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CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN
VILLAGE OF BEE CAVE,
BALDWIN PROPERTIES, LTD., a Texas limited partnership,
AND
HCG MASTER GROUND LEASE, L.P., a Texas limited partnership
Effective as of June 25, 2002

“**Planned Development Agreement**” shall mean that certain Planned Development Agreement of even date herewith and entered into by and among Baldwin, HCG and the Village.

“**Program**” shall mean the economic development program established by the Village pursuant to Texas Local Government Code Chapter 380 and under Resolution No. 02-06-11 for the purpose of promoting economic development and stimulating business and commercial activity within the Village.

“**Anchor Tenant**” shall have the meaning ascribed to it in the Planned Development Agreement.

“**Specified Anchor Tenants**” shall mean each of (i) Nieman Marcus, (ii) Lord & Taylor, (iii) Saks Fifth Avenue and (iv) one, but not both, of either Bloomingdale’s or Macy’s (i.e. while both Bloomingdale’s and Macy’s may be Anchor Tenants at the Project, only one of them shall count as a Specified Anchor Tenant for purposes of this Agreement).

“**TxDOT**” shall mean the State of Texas Department of Transportation or any successor entity.

Other capitalized terms which are used in this Agreement and which are defined elsewhere in this Agreement shall have the meaning ascribed to them in this Agreement.

II.

Term

2.01 Term. This Agreement shall commence on the Effective Date and, subject to earlier termination as set forth in this Agreement, shall continue through the Payment Cessation Date. Upon the termination of the Planned Development Agreement, this Agreement shall immediately terminate.

III.

Sales Tax Rebate

3.01 Sales Tax Rebate. Subject to, and conditioned upon, all of the Payment Conditions then being satisfied, the Village shall rebate and pay to HCG portions of the sales and use tax paid to the Village from the Project in accordance with the following procedure:

On the Initial Payment Date and continuing on each Payment Date thereafter, through and until the Payment Cessation Date, Village shall pay to HCG the Applicable Payment owed for such Payment Date, which payments shall be made from lawfully available funds out of tax revenue that the Village has received from Taxable Sales from the Project. If any Applicable Payment would cause the Current Value Basis of all payments previously made to HCG hereunder to exceed the Payment Cap, Village shall

not be obligated to pay that portion of the payment which would exceed the Payment Cap.

The following definitions shall control:

- (i) “**Initial Payment Date**” shall mean the date which is thirty (30) days from and after the date on which the Village receives the first State Payment.
- (ii) “**Payment Date**” shall mean the date which is thirty (30) days from and after each date on which the Village receives a State Payment during the period following the Initial Payment Date and continuing until the Payment Cessation Date.
- (iii) “**Applicable Payment**” shall mean as to any Payment Date an amount equal to the product obtained by multiplying the Applicable Percentage by the tax revenue received by the Village from the State of Texas relating to Taxable Sales in the State Payment which gives rise to such Payment Date.
- (iv) “**Payment Cessation Date**” shall mean the date which is the sooner of (i) twenty (20) years from and after the Initial Payment Date or (ii) the date on which HCG has received payments under this Agreement the sum of which equals the Payment Cap.
- (v) “**Payment Cap**” shall mean either (i) a total of \$25,000,000 on a Current Value Basis should a Neiman Marcus department store not be one of the Specified Anchor Tenants open and operating in satisfaction of the condition set forth in Section 4.01(d); or (ii) the amount of \$30,000,000 on a Current Value Basis in the event a Neiman Marcus department store is one of the initial Specified Anchor Tenants, open and operating in satisfaction of the condition set forth in Section 4.01(d); provided that if the Neiman Marcus store thereafter ceases operations in the manner called for under Section 4.02 the Payment Cap shall revert back to \$25,000,000.
- (vi) “**Current Value Basis**” shall mean the value of all payments made to HCG by Village pursuant to this Agreement on a net present value basis as of the Initial Payment Date. For purposes of calculating the Current Value Basis of any payment made hereunder, such payment shall be discounted at a rate of ten percent (10%) per annum from the Initial Payment Date.
- (vii) “**Applicable Percentage**” shall mean sixty percent (60%) so long as the sales and use tax imposed by the Village on each dollar of Taxable Sales (the “**Tax Rate**”) is equal to 1.5 cents (i.e. 0.015) (the “**2002 Tax Rate**”). In the event the Village ever increases or voluntarily decreases its Tax Rate, such percentage shall mean the product obtained by multiplying sixty percent (60%) by a fraction the numerator of which is the 2002 Tax Rate (i.e. 0.015) and the denominator of which is the then current Tax Rate. If the Tax Rate decreases due to the action of the Texas State

Legislature or any other event outside the immediate control of the citizens of the Village, then the Applicable Percentage shall remain sixty percent (60%).

