



LEANDER TAX INCREMENT REINVESTMENT ZONE NO. 1

CITY OF LEANDER - 200 WEST WILLIS STREET - LEANDER - TEXAS - 78646

AGENDA

LEANDER TIRZ No. 1

November 29, 2016 – 5:00 pm

Leander City Hall
City Manager's Conference Room
200 W. Willis
Leander, Texas 78641

NOTICE IS HEREBY GIVEN of the Meeting of the Board of Directors of the Leander TIRZ No. 1 on the 29th day of November, 2016 at 5:00 p.m. At the meeting the Board of Directors will consider and act upon the following agenda items:

1. Open meeting and roll call
2. Approval of the minutes: November 17, 2016
3. Consider approval of an Amendment to the Project and Financing Plan to Allocate the Estimated Project Costs for the St. David's Medical Complex Project Among Project Categories; Amending the Project Plan to Add Gas Utility Infrastructure to the List of Public Improvements Projects; and Providing for Related Matters
4. Consider approval of the Leander Medical Complex Development and Reimbursement Agreement
5. Adjourn

I hereby certify that the above notice of the Meeting of the Board of Directors of the LEANDER TIRZ. No. 1 was posted on the bulletin board at City Hall, 200 West Willis, Leander, Texas on the 23rd day of November, 2016 by 5:00 p.m. pursuant to Ch. 551 Tex. Gov't. Code.

A handwritten signature in blue ink that reads "Debora Penberg". The signature is written over a horizontal line.

Debora Penberg – Interim City Secretary
City of Leander, Texas



LEANDER TAX INCREMENT REINVESTMENT ZONE NO. 1

CITY OF LEANDER - 200 WEST WILLIS STREET - LEANDER - TEXAS - 78646

MINUTES

LEANDER TIRZ No. 1

November 17, 2016 – 8:00 am

Leander City Hall
Conference Room
200 W. Willis
Leander, Texas 78641

NOTICE IS HEREBY GIVEN of the Meeting of the Board of Directors of the Leander TIRZ No. 1 on the 17th day of November, 2016 at 8:00 a.m. At the meeting the Board of Directors will consider and act upon the following agenda items:

1. Open meeting and roll call
Kent Cagle opened the meeting at 8:06 a.m.
In attendance were Kent Cagle, Cynthia Long, Joseph Eckels, and Dale Vannoy.
Genc Krasniqi was absent.
Also in attendance were Mark Willis, Paige Saenz, and Debora Penberg
2. Approval of the minutes: August 22, 2016
Motion made by Cynthia Long to approve. Second by Dale Vannoy.
Motion passed with all voting "aye"
3. Discuss and Consider Incentives for St. David's Hospital
Paige Saenz, City Attorney explained
The Board was in agreement to the terms until presentation of final agreement

The next meeting was scheduled for November 29, 2016 at 5:00 p.m.
4. Adjourn
With there being no further business the meeting adjourned at 8:39 a.m.

Attest:

Kent Cagle, President

Debora Penberg, Interim City Secretary

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LEANDER, TEXAS AMENDING THE PROJECT AND FINANCING PLAN FOR THE REINVESTMENT ZONE NUMBER ONE TO ALLOCATE THE ESTIMATED PROJECT COSTS FOR THE ST. DAVID'S MEDICAL COMPLEX PROJECT AMONG PROJECT CATEGORIES; AMENDING THE PROJECT AND FINANCING PLAN TO ADD GAS UTILITY INFRASTRUCTURE TO THE LIST OF PUBLIC IMPROVEMENTS THAT MAY BE FUNDED BY THE ZONE AND PROVIDING FOR THE ESTIMATED PROJECT COSTS FOR SAID IMPROVEMENTS; PROVIDING THE ESTIMATED TIME WHEN PROJECT COSTS WILL BE INCURRED FOR THE MEDICAL COMPLEX PROJECTS; ESTABLISHING THE MEDICAL COMPLEX SUBACCOUNT IN THE TAX INCREMENT FUND; AND PROVIDING FOR RELATED MATTERS

