as a commercial and residential subdivision, an adequate waterworks, sanitary sewer, and drainage system, road improvements, and park and recreation facilities and services. The health and welfare of the present and future inhabitants of the area and of territories adjacent thereto require the construction, acquisition, maintenance, and operation of an adequate waterworks, sanitary sewer, and drainage system, roadway system, and park and recreation facilities and services. A public necessity therefore exists for the organization, extension, improvement, maintenance, and operation of such waterworks, sanitary sewer, and drainage system, park and recreation facilities and services, and road improvements so as to promote the purity and sanitary condition of the State's waters and the public health and welfare of the community.

VII.

A preliminary investigation has been instituted to determine the cost of the project, and it is now estimated by the Landowners, from such information as it has at this time, that the ultimate costs of the development contemplated will be approximately \$18,000,000.00. The project will be financed by the issuance of bonds by the District.

WHEREFORE, the Landowners respectfully pray that this request be heard and that your Honorable Body duly pass and approve an ordinance or resolution granting the consent to the creation of the District and authorizing the inclusion of the land described herein with the District.

RESPECTFULLY SUBMITTED, this 13th day of September, 2011.

LANDOWNERS:

AUBREY ELDON GRUMBLES

Aubrey E. Grumbles

Date: _____

ROBERT WELDON GRUMBLES

Robert W. Grumbles

Date: _____

PAULETTE S. GRUMBLES

Paulette S. Grumbles

Date: _____

EXHIBIT "G"

RESOLUTION NO. 2011-05

A RESOLUTION GRANTING THE CONSENT OF THE CITY OF BEE CAVE TO THE CREATION OF THE TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO.18 WITHIN THE CITY'S EXTRATERRITORIAL JURISDICTION.

WHEREAS, the City of Bee Cave has received, pursuant to the provisions of Chapters 49 and 54, Texas Water Code and Section 42.042, Texas Local Government Code, a request for its consent to the location and the creation of a conservation and reclamation district by the majority in value of the holders of title to land (the "Landowners") within the territory hereinafter described, which territory lies wholly within the Extraterritorial Jurisdiction ("ETJ") of the City;

WHEREAS, the name of the proposed District shall be named TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18 or some similar name as required or permitted by law (the "District").

WHEREAS, the District shall contain an area of approximately 147.59 acres of land (the "Land"), more or less, situated wholly within Travis County, Texas and which Land consists of two contiguous tracts, which are described in **Exhibit "A"**, which is attached hereto and incorporated herein for all purposes.

WHEREAS, the Landowners have made representations to the City regarding the nature, authority and obligations which shall be undertaken by the District as described in the Request for Consent which is attached hereto as **Exhibit "B"** and incorporated herein for all purposes;

WHEREAS, the City has relied upon the accuracy and veracity of the representations contained in the Request for Consent in considering and approving this Resolution;

WHEREAS, the Landowners and proposed developers of the Land have entered into a Development Agreement with the City dated 10-18-11 and agreed to develop the Land in accordance with the terms of the Agreement and have agreed that the District would not enact any regulations that would conflict or attempt to supersede the authority of the City to oversee the development of the Land in accordance with the Development Agreement;

WHEREAS, the general nature of the project to be done by the District is the construction, acquisition, maintenance, and operation of a waterworks, sanitary sewer, and drainage system for commercial and domestic purposes, park and recreation facilities and services, and road improvements and the estimated costs to finance construction of the proposed project by the District is approximately \$18,000,000.00 and will be financed by the issuance of bonds by the District.

WHEREAS, the City finds that a public necessity therefore exists for the organization, extension, improvement, maintenance, and operation of such waterworks, sanitary sewer, and drainage system, park and recreation facilities and services, and road improvements so as to promote the purity and sanitary condition of the State's waters and the public health and welfare of the community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEE CAVE, TEXAS, that the City hereby confirms its consents to the creation of the District within the Land described in the Request for Consent attached hereto as Exhibit "A" for the Land described in Exhibit "B" attached hereto and which exhibits are incorporated herein for all purposes subject to the following terms and conditions::

1. The plans and specification for all facilities constructed by or on behalf of the District within the Land ("District Facilities") will be subject to approval by the City in accordance with the Development Agreement described herein ("Development Agreement").