- (viii) **“Taxable Sales”** shall mean sales at the Project that are subject to the local sales and use tax imposed by the Village pursuant to Section 321.101 of the Texas Tax Code and for which sales and use tax has been paid to the State of Texas. Each payment made by the Village under this Agreement shall be accompanied by the Village's statement as to the tax revenue attributable to Taxable Sales received by the Village from the State of Texas in the State Payment which gave rise to the payment in question and show the methodology of how the Applicable Payment amount for such payment was calculated. In the event of a dispute between HCG and the Village as to the amount of any payment owed under this Agreement, HCG shall have the burden of proof regarding the amount of tax revenue received by the Village from the State of Texas for Taxable Sales in the State Payment which gave rise to the payment in question. All businesses located at the Project and subject to sales and use tax must have a Bee Cave address for such store as the address of record with the State of Texas for the sales and use tax account for such store.
- (ix) **“State Payment”** shall mean each and every payment of tax revenue by the State to the Village during the term of this Agreement which includes tax revenue from Taxable Sales.

IV.

Conditions to Payment

4.01 Conditions Precedent. No payments shall be due or payable by the Village unless, and until, all of the following conditions precedent have been satisfied:

- a. The Galleria Parkway (as defined in the Planned Development Agreement) has been constructed according to the terms of the Planned Development Agreement and the Galleria Parkway has been dedicated to the Village in accordance with the terms of the Planned Development Agreement;
- b. The Additional Land (as defined in the Planned Development Agreement) has been conveyed to the Village according to the terms of the Planned Development Agreement; and
- c. Construction of Phase I has been completed, all requisite certificates of occupancy for Phase I have been obtained, which certificates of occupancy shall be limited to certificates of occupancy for the shell and structure of the "in-line retail" portion thereof but full

building certificates of occupancy for the Anchor Tenant stores, and Phase I must be open for business to the public with at least three Anchor Tenants fully stocked and occupying the entirety of their respective stores and conducting business therein in the manner they conduct business at a majority of their other stores throughout the country; and

d. Of the three Anchor Tenants open and operating in Phase I, at least two (2) must be Specified Anchor Tenants. In the event that the holding companies of any two of the Specified Anchor Tenants merge with the result that the two affected Specified Anchor Tenant's operations are merged in a majority of the markets in which the respective stores do business, the Village, at its option, but without any obligation to do so, may consider, in its sole discretion, the substitution of another fine department store as a Specified Anchor Tenant; and

e. The Improvements to State Highway 71 according to the terms of Exhibit "C" attached have been completed; and

f. The Hike and Bike Trail System according to the terms of Exhibit "D" attached has been developed; and

g. HCG has donated either (i) Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) to be used for the purchase of additional open space in Travis County, Texas, or (ii) 370 acres of land located in Travis County, Texas, to the Hill Country Conservancy; and

h. The Project shall be in compliance with all terms of this Agreement and the Planned Development Agreement and no default has occurred under this Agreement or the Planned Development Agreement.

In the event all of the foregoing conditions have not been satisfied, or waived by Village, on or before September 30, 2007, then this Agreement shall terminate without the necessity of any further actions by the parties and neither party shall have any rights or obligations unto the other under this Agreement.

4.02 Continuous Operation of Specified Anchor Tenants. The Village's obligation to make any payment owed under this Agreement shall be further subject to and conditioned upon at least two Specified Anchor Tenants being open for business as an Anchor Tenant in a fully stocked store and conducting business therein in the manner which such Specified Anchor Tenant conducts business at a majority of its other stores throughout the country (i.e., a discount or off-price operation of a Specified Anchor Tenant will not constitute the Specified Anchor Tenant's being in operation at the Project for purposes of satisfying this condition. For example, should Neiman Marcus close their Neiman Marcus department store at the Project and open a "Last Call" or similar discount operation, such operation will not satisfy the condition contained herein.) If at any time during the term of this Agreement, less than two (2) of the Specified Anchor Tenants are so open and operating at the Project, this Agreement shall terminate and the Village shall

have no further obligation to make payments hereunder. The conditions set forth in Section 4.01 and this Section 4.02 are herein collectively called the “**Payment Conditions**”.

V.

Default and Remedies

5.01 Default and Remedies.

a. It shall be a default by a party, if such party shall fail to perform any of its obligations under this Agreement and such failure shall remain uncured following the expiration of ten (10) business days from and after the date the failing party receives written notice of such failure from the non-defaulting party; provided, however, that in the event the default is of a nature that cannot be cured within said ten (10) business day period, the defaulting party shall have such longer period as may be reasonably necessary to cure the default in question; but, in no event shall either party have more than forty-five (45) days to cure any specific default. Additionally, it shall be a default under this Agreement if any party other than the Village defaults under any provision of the Planned Development Agreement.