WHEREAS, Reinvestment Zone Number One, City of Leander, Texas (the "Zone") is a tax increment reinvestment zone created pursuant to Chapter 311, Texas Tax Code, as amended (the "Act"), by Ordinance No. 06-029-00 adopted by the City Council of the City (the "City Council" and the "City") on September 7, 2006, as amended by Ordinance No. 06-029-01 adopted by the City Council on June 21, 2007 (the "Zone Creation Ordinance"), as amended by subsequent ordinances adopted by the City Council;

WHEREAS, Zone Creation Ordinance adopted a project and financing plan pursuant to Section 311.011, Texas Tax Code, which has been amended and updated from time to time (the "Zone Plan");

WHEREAS, the Zone, the Leander Development Authority, and the City considered the approval of that certain Leander Medical Complex Development and Reimbursement Agreement dated _____ (the "Reimbursement Agreement"), in which the developer identified in the Reimbursement Agreement (the "Developer") will be reimbursed for the design, construction, and installation of certain public improvement projects in connection with development of the property described in the Reimbursement Agreement (the "Property") that are described in Section 3 herein as the Public Improvement Projects, subject to the terms and conditions of the Reimbursement Agreement;

WHEREAS, the Zone and the City desire to assign the Public Improvement Projects to project categories in the Zone Plan for the purpose of tracking the commitment of tax increment funds; and

WHEREAS, the Zone and the City further desire to amend the Zone Plan to add gas utility infrastructure to the list of public improvements that may be financed by the Zone and establishing estimated project costs for such improvements;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEANDER, TEXAS, THAT:

Section 1. Findings. The findings and recitations set out in this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

Section 2. Zone Plan. The Zone Plan is hereby amended by adding gas utility infrastructure to the list of public improvements that may be financed by the Zone as set forth in Exhibit A. The Zone Plan is further amended to establish the estimated project costs for the gas utility infrastructure and to reduce the estimated project costs for the Drainage-Detention - Offsite Facilities category, as set forth in Exhibit A. The Zone Plan set forth in Exhibit A is hereby adopted and approved.

Section 3. Public Improvement Projects. (a) The public improvement projects described in this Section and **Exhibit B** are reasonable and necessary to provide adequate water, sewer, transportation, storm water detention and drainage, gas utility service, and other public infrastructure for persons and property located within the Zone (the “Public Improvement Projects”). The Public Improvement Projects are authorized by the Act, are consistent with the Zone Plan, and correspond to the categories of projects set forth in the Zone Plan, as follows:

<u>Public Improvement Project</u>	<u>Zone Plan Project Category</u>
(1) Transportation Projects	Transportation - Required Roadways
(a) A deceleration lane on the frontage road of Highway 183A	
(b) A deceleration lane on San Gabriel Parkway	
(c) Construction of two to four lanes of San Gabriel Parkway	
(d) Traffic signals on roads adjacent to the Property	
(e) Turn lane improvements on roads abutting the Property	
(2) Drainage Structures – Water Quality and Detention Ponds	Drainage-Detention – Regional Facilities
(3) Street Lighting	Design Enhancements – Street Lighting
(4) Sidewalks	Transportation - Required Roadways
(5) Offsite Gas Line Extension	Other Utilities - Natural Gas
(6) Onsite Water Projects	Water – Necessary Connections
(7) Sewer Projects	Wastewater – Laterals/Main Collectors
(a) Sewer Line Extension Project	
(b) Onsite Sewer Project	

(b) No bonded indebtedness secured by tax increment revenue from the Zone is envisioned at this time to finance the design and construction of the Public Improvement Projects.

Section 4. Medical Complex Project Costs.

(a) The estimated project costs and the estimated time for completion of the Public Improvement Projects are set forth in Exhibits A and B. After completion and acceptance of the Public Improvements, the developer will receive reimbursements from amounts that are deposited into the Medical Complex Project Payment Account for completed and accepted Public Improvement Project subject to the terms, conditions, and limitation of the Reimbursement Agreement.