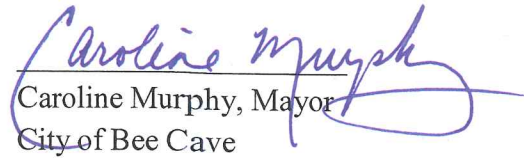
2. The City will be permitted to inspect all District Facilities.

3. With respect to the Land, District bonds may be issued for the following purposes only: (i) construction, acquisition, maintenance, and operation of a waterworks, sanitary sewer, and drainage systems for commercial and domestic purposes, (ii) park and recreation facilities and services, and (iii) road improvements needed to support development of the Land.

4. The ordinances and regulations of the City will apply within the Land to the extent described in the Development Agreement and, in the event of any conflict between the District's rules and regulations and applicable ordinances and regulations of the City, the City's ordinances and regulations will control.

Passed and Approved this the 15th day of September 2011 by majority vote of the City Council of the City of Bee Cave.

CITY OF BEE CAVE


Caroline Murphy, Mayor
City of Bee Cave

Attest:

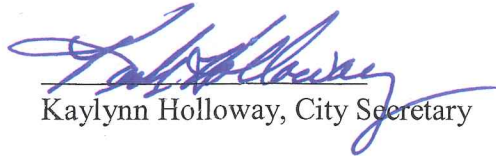

Kaylynn Holloway, City Secretary

Exhibit A

78.37 Acres

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE J. REYNOLDS SURVEY No. 44, BEING ALL OF THAT 78.04 ACRE TRACT OF LAND CONVEYED TO AUBREY ELTON GRUMBLES BY DEED RECORDED IN DOCUMENT No. 2007217321 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN at a 1/2" iron rod set at Texas State Plane Coordinates Central Zone N=10087021.85 and E=3036067.76 in the South Right of Way Line of Highway No. 71 (a right of way 150 feet wide at this point) at the Northeast Corner of that 74 Acre Tract conveyed to Artie Grumbles by deed recorded in Volume 1951, Page 246 of the Travis County Deed Records, and at the Northwest Corner of the said 78.04 Acre Tract, from which point a concrete right of way monument bears N.84°33'54"W., 1108.38 feet and the Northwest Corner of the said 74 Acre Tract bears N.84°33'54"W., 939.18 feet;

THENCE S.84°33'54"E., along the South Line of Highway 71 and the North Line of the 78.04 Acre Tract, at 696.34 feet pass a concrete right of way monument, in all a distance of 776.38 feet, to a 1/2" iron rod set at the Northwest Corner of that one acre tract described as the save and except rectangular square of land being 210 feet in length on each side

THENCE S.28°21'04"W., along the West Line of the One Acre Tract, a distance of 210.00 feet to a 1/2" iron rod set at the Southwest Corner of said One Acre Tract;

THENCE S.84°33'54"E., along the South Line of the One Acre Tract, a distance of 210.00 feet to a 1/2" iron rod set at the Southeast Corner of said One Acre Tract and to a point in the East Line of the said 78.04 Acre Tract;

THENCE S.28°21'04"W., along said East Line, a distance of 3697.19 feet to a 1/2" iron rod found in the North Line of R. M. 3238 (Hamilton Pool Road) at the Southeast Corner of said 78.04 Acre Tract;

THENCE S.71°44'33"W., along the South Line of the said 78.04 Acre Tract and the North Line of R. M. 3238, a distance of 42.97 feet to a concrete right of way monument found;

THENCE S.79°33'37"W., along the South Line of the said 78.04 Acre Tract, the North Line of that 5.5 Acre Tract conveyed to Philip Cook by deed recorded in Volume 11766, Page 129 of the Real Property Records of Travis County, Texas, and along a fence, a distance of 170.29 feet to a large cedar fence post;

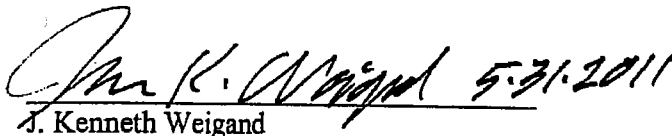
78.37 Acres

THENCE along the South Line of the said 78.04 Acre Tract and the North Line of the 5.5 Acre Tract, the following two courses:

1. N.64°34'26"W. a distance of 353.45 feet to a large cedar fence post;
2. N.62°48'55"W. a distance of 367.77 feet to a 1/2" iron rod set in the fence at the Southwest Corner of the 78.04 Acre Tract and the Southeast Corner of the said 74 Acre Tract;

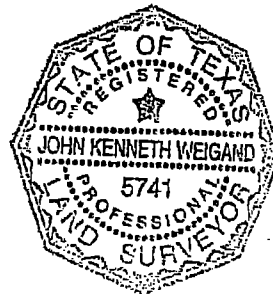
THENCE N.27°57'11"E., along the West Line of the 78.04 Acre Tract and the East Line of the 74 Acre Tract, a distance of 3686.62 feet to the said Point of Beginning.

Containing 78.37 acres, more or less, as shown on the survey attached.

 5.31.2011

J. Kenneth Weigand
Registered Professional Land Surveyor No. 5741
State of Texas

RJ Surveying & Associates, Inc.
1212 East Braker Lane
Austin, Texas 78753



All iron rods set have "RJ Surveying" cap
Bearings are Texas State Plane Central Zone

69.22 Acres

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE J. REYNOLDS SURVEY No. 44, AND BEING ALL OF THAT TRACT OF LAND SAID TO CONTAIN 75 ACRES CONVEYED TO ROBERT WELDON GRUMBLES BY DEED RECORDED IN DOCUMENT No. 2007217320 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN at a 1/2" iron rod set at Texas State Plane Central Zone coordinates N=10087110.80 feet and E=3035132.80 feet in the South Line of Highway 71 (a right of way 150 feet wide at this point) at its intersection with the West Line of the said J. Reynolds Survey, the same being the Northwest Corner of the said 75 Acre Tract and the Northeast Corner of that 136.059 Acre Tract conveyed to Lake Travis Independent School District by deed recorded in Document No. 2010014061 of the Official Public Records of Travis County, Texas, from which point a concrete right of way monument bears N.84°33'54"W., 169.20 feet;

THENCE S.84°33'54"E., along the South Line of Highway 71 and the North Line of the said 75 Acre Tract, a distance of 939.18 feet to a 1/2" iron rod set at the Northeast Corner of the 75 Acre Tract and the Northwest Corner of that 78.04 Acre Tract conveyed to Aubrey Eldon Grumbles by deed recorded in document No. 2007217321 of the Official Public Records of Travis County, Texas;

THENCE S.27°57'11"W., along the East Line of the 75 Acre Tract and the West Line of the 78.04 Acre Tract, a distance of 3686.62 feet to a 1/2" iron rod set in a fence at the Southeast Corner of the 75 Acre Tract and the Southeast Corner of the 78.04 Acre Tract;

THENCE N.62°41'03"W., along the South Line of the said 75 Acre Tract, the North Line of that 5.5 Acre Tract conveyed to Philip Cook by deed recorded in Volume 11766, Page 129 of the Real Property Records of Travis County, Texas, and along a fence, a distance of 700.17 feet to a large cedar fence post;

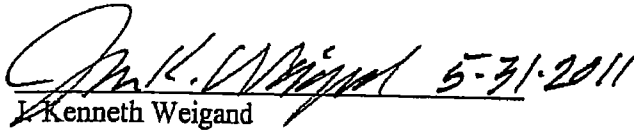
THENCE N.01°19'47"E., along the fence, the same being the common Line of the 75 Acre Tract and the 5.403 Acre Tract, a distance of 223.18 feet to a large cedar fence post at the Southeast Corner of the said 136.059 Acre Tract conveyed to Lake Travis Independent School District;

THENCE along the West Line of the 75 Acre Tract, the East Line of the said 136.059 Acre Tract, and along the fence, the following five courses:

69.22 Acres

1. N.18°31'36"E. a distance of 298.33 feet to a 1/2" iron rod with "Delta Surveying" cap;
2. N.25°36'46"E. a distance of 291.24 feet to a 1/2" iron rod with "Delta Surveying" cap;
3. N.26°43'33"E. a distance of 341.43 feet to a spindle found;
4. N.27°21'01"E. a distance of 741.15 feet to a 1/2" iron rod with "Delta Surveying" cap;
5. N.28°16'56"E. a distance of 1467.47 feet to the said Point of Beginning.