Should any default remain uncured following the expiration of the applicable cure period, the non-defaulting party shall be entitled to either (i) seek specific performance of the obligation in question from the defaulting party or (ii) terminate this Agreement and pursue an action against the defaulting party for actual damages (but not incidental, consequential or special damages) suffered or incurred by the non-defaulting party as a result of the default in question, which remedies shall be such party's sole and exclusive remedy in such event unless another specific remedy is expressly set forth in this Agreement for the default in question.

b. EACH PARTY EXPRESSLY WAIVES AND DISCLAIMS ANY RIGHT IT MAY NOW HAVE OR THAT MAY HEREAFTER ARISE IN FAVOR OF THE PARTY TO RECOVER DAMAGES FROM THE DEFAULTING PARTY THAT ARE IN THE NATURE OF SPECIAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND.

VI.

Miscellaneous Provisions

6.01 **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 provide below, be as follows:

HCG: HCG Master Ground Lease, L.P.
c/o Mr. Christopher Milam
107 Ranch Road 620 South, PMB 23-F
Ph: (512) 347-9897
Fx: (512) 347-9896

with a required copy to: Mr. David B. Armbrust
100 Congress Ave., Suite 1300
Austin, Texas 78701
Ph: (512) 435-2301
Fx: (512) 435-2360

Lincoln Property Company Commercial, Inc.
3300 Lincoln Plaza
500 N. Akard Street
Dallas, Texas 75201-3394
Attn: Gregory L. Courtwright
Fx: (214) 740-3460

Baldwin: Baldwin Properties, Ltd.
Attn: Robert B. Baldwin, III
P. O. Box 1526
Austin, Texas 78767-1526
Ph: (512) 263-1506
Fx: (512) 263-1524

with a required copy to: Mr. R. Alan Haywood
Graves, Dougherty, Hearon & Moody
P.O. Box 98
Austin, Texas 78767
Ph: (512) 480-5631
Fx: (512) 482-8401

Village:
For Hand Delivery and
Overnight Delivery:

Village of Bee Cave
13333-A Hwy. 71 West
Bee Cave, Texas 78738
Attn: Village Administrator
Ph: (512) 263-2151
Fx: (512) 263-5576

For Mail:

Village of Bee Cave
P.O. Box 341969
Austin, Texas 78734-1989
Attn: Village Administrator

with a required copy to:

Village Attorney
Village of Bee Cave
P.O. Box 341969
Austin, Texas 78734-1989
Ph: (512) 263-2151
Fx: (512) 263-5576

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. Baldwin or HCG may, by giving at least five (5) days written notice to the other parties, designate additional parties to receive copies of notices under this Agreement.

6.02 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 unenforceable 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 of such provision 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.

6.03 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.

6.04 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 hereof.

6.05 Exhibits, Headings, Construction and Counterparts. All schedules and exhibits referred to in or attached to this Agreement are incorporated into and made a part of this Agreement for all purposes. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument. This Agreement will become effective only when one or more counterparts, individually or taken together, bear the signatures of all of the parties.

6.06 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.

6.07 Attorneys Fees. In the event it becomes necessary for either party hereto to file a suit to enforce this Agreement or any provisions of this Agreement, the party prevailing in such action shall be entitled to recover, in addition to all other remedies or damages, reasonable attorneys' fees and court costs incurred by such prevailing party in such suit.

6.08 Assignment. HCG may assign this Agreement to any party who assumes all of HCG's interest in and to the HCG Master Lease (as such term is defined in the Planned Development Agreement), provided that such party assumes all of HCG's obligations hereunder in a writing reasonably acceptable to the Village and provided that the Landowner joins in such writing to evidence its consent to the assignment.

6.09 Termination of HCG Master Lease. In the event of the termination of the HCG Master Lease, all of HCG's rights, title and interest under this Agreement shall automatically be terminated; Landowner shall immediately succeed, hold and be entitled to all of HCG's rights, title and interest under this Agreement, subject to any prior defaults hereunder, provided Landowner must first assume all of HCG's obligations and duties hereunder arising after the date of termination in a writing reasonably acceptable to the Village and all references to "HCG" in this Agreement shall from and after the date of termination be deemed to be references to and mean "Landowner".

6.10 Exhibits. The following exhibits are attached to this Agreement, and made a part hereof for all purposes:

Exhibit A - Resolution

Exhibit B - The Land

Exhibit C - Improvements to State Highway 71

Exhibit D - Hike and Bike Trail System

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

VILLAGE OF BEE CAVE

By: Caroline Murphy
Caroline Murphy, Mayor
Date: 6-28-02

ATTEST:

Sherry Mashburn
Sherry Mashburn, City Secretary

BALDWIN PROPERTIES, LTD.,
a Texas limited partnership

By: Baldwin Interests, Inc., a Texas
corporation, its general partner

By: Robert B. Baldwin III
Robert B. Baldwin, III, President
Date: 6/28/02

HCG MASTER LEASE, L.P.,
a Texas limited partnership

By: HCG Control Group, L.L.C.,
a Texas limited liability company

By: [Signature]
Christopher Milam, President

Date: 6/28/02

EXHIBIT "A"