(b) The actual costs of designing, constructing and installing a Medical Complex Project may be greater than or less than the estimated costs for such project. The estimated costs of each category of the Medical Complex Projects may be adjusted as the Medical Complex Projects proceed, so that reimbursement amounts may be transferred from one category that is constructed for actual costs less than its estimated costs to another category that is constructed for actual costs greater than its estimated costs; provided that the Developer's reimbursements from the Zone shall not exceed the Maximum Reimbursement Amount, as that term is defined in the Reimbursement Agreement. At such time that the Developer submits a request for reimbursement, the Developer may request an adjustment to the estimated costs of each category of the Medical Complex projects. The City staff is authorized to make adjustments to the Project Plan categories from which the Public Improvement Projects are reimbursed; provided that the Developer's reimbursements from the Zone shall not exceed the Maximum Reimbursement Amount. The adjustments to the project plan category amounts will be brought to the Zone for reconciliation.

(c) The estimated project costs and estimated time when the public infrastructure will be complete, are hereby amended and updated as set forth in **Exhibit A**.

Section 5. Sub Accounts Created. The Medical Complex Project Payment Account (the "Payment Account") is hereby created and established as a sub-account of the Tax Increment Fund. The Payment Account shall be maintained for the period of time required under the Reimbursement Agreement, and a portion of the tax receipts shall be deposited into the Payment Account as provided in, and subject to the terms and conditions of, the Reimbursement Agreement.

Section 6. Amendment of Conflicting Ordinances. The Zone Plan adopted under Ordinances 06-029-00 and 06-029-01, as amended by subsequently adopted ordinances, is hereby amended to the extent of any conflict with this Ordinance. In the event of a conflict between this Ordinance and another Ordinance of the City, this Ordinance shall control, provided that this Ordinance shall not change the terms, conditions, or limitations of any reimbursement agreement governing payment of tax increment revenue generated within the Zone.

Section 7. Severability. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable and, if any phrase, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation of this ordinance of any such invalid phrase, clause, sentence, paragraph or section. If any provision of this Ordinance shall be adjudged by a court of competent jurisdiction to be invalid, the invalidity shall not affect other

provisions or applications of this Ordinance which can be given effect without the invalid provision, and to this end the provisions of this Ordinance are declared to be severable.

Section 8. Effective Date. This ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the *Tex. Loc. Gov't. Code*.

Section 9. Open Meetings. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code*.

PASSED AND APPROVED on this the ____ day of December, 2016.

ATTEST:

THE CITY OF LEANDER, TEXAS

Debora Penberg, Interim City Secretary

Christopher Fielder, Mayor

EXHIBIT A
AMENDED ZONE PLAN

Leander TRZ Project Plan (Rev. 11/16/2016)											
Funding Category	2006-2008	2008-2010	2010-2015	2015-2020	2020-2025	2025-2031	Total	Uncommitted Balance	Committed Funds*	Impact Fee Revenue**	Total Committed
Administration	\$ 6,600	\$ 33,567	\$ 650,000	\$ 100,000	\$ 100,000	\$ 59,833	\$ 950,000	\$ 300,000			\$ 650,000
Engineering Design-Consulting		\$ 42,349	\$ 650,000	\$ 650,000	\$ 757,651		\$ 2,100,000	\$ 583,036			\$ 1,516,964
Water			\$ 437,400	\$ 3,000,000	\$ 3,000,000	\$ 1,987,600	\$ 8,425,000	\$ 7,630,000			\$ 795,000
Transmission											
Storage contribution							\$ -	\$ -			
Necessary Connectors			\$ 1,840,000	\$ 1,500,000	\$ 500,000		\$ 3,840,000	\$ 3,144,050		\$ 63,500	\$ 699,950
Office Contribution			\$ 450,000				\$ 450,000	\$ 450,000			\$ -
Wastewater							\$ 12,715,000	\$ 11,224,050			\$ 1,490,950
Bushy Creek Basin											
Interceptor	\$ 1,000,000	\$ 1,090,000					\$ 2,090,000	\$ 1,839,088			\$ 250,912
Lateral/Main Collectors	\$ 500,000	\$ 550,000	\$ 250,000				\$ 1,300,000	\$ 539,415			\$ 760,585
Lift Station	\$ 500,000	\$ 250,000	\$ 250,000				\$ 1,000,000	\$ 783,171			\$ 216,829
Force Main	\$ 150,000	\$ 240,000					\$ 390,000	\$ 390,000			\$ -
San Gabriel Basin											
Interceptor	\$ 100,000	\$ 650,000					\$ 750,000	\$ 371,880			\$ 378,120
Lateral	\$ 250,000	\$ 250,000	\$ 200,000				\$ 700,000	\$ 129,700			\$ 570,300
Lift Station	\$ 300,000	\$ 300,000	\$ 350,000				\$ 950,000	\$ 470,000			\$ 480,000
Force Main		\$ 200,000					\$ 200,000	\$ 200,000			\$ -
Office Contribution	\$ 250,000	\$ 250,000	\$ 250,000				\$ 750,000	\$ 750,000			\$ -
Transportation							\$ 8,130,000	\$ 5,473,254			\$ 2,656,746
RM 2243				\$ 1,075,000	\$ 1,075,000		\$ 2,150,000	\$ 2,150,000			\$ -
San Gabriel Parkway				\$ 2,000,000	\$ 2,700,000		\$ 4,700,000	\$ -			\$ 4,700,000
CR 273			\$ 386,511	\$ 311,489			\$ 700,000	\$ 150,000			\$ 550,000
CR 269				\$ 700,000			\$ 1,400,000	\$ 1,400,000			\$ -
US 183 Improvements				\$ 1,000,000	\$ 1,000,000	\$ 1,050,000	\$ 3,050,000	\$ 3,050,000			\$ -
Required Roadways			\$ 12,000	\$ 1,000,000	\$ 1,500,000	\$ 1,488,000	\$ 4,000,000	\$ 1,004,376			\$ 2,995,224
Necessary Connectors			\$ 350,000	\$ 350,000	\$ 300,000		\$ 1,000,000	\$ 187,092		\$ 42,908	\$ 812,908
183A enhancements- connections			\$ 750,000	\$ 750,000	\$ 500,000		\$ 1,900,000	\$ 841,868			\$ 1,058,132
Rail Station											
Rail Station Improvements			\$ 1,500,000	\$ 1,500,000			\$ 3,000,000	\$ 3,000,000			\$ -
Drainage - Detention											
Regional Facilities				\$ 1,600,000	\$ 1,600,000		\$ 3,200,000	\$ 5,428			\$ 3,194,572

Leander TIRZ Project Plan (Rev. 11/16/2016)																			
Funding Category	2006-2008	2008-2010	2010-2015	2015-2020	2020-2025	2025-2031	Total	Uncommitted Balance	RB270	TVI	Williamson Co.	City of Leander	Crescent	Oak Creek	St. David's Hospital	Cash Contributions	Impact Fee Revenue**	Total Committed	
Ponds				\$ 325,000	\$ 325,000		\$ 650,000	\$ 112,121										\$ 537,879	
Main Collectors				\$ 225,000	\$ 225,000		\$ 450,000	\$ 450,000										\$ -	
Phased Detention				\$ 135,000	\$ 135,000		\$ 270,000	\$ 270,000										\$ -	
Office Facilities				\$ 500,000	\$ 500,000		\$ 1,000,000	\$ 1,000,000										\$ -	
Property/Easements				\$ 350,000	\$ 350,000		\$ 700,000	\$ 700,000										\$ -	
Water Quality (some overlap with Detention)																			
Treatment Facilities (BAMs)				\$ 790,000	\$ 790,000		\$ 1,580,000	\$ 280,126					\$ 877,141	\$ 421,733				\$ 1,299,874	
Phased Treatment				\$ 125,000	\$ 125,000	\$ 100,000	\$ 350,000	\$ 350,000										\$ -	
Property/Easements				\$ 225,000	\$ 225,000		\$ 450,000	\$ 450,000										\$ -	
Off-site Facilities				\$ 250,000	\$ 250,000		\$ 500,000	\$ 500,000										\$ -	
							Sub-Tot	\$ 9,150,000	\$ 4,117,675									\$ 5,032,325	
Design Enhancements																			
Street Lighting				\$ 300,000	\$ 300,000	\$ 300,000	\$ 900,000	\$ (70,944)		\$ 83,152			\$ 680,000	\$ 57,792	\$ 150,000			\$ 970,944	
P plazas/Features				\$ 300,000	\$ 350,000	\$ 300,000	\$ 950,000	\$ 624,207		\$ 110,835				\$ 214,958				\$ 325,793	
Greenspace Treatments				\$ 300,000	\$ 350,000	\$ 300,000	\$ 950,000	\$ 651,013		\$ 71,737				\$ 227,250				\$ 298,987	
Other (unique improvements that benefit the TOD)				\$ 200,000	\$ 150,000	\$ 100,000	\$ 450,000	\$ 450,000										\$ -	
							Sub-Tot	\$ 3,250,000	\$ 1,854,276									\$ 1,585,724	
Other Utilities							\$ 1,550,000	\$ 1,200,000										\$ 350,000	
Natural Gas	\$ 6,600	\$ 33,567	\$ 1,530,260	\$ 24,051,489	\$ 24,430,000	\$ 9,393,084	Total	\$ 59,845,000	\$ 35,394,159	\$ 569,912	\$ 1,569,184	\$ 4,700,000	\$ 1,445,000	\$ 13,468,245	\$ 4,220,374	\$ 2,000,000	\$ 300,000	\$ (4,421,874)	\$ 23,850,841