Containing 69.22 acres, more or less, as shown on the survey attached.

 5-31-2011

John Kenneth Weigand
Registered Professional Land Surveyor No. 5741
State of Texas



RJ Surveying & Associates, Inc.
1212 East Braker Lane
Austin, Texas 78753

Bearings are Texas State Plane Central Zone
All iron rods set have "RJ Surveying" cap

Exhibit B

REQUEST FOR CONSENT TO THE
CREATION OF A MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS

§

§

COUNTY OF TRAVIS

§

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF BEE CAVE,
TEXAS:

The undersigned (herein the "Landowners") holders of title to land within the territory hereinafter described by metes and bounds, constituting a majority in value of the holders of title of the lands therein as indicated by the tax rolls of Travis County, Texas, and acting pursuant to the provisions of Chapters 49 and 54, Texas Water Code and Section 42.042, Texas Local Government Code, respectfully request the City Council of the City of Bee Cave, Texas, for its written consent to the inclusion of land in, or the creation of, a conservation and reclamation district under Chapters 49 and 54, Texas Water Code and would respectfully show the following:

I.

The name of the proposed District shall be TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18 or some similar name as required or permitted by law (the "District").

II.

The land shall be included within the District by creation and organization of the District as provided above. The District shall exist under the terms and provisions of Article XVI, Section 59 of the Constitution of Texas, Chapters 49 and 54, Texas Water Code.

III.

The District shall contain an area of approximately 147.59 acres of land, more or less, situated wholly within Travis County, Texas. All of the area within the District is within the extraterritorial jurisdiction of the City of Bee Cave, Texas. All of the territory proposed to be included may properly be included in the District. The area proposed to be within the District consists of two contiguous tracts, which are described in **Exhibit "A"**, which is attached hereto and incorporated herein for all purposes.

IV.

The undersigned is the owner of title to land within the District and is the owner of a majority in value of the lands therein as indicated by the tax rolls in Travis County, Texas. There are no residents on the land.

V.

The general nature of the work to be done by the District at the present time is the construction, acquisition, maintenance, and operation of a waterworks, sanitary sewer, and drainage system for commercial and domestic purposes, park and recreation facilities and services, and road improvements.

VI.

There is, for the following reasons, a necessity for the above-described work: There is not now available within the area, which will be developed as a commercial and residential subdivision, an adequate waterworks, sanitary sewer, and drainage system, road improvements, and park and recreation facilities and services. The health and welfare of the present and future inhabitants of the area and of territories adjacent thereto require the construction, acquisition, maintenance, and operation of an adequate waterworks, sanitary sewer, and drainage system, roadway system, and park and recreation facilities and services. A public necessity therefore exists for the organization, extension, improvement, maintenance, and operation of such waterworks, sanitary sewer, and drainage system, park and recreation facilities and services, and road improvements so as to promote the purity and sanitary condition of the State's waters and the public health and welfare of the community.

VII.

A preliminary investigation has been instituted to determine the cost of the project, and it is now estimated by the Landowners, from such information as it has at this time, that the ultimate costs of the development contemplated will be approximately \$18,000,000.00. The project will be financed by the issuance of bonds by the District.

WHEREFORE, the Landowners respectfully pray that this request be heard and that your Honorable Body duly pass and approve an ordinance or resolution granting the consent to the creation of the District and authorizing the inclusion of the land described herein with the District.

RESPECTFULLY SUBMITTED, this 13th day of September, 2011.

LANDOWNERS:

AUBREY ELDON GRUMBLES

Aubrey E. Grumbles

Date: _____

ROBERT WELDON GRUMBLES

Robert W. Grumbles

Date: _____

PAULETTE S. GRUMBLES

Paulette S. Grumbles

Date: _____