RESOLUTION

CJM
RB/BW


Exhibit A

RESOLUTION 02-06-11

A RESOLUTION OF THE VILLAGE OF BEE CAVE, TEXAS
ADOPTING AN ECONOMIC DEVELOPMENT POLICY FOR
DEVELOPMENT WITHIN THE CORPORATE LIMITS OF THE
VILLAGE OF BEE CAVE AS AUTHORIZED BY SECTION 380.001,
LOCAL GOVERNMENT CODE

WHEREAS, the Village of Bee Cave, Texas (the "Village") is interested in an economic development policy that will enhance employment and business opportunities within the Village, expand the Village's sales tax and ad valorem tax revenues; bring development into compliance with current ordinances and adhere to the goals and objectives of the Comprehensive Plan; and

WHEREAS, Sec. 380.001, Local Government Code authorizes the governing body to establish and provide for the administration of programs for making grants of public money and providing personnel and services of the municipality to promote local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, the residents of the Village of Bee Cave approved a non-binding proposition to offer financial incentives to bring development into compliance with current ordinances or comprehensive plan standards and objectives that would otherwise not have to comply; and

WHEREAS, although the location of developer's facilities within the Village is beneficial from the standpoint of providing employment and business opportunities and sales tax and/or ad valorem tax revenue for the Village, their physical appearance may conflict with the Village's Comprehensive Master Plan and the hopes and expectations of the citizens to retain the Village's Hill Country feel and ambiance; and

WHEREAS, by offering economic incentives to developers to comply with current ordinances and the Comprehensive Plan, the Village can enter into agreements with them to enhance and improve the appearance of their stores and parking facilities to maintain the Village's feel and ambiance; and

WHEREAS, economic incentives and development agreements can foster and maintain positive working relationships between the proposed development project and the Village of Bee Cave.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMAN
OF THE VILALGE OF BEE CAVE, TEXAS THAT:

1. The Village Administrator, and two Board of Alderman members, are authorized to negotiate proposed economic development agreements with developers. The proposed agreements will address the following terms and conditions:

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[Signature]

- a. The developer will comply with all ordinances in effect at the time of the proposed agreement.
- b. The developer will adhere to the goals and objectives of the Village's Comprehensive Plan.
- c. The cost of the enhancement shall be determined in advance.
- d. The cost of the enhancement will be reimbursed by making annual grants to the developer equivalent to a percentage of the sales tax and/or ad valorem tax received by the Village from the retailer until reimbursement is complete.
- e. The first reimbursement shall not be due until the first anniversary of the date of the opening of the business or development.

2. During the course of negotiation the Village Administrator shall keep the Board of Alderman informed as to the progress of the negotiations.

3. Any agreement negotiated by the Village Administrator and the two Board of Alderman members shall not be effective unless it is approved by the Board of Alderman.

Adopted this 11th day of June, 2002.


Caroline Murphy, Mayor

ATTEST:


Sherry Mashburn, City Secretary

[SEAL]







EXHIBIT "B"

THE LAND

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EXHIBIT "B"
THE LAND

DESCRIPTION OF A 114.67 ACRE TRACT OF LAND, SITUATED IN THE W. P. MOORE SURVEY NO. 525, ABSTRACT NO. 557, THE JAMES SWISHER SURVEY NO. 152, ABSTRACT NO. 691 AND THE JOHN HOBSON SURVEY NO. 527, ABSTRACT NO. 307, BEING ALL OF THAT CERTAIN CALLED 1.633 ACRE TRACT OF LAND DESCRIBED IN A DEED TO ROBERT BALDWIN, III OF RECORD IN VOLUME 12301, PAGE 1017 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, BEING ALSO A PORTION OF THAT CERTAIN CALLED 45.760 ACRE TRACT OF LAND AS DESCRIBED IN A DEED TO THE ESTATE OF DOROTHY G. BALDWIN, DECEASED, OF RECORD IN VOLUME 13195, PGAE 1446 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, BEING ALSO A PORTION OF THAT CERTAIN 66.47 ACRE TRACT OF LAND AS DESCRIBED IN A SUBSTITUTE TRUSTEE'S DEED TO THE ESTATE OF DOROTHY G. BALDWIN OF RECORD IN VOLUME 12487, PAGE 830 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, BEING ALL OF THAT CERTAIN 3.6220 ACRE TRACT OF LAND AS DESCRIBED IN A DEED TO THE ESTATE OF DOROTHY G. BALDWIN OF RECORD IN VOLUME 12397, PAGE 1193 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS AND BEING A PORTION OF BEE CAVES COMMONS A SUBDIVISION OF RECORD IN BOOK 88, PAGE 325 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, SAID 114.67 ACRE TRACT BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING at a ½ inch iron rod found for the southeast corner of the herein described tract, being also the southeast corner of said 66.47 acre tract, being also the southwest corner of Bee Caves Plaza, Section Two, a subdivision of record in Document No. 199900247 of the Official Records of Travis County, Texas and being in the north line of R.M. 2244, a 100 foot wide right-of-way;