Notes:
 1 - The committed amounts are maximum dollar amounts that are subject to any pro-rata cost calculations, multipliers, reductions or other stipulations in the approved reimbursement agreements.
 2 - The Crescent agreement provides for a portion of the water and wastewater impact fees collected from connections into the funded water and wastewater improvements to be paid to the TIRZ account to be used to fund the reimbursements. These amounts are based on the total number of LUEs only within the Crescent property and at the impact fee rates as of October 2014

EXHIBIT "B"
Medical Complex Public Improvement Projects

Public Improvement Project	Estimated Project Costs*	Estimated Year of Completion
Transportation Projects a. A deceleration lane on the frontage road of Highway 183A b. A deceleration lane on San Gabriel Parkway c. Construction of two to four lanes of San Gabriel Parkway d. Traffic signals on roads abutting the Property e. Turn lane improvements on roads abutting the Property f. Sidewalks	\$450,000 (Total)	
Drainage Structures – Water Quality and Detention Ponds	\$550,000	
Street Lighting	\$150,000	
Offsite Gas Line Extension	\$350,000	
Onsite Water Line Projects	\$200,000	
Sewer Projects a. Onsite Sewer Project b. Sewer Line Extension Project	\$300,000 (Total)	

MAXIMUM REIMBURSEMENT AMOUNT: \$2,000,000.00

**LEANDER MEDICAL COMPLEX DEVELOPMENT
AND REIMBURSEMENT AGREEMENT**

This Leander Medical Complex Development and Reimbursement Agreement (the "AGREEMENT") is entered into effective when fully executed (the "EFFECTIVE DATE"), by the City of Leander, Texas (the "CITY"); the Leander Development Authority (the "AUTHORITY"); GHC – Galen Healthcare, LLC, the Manager of St. David's Healthcare Partnership, L.P., LLP (the "DEVELOPER"), and Reinvestment Zone Number One, City of Leander, Texas (the "ZONE"). The capitalized terms used in this Agreement have the meanings ascribed to them herein.

RECITALS

WHEREAS, the City is a Texas home-rule municipal corporation;

WHEREAS, the Authority is a non-profit corporation formed pursuant to Subchapter D, Chapter 431, Texas Transportation Code, and the City Charter of the City;

WHEREAS, the Developer is a Texas limited liability partnership and owns approximately 52 acres of property in Williamson County within the Zone and intends to develop it as a free standing emergency department ("FSED");

WHEREAS the Zone is a tax increment reinvestment zone created pursuant to the authority of Chapter 311, Texas Tax Code, as amended (the "ACT"), by Ordinance No. 06-029-00 adopted by the City Council of the City (the "CITY COUNCIL") on September 7, 2006, as amended by subsequent ordinances adopted by the Zone and the City Council;

WHEREAS, the City, the Authority, the Developer, and the Zone are individually referred to as a "PARTY" and collectively as the "PARTIES;"