THENCE, with the south line of the herein described tract, the south line of said 66.47 acre tract and the north line of said R.M. 2244, the following four (4) courses and distances;

1. N 89°00'30" W for a distance of 80.11 feet to a 4" x 4" Texas Department of Transportation (TxDOT) concrete monument found for an angle point,
2. N 88°43'06" W for a distance of 62.14 feet to a 4" x 4" TxDOT concrete monument found for an angle point,
3. S 82°09'15" W for a distance of 185.16 feet to a ½ inch iron rod with cap set for an angle point, and
4. N 88°15'04" W for a distance of 25.53 feet to a TxDOT concrete monument with brass cap found at the intersection of the north line of said R.M. 2244 and the north line of Texas Highway 71, a variable width right-of-way;

Handwritten signatures:
C/M
R.B. Baldwin
C/B

THENCE N 65° 06' 45" W, continuing with the south line of the herein described tract and the south line of said 66.47 acre tract and with the north line of said Texas Highway 71, for a distance of 220.47 feet to a ½ inch iron rod with cap set at the southeast corner of The Village At Bee Caves, Phase 1, a subdivision of record in Book 100, Page 268 of the Plat Records of Travis County, Texas;

THENCE with the east, north and west lines of said The Village At Bee Caves, Phase 1, the south line of the herein described tract, and the south line of said 66.47 acre tract, the following three (3) courses and distances;

1. N 24°52'47" E for a distance of 261.32 feet to a ½ inch iron rod with cap set for the northeast corner of said The Village At Bee Caves,
2. N 65°07'13" W for a distance of 180.00 feet to a ½ inch iron rod with cap set for the northwest corner of said The Village At Bee Caves, and
3. S 24°52'47" W for a distance of 261.30 feet to a ½ inch iron rod with cap set for the southwest corner of said The Village At Bee Caves, and being in the north line of said Texas Highway 71;

THENCE continuing with the south line of the herein described tract, the south line of said 66.47 acre tract, and the north line of said Texas Highway 71, the following three (3) courses and distances;

1. N 65°06'45" W for a distance of 606.82 feet to a TxDOT concrete monument with brass cap found for an angle point,
2. N 34°07'30" W for a distance of 38.28 feet to a TxDOT concrete monument with brass cap found for an angle point, and
3. N 65°08'17" W, at a distance of 45.53 feet pass an iron rod with aluminum cap found, for the southeast corner of said Bee Caves Commons, for a total distance of 328.05 feet to a TxDOT concrete monument with brass cap found for an angle point;

THENCE continuing with the south line of the herein described tract and the north line of said Texas Highway 71 and with the south line of said Bee Caves Commons, the following two (2) courses and distance;

1. N 48°18'57" W for a distance of 102.87 feet to a TxDOT concrete monument with brass cap found for an angle point, and
2. N 65°08'12" W, at a distance of 306.79 pass an iron rod with aluminum cap found for the southwest corner of said Bee Caves Commons, at a distance of 398.90 feet pass an iron rod with aluminum cap found for the southwest corner of said 66.47 acre tract

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[Signature]

and being the southeast corner of said 45.760 acre tract, for a total distance of 459.19 feet to a TxDOT concrete monument with brass cap found for an angle point;

THENCE continuing with the south line of the herein described tract and the north line of said Texas Highway 71 and with the south line of said 45.760 acre tract, the following three (3) courses and distance:

1. N 76°20'55" W for a distance of 100.55 feet to a TxDOT concrete monument with brass cap found for an angle point,
2. N 65°07'10" W for a distance of 426.61 feet to a TxDOT concrete monument with brass cap found for an angle point, and
3. N 76°32'00" W for a distance of 253.21 feet to calculated point for the southeast corner of Lot 15, Glass-Bohls Subdivision of record in Book 90, Page 274 of the Plat Records of Travis County, Texas and being an ell corner in the south line of said 45.760 acre tract;

THENCE N 14°54'54" E, with the south line of the herein described tract and the south line of said 45.760 acre tract and the east line of said Lot 15, at a distance of 4.07 feet pass a ½ inch iron rod in concrete found for reference, at a distance of 213.71 feet pass an iron rod in concrete found for the northeast corner of said Lot 15, and being the southeast corner of that certain remaining portion of 42.929 acre tract of land as described in a deed to Baldwin Investments of record in Volume 10846, Page 477 of the Deed Records of Travis County, Texas, for a total distance of 355.25 feet to a ½ inch iron rod with cap set for the northeast corner of said remaining portion of 42.929 acre tract;

THENCE N 75°03'19" W, continuing with the south line of the herein described tract and the south line of said 45.760 acre tract and with the north line of said remaining portion of 42.929 acre tract, for a distance of 247.97 feet to an iron rod with cap found for the northwest corner of said remaining portion of 42.929 acre tract;

THENCE S 15°09'42" W, continuing with the south line of the herein described tract and the south line of said 45.760 acre tract and with the west line of said remaining portion of 42.929 acre tract, for a distance of 141.54 feet to a ½ inch iron rod found for the southwest corner of said remaining portion of 42.929 acre tract and being the northwest corner of said Lot 15, Glass-Bohls Subdivision;

THENCE S 14°58'32" W, continuing with the south line of the herein described tract and the south line of said 45.760 acre tract and with the west line of said Lot 15, for a distance of 175.99 feet to a ½ inch iron rod with cap set for the southwest corner of said Lot 15 and being in the north line of said Texas Highway 71;

THENCE N 52°36'03" W, continuing with the south line of the herein described tract and the south line of said 45.760 acre tract and with the north line of said Texas Highway 71, for a distance of 19.97 feet to a 1 inch iron rod found for the most southwesterly corner of said 45.760

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acre tract, being also the most southwesterly corner of the herein described tract and being the southeast corner of that certain tract of land as described in a deed to Ethel Hudson Thurman of record in Volume 2876, Page 554 of the Deed Records of Travis County, Texas;

THENCE N 14°46'44" E, with the west line of the herein described tract, the west line of said 45.760 acre tract and the east line of said Ethel Hudson Thurman tract, for a distance of 419.13 feet to a ½ inch iron rod found for the northeast corner of that certain tract of land to Shirley Thurman Grumbles of record in Volume 13323, Page 1016 of the Deed Record of Travis County, Texas and being the southeast corner of said 1.633 acre Robert Baldwin, III tract;

THENCE N 65°14'39" W, with the west line of the herein described tract, the south line of said 1.633 acre tract and the north line of said Shirley Thurman Grumbles tract, for a distance of 353.46 feet to a ½ inch iron rod found for the southwest corner of said 1.633 acre tract, being also the northwest corner of said Shirley Thurman Grumbles tract and being in the east line of F.M 620, a 100 foot wide right-of-way;

THENCE with the west line of the herein described tract, the west line of said 1.633 acre tract and the east line of said F.M. 620, the following two (2) courses and distances;

1. N 14°03'21" W for a distance of 264.30 feet to a 4" x 4" TxDOT concrete monument found for an angle point, and
2. N 18°08'46" W for a distance of 53.62 feet to a 1 inch iron pipe with cap found for the northwest corner of said 1.633 acre tract and being an angle point in the west line of said 45.760 acre tract;

THENCE with the west line of the herein described tract, the east line of said F.M. 620 and the west line of said 45.760 acre tract, the following two (2) courses and distances;

1. N 17°50'02" W for a distance of 38.54 feet to a ½ inch iron rod with cap set for an angle point, and
2. N 57°36'05" E for a distance of 8.05 feet to a ½ inch iron rod with cap set for an angle point in the south line of Travis County Subdivision No. Two of record in Book 74, Page 75 of the Plat Records of Travis County, Texas;

THENCE with the west line of the herein described tract, the west line of said 45.760 acre tract and the south line of said Travis County Subdivision No. Two, the following two (2) courses and distances;

1. S 32°28'30" E for a distance of 10.01 feet to a ½ inch iron rod found for an angle point, and
2. S 45°46'54" E for a distance of 106.24 feet to a ½ inch iron rod found for the southeast corner of said Travis County Subdivision No. Two;

Handwritten signatures:
CJM
RBB III
[Signature]

THENCE N 23°22'14" E, with the west line of the herein described tract, the west line of said 45.760 acre tract and the east line of said Travis County Subdivision No. Two, for a distance of 582.00 feet to a ½ inch iron rod found for the northeast corner of said Travis County Subdivision No. Two;

THENCE N 59°06'21" W, with the west line of the herein described tract, the west line of said 45.760 acre tract and the north line of said Travis County Subdivision No. Two, for a distance of 359.36 feet to a ½ inch iron rod found for the northwest corner of said Travis County Subdivision No. Two and being in the east line of that certain 6.009 acre tract of land as described in a deed to William J. Maddox of record in Document No. 1999022498 of the Official Records of Travis County, Texas;

THENCE with the west line of the herein described tract, the west line of said 45.760 acre tract and the east line of said 6.009 acre tract, the following two (2) courses and distances;

1. N 38°46'13" E for a distance of 317.12 feet to an iron pipe found for an angle point, and
2. N 37°14'30" E for a distance of 61.04 feet to a ½ inch iron rod found for the most northwesterly corner of said 45.760 acre tract, being also the most northwesterly corner of the herein described tract and being an ell corner in the east line of said 6.009 acre tract;

THENCE S 75°34'34" E, with the north line of the herein described tract, the north line of said 45.760 acre tract and a south line of said 6.009 acre tract, for a distance of 498.83 feet to an iron pipe found for the southeast corner of said 6.009 acre tract, being also the most northerly northeast corner of said 45.760 acre tract, being also in the west line of that certain 462.4037 acre tract of land as described in a deed to The City of Austin of record in Volume 12396, Page 1204 of the Deed Records of Travis County, Texas, being also in the east line of said John Hobson Survey No. 527 and being in the west line of said W. P. Moore Survey No. 525;