WHEREAS, the City executes this Agreement for limited purposes which are: (1) approving this Agreement as a contractual obligation of the Authority; (2) creating the Payment Account with respect to the Medical Complex Project (the "MEDICAL COMPLEX PROJECT PAYMENT ACCOUNT") within the Tax Increment Fund and depositing the City Tax Increment Receipts and County Tax Increment Receipts into such Medical Complex Project Payment Account; (3) approving the use of funds in the Medical Complex Project Payment Account by the Authority to reimburse the Developer for Medical Complex Project Costs; and (4) to hold the rights and obligations expressly set forth herein as rights and obligations of the City;

WHEREAS, the Zone, acting through its Board of Directors (the "BOARD") executes this Agreement for limited purposes which are: (1) approving this Agreement as a contractual obligation of the Authority; (2) approving the creation of a Medical Complex Project Payment Account within the Tax Increment Fund and approving the deposits into such account in the Tax Increment Fund of the City Tax Increment Receipts and County Tax Increment Receipts; (3) approving the use of funds in the Medical Complex Project Payment Account by the Authority to reimburse the Developer for Medical Complex Project Costs; and (4) to hold the rights and obligations expressly set forth herein as rights and obligations of the Zone;

1.5 Project Plan. The Board has recommended approval of, and the City Council has approved a Project Plan that includes certain water, sewer, water quality, transportation, and other improvements identified in this Agreement as the Medical Complex Projects that are eligible under the Act for reimbursement from the Zone. The Authority finds that such improvements, the Medical Complex Projects described in Article 5, are authorized by the Act, are consistent with and included in the Project Plan, and are appropriate for reimbursement pursuant to this Agreement.

1.6 Benefits. The Developer will benefit from being reimbursed certain costs and by virtue of the improved feasibility for the current development of the Property, the financial benefit of the reimbursements, the City services that will be made available to the Property, and the predictability regarding the City's regulations applicable to development. The Authority, the Zone, and the City will benefit from the construction of the Medical Complex Projects, the development of the Property within the TODD PUD, the enhancement of land values in properties that will be served by the Medical Complex Projects, and resulting tax revenues that the City and the County will realize.

1.7 Consideration. The benefits to the Parties, plus the mutual promises expressed herein, are good and valuable consideration for this Agreement, the sufficiency of which is hereby acknowledged by the Parties.

1.8 Term. The term of this Agreement shall begin on the Effective Date and continue until the earlier of: (1) the date the Zone is terminated; or (2) the date on which the Developer has been reimbursed for the Medical Complex Project Costs up to the Maximum Reimbursement Amount as provided in this Agreement.

ARTICLE 2 DEFINITIONS

2.1 Applicable Regulations means (1) this Agreement; (2) all federal statutes and regulations, as amended; (3) all statutes and the Constitution of the State of Texas, as amended (including, but not limited to, Article III, Section 52-a of the Texas Constitution, Section 380.001 of the Texas Local Government Code, and Chapter 311 and Section 351.101 of the Texas Tax Code), as amended from time to time; (4) to the extent not in conflict with this Agreement, all other City ordinances, as amended; and (5) all rules and regulations of the Texas Department of Transportation, as amended. With respect to the Offsite Gas Line Extension, Atmos Energy's, or its successor's, rules and regulations shall govern design, construction, and acceptance of the Offsite Gas Line Extension.

2.2 Atmos Energy means Atmos Energy Corporation.

2.3 Captured Appraised Value means, for a taxing unit, the total taxable value of real property and business personal property by the unit and located in the Zone for a given year less the total taxable value of real property and business personal property taxable by the unit and located in the Zone for the year in which the Zone was created.

2.4 City Tax Increment Receipts means: 50% of the ad valorem taxes collected and received by the City on the Captured Appraised Value of the Property minus the Zone Administrative Expenses.

2.5 County means Williamson County, Texas.

2.6 County Participation Agreement means the Amended Tax Increment Financing Agreement effective August 8, 2006, by and between the City and the County, as amended.

2.7 County Tax Increment Receipts means 50% of the ad valorem taxes collected and received by the County on the Captured Appraised Value of the Property minus the Zone Administrative Expenses.

2.8 Design Enhancement Projects means lighting on the Property abutting and adjacent to the Transportation Projects or San Gabriel Parkway described in the construction plans approved by the City.