THENCE with an east line of said 45.760 acre tract, the north line of the herein described tract, the west line of said 462.4037 acre tract, the east line of said John Hobson Survey No. 527 and the west line of said W. P. Moore Survey No. 525, the following two (2) courses and distances;

1. S 14°05'02" W for a distance of 209.66 feet to an iron pipe found for an angle point, and
2. S 14°16'34" W for a distance of 117.47 feet to an iron pipe found for the southwest corner of said 462.4037 acre tract;

THENCE S 68°41'00" E, with the south line of said 462.4037 acre tract, the north line of said 45.760 acre tract and the north line of the herein described tract, at a distance of 1069.61 feet pass a 5/8 inch iron pipe found for the northeast corner of said 45.760 acre tract and being the northwest corner of said 66.47 acre tract, for a total distance of 1884.96 feet to a ½ inch iron rod found for the most westerly corner of said 3.6220 acre Estate of Dorothy G. Baldwin tract;

THENCE departing the north line of said 66.47 acre tract and with the north line of said 3.6220 acre tract, the north line of the herein described tract and the south line of said 462.4037 acre tract, the following five (5) courses and distances;

1. N 62°33'19" E for a distance of 196.48 feet to a ½ inch iron rod with cap set for an angle point,
2. N 89°05'58" E for a distance of 433.22 feet to a ½ inch iron rod found for an angle point,
3. N 66°54'01" E for a distance of 38.87 feet to a ½ inch iron rod found for an angle point,
4. N 89°15'59" E for a distance of 647.80 feet to a ½ inch iron rod found for an angle point, and
5. N 46°40'44" E for a distance of 75.10 feet to a ½ inch iron rod found for the northeast corner of the herein described tract, being also the northeast corner of said 3.622 acre tract and being in the west line of Lake Pointe, Phase II a subdivision of record in Book 97, Pages 84-87 of the Plat Records of Travis County, Texas;

THENCE S 39°39'22" E, with the east line of the herein described tract, the east line of said 3.6220 acre tract and the west line of said Lake Pointe, Phase II, for a distance of 84.82 feet to a ½ inch iron rod with cap set for the most easterly corner of said 3.6220 acre tract, being also the most easterly corner of the herein described tract and being the northeast corner of that certain 31.9094 acre tract of land as described in a deed to Technology Properties, Inc. of record in Volume 12101, Page 1883 of the Deed Records of Travis County, Texas;

THENCE S 89°14'34" W, with the south line of said 3.6220 acre tract, the north line of said 31.9094 acre tract and a south line of the herein described tract, for a distance of 753.86 feet to a ½ inch iron rod with cap set for an ell corner and being the northwest corner of said 31.9094 acre tract;

THENCE S 08°45'55" E, with the west line of said 31.9094 acre tract, the east line of said 3.6220 acre tract and the east line of the herein described tract, at a distance of 376.02 feet pass a ½ inch iron rod found for the southeast corner of said 3.6220 acre tract and being the northeast corner of said 66.47 acre tract, at a distance of 740.57 feet pass a ½ inch iron rod found for the most westerly southwest corner of said 31.9094 acre tract and being the northwest corner of Bee Caves Plaza, Section Three a subdivision of record in Book 101, Pages 92-93 of the Plat Records of Travis County, Texas, at a distance of 972.12 feet pass a ½ inch iron rod found for the southwest corner of said Bee Caves Plaza, Section Three and being the northwest corner of that certain 7.69 acre tract of land as described in a deed to Ted L. Stewart, Trustee of record in Volume 13047, Page 244 of the Deed Records of Travis County, Texas, for a total distance of 2036.16 feet to the POINT OF BEGINNING and containing 114.67 acres of land.

CM
RBB
JD

EXHIBIT "C"

IMPROVEMENTS TO STATE HIGHWAY 71

The following improvements (the "**Improvements**") to State Highway 71 ("**SH71**") shall be designed, permitted and constructed at no cost to the Village:

- a. An additional lane in each direction along SH71 between Farm to Market Road 620 ("**FM620**") and Ranch to Market Road 2244 ("**RM2244**"); and
- b. A traffic signal light at the mid-point access to the Project along SH71 (the "**SH71 Intersection**") as shown on the Concept Plan (as defined in the Planned Development Agreement), or as otherwise agreed to by TxDot and the Village; and
- c. A landscaped median with appropriate curb cuts in the center of SH71 (if permitted by TxDOT); and
- d. Appropriate streetlamps and guardrails as required by TxDot or the Village; and
- e. At the mid-point access intersection with SH71, a northbound approach with one left turn and one through/right shared lane, a dual southbound approach with dual left turn and one through/right shared lane, a modification of the eastbound approach to provide one left turn, two through and one through/right shared lane, and a modification of the westbound approach to provide one left turn, three through and one right turn lane; and
- f. At the intersection of FM620 and SH71, a modification of the southbound approach to provide two left turn, one through and one right turn lanes, a northbound approach with one left turn, one through and one right turn lane, a modification of the eastbound approach to provide dual left turn, two through and one through/right shared lanes, a modification of the westbound approach to provide one left turn, three through and one right turn lanes, and optimization of the traffic signal light timing; and
- g. At the intersection of RM2244 and SH71, a modification of the southbound approach to provide one left turn, one through and two right lanes, a northbound approach to provide one left turn, one through and one right turn lane, a modification of the eastbound approach to provide dual left turn, two through and one through/right shared lanes, a modification of the westbound approach to provide one left turn, two through and one through/right shared lanes, and the optimization of traffic signal light timing.

CM
RBB
02

All of these improvements shall be constructed as depicted on Exhibit "C-1".

WJM
R.B. Bill


EXHIBIT "C-1"

DRAWING OF IMPROVEMENTS TO STATE HIGHWAY 71

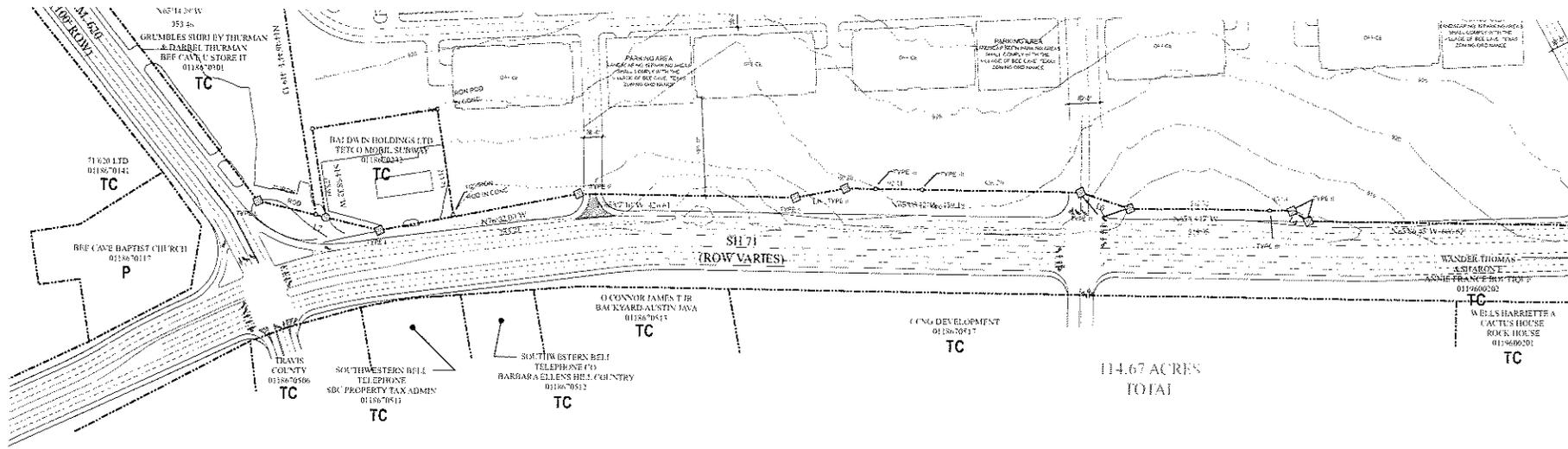
CM
R.B. III


EXHIBIT "D"

HIKE AND BIKE TRAIL SYSTEM

A hike and bike trail system (a "**Trail System**") must be developed on the Land as shown on the Concept Plan (as defined in the Planned Development Agreement) or as otherwise required by the Village to correspond with the Village's Comprehensive Trail Plan. Such Trail System shall be designed in good faith with owners of land adjacent to the Land and the U.S. Department of Transportation pedestrian mobility funding office in order to attempt to tie the Trail System to other planned or existing trails.

CM
R/B/Bill



N8°14.28'W
35346

GRUMBLES SUDRIEV THURMAN
42 BARREL THURMAN
BEE CAN STORE IT
011860910

TC

71820 LTD
011867014

TC

BEE CAVE BAPTIST CHURCH
011867011

P

BRIAN DAVID HOLDINGS LTD
TETCO MOBIL SURWAY
011860243

TC

TRAVIS COUNTY
0118670586

TC

SOUTHWESTERN BELL
TELEPHONE
SBC PROPERTY TAX ADMIN
0118670511

TC

SOUTHWESTERN BELL
TELEPHONE CO
BARBARA ELLESS BELL COUNTRY
0118670512

TC

O'CONNOR JAMES T JR
BACKYARD AUSTIN JAWA
011860914

TC

CONG DEVELOPMENT
0118670911

TC

114.67 ACRES
(TOTAL)

WANDER THOMAS
STAFFORD
011860292

TC

WELLS HARRIETTE A
CACTUS HOUSE
ROCK HOUSE
011860291

TC

1. Replaced as of 9/27/05 by Ordinance No. 05-03-08-A