2.9 Drainage Structure — Water Quality and Detention Projects means wet detention and water quality ponds described in the construction plans approved by the City. The Drainage Structure — Water Quality and Detention Projects will be designed and constructed in accordance with the TCEQ in order to remove a minimum of 80% of the increase in Total Suspended Solids (“TSS”) and with this Agreement. The Drainage Structure – Water Quality and Detention Projects will be designed in a manner that will allow storm water from other properties to drain into such Projects as determined feasible and appropriate by the City Engineer and the Developer, either through ultimate construction of the Drainage Structure – Water Quality and Detention Projects themselves, or by designing and providing enough land on the Property to allow for future oversizing of said Projects. The Parties will determine at either the site development or platting stage for the Property the sizing of the Drainage Structure – Water Quality and Detention Projects for the purpose of accepting flows from land outside the Property. The Parties will cooperate in good faith to give effect to this Section.

2.10 Estimated Costs for Each Category of the Medical Complex Projects means estimated costs to construct each category of the Medical Complex Projects. There are six categories of Medical Complex Projects, which are: (a) the Transportation Projects; (b) the Drainage Structure – Water Quality and Detention Projects; (c) Design Enhancement Projects; (d) Onsite Water Projects; (e) Sewer Projects; and (f) Offsite Gas Line Extension Projects.

2.11 Estimated Costs for the Design Enhancement Projects means the estimated project costs for the Design Enhancement Projects which are set forth in **Exhibit B**.

2.12 Estimated Costs for the Drainage Structure – Water Quality and Detention Projects means the estimated costs for the Drainage Structure – Water Quality and Detention Project which are set forth in **Exhibit B**.

2.13 Estimated Costs for Offsite Gas Line Extension Projects means the estimated costs of the Offsite Gas Line Extension Project which are set forth in **Exhibit B**.

2.14 Estimated Costs for the Onsite Water Projects means the estimated costs of the Onsite Water Projects which are set forth in **Exhibit B**.

2.15 Estimated Costs for the Sewer Projects means the estimated costs of the Sewer Projects which are set forth in **Exhibit B**.

2.16 Estimated Costs for the Transportation Projects means the estimated costs for the Transportation Projects which are set forth in **Exhibit B**.

2.17 Maximum Reimbursement Amount means the lesser of (i) the actual costs to design, construct, and install the Medical Complex Projects, or (ii) \$2,000,000.

2.18 Medical Complex Project Payment Account means a separate account established by the City and the Zone within the Tax Increment Fund for the deposit of the City Tax Increment Receipts and the County Tax Increment Receipts, and from which the Authority will reimburse the Developer for Medical Complex Project Costs, up to the Maximum Reimbursement Amount as provided in this Agreement.

2.19 Medical Complex Projects means the improvements described in Section 5.1.

2.20 Medical Complex Project Costs are defined in Article VI.

2.21 Offsite Gas Line Extension means the extension of a gas line from the existing Atmos Energy gas line located at the point generally shown on **Exhibit C** to the edge of the Property as more particularly shown in **Exhibit C**.

2.22 Onsite Water Projects means the extension of water utilities from the edge of the Property to the building pad in accordance with the construction plans approved by the City.

2.23 Phase I means a free-standing emergency department ("FSED") containing approximately 10,000 square feet of new construction.

2.24 Phase II means a medical office building ("MOB") containing approximately 20,000 square feet of new construction. The MOB may be owned and operated by a third party.

2.25 Phase III means an acute care hospital of approximately thirty (30) beds or more.

2.26 Project Plan means that certain Project Plan and Reinvestment Zone Financing Plan as recommended by the Board of Directors of the Zone and approved by the City Council on October 5, 2006, and as modified by subsequent ordinances recommended for approval by the Board of Directors of the Zone and approved by the City Council.

2.27 Sewer Projects means the (a) the Onsite Sewer Project, being the extension of sewer utilities from the edge of the Property to the building pad in accordance with the construction plans approved by the City; and (b) the Sewer Line Extension Project, being the extension of a sewer line from the southeastern corner of the Property along the eastern boundary of the Property to its northeastern corner along the route generally shown in **Exhibit C** in accordance with the construction plans approved by the City. In the alternative, the Developer

may extend the line from its location at the intersection of Mel Mathis and San Gabriel Parkway, along the southern boundary of the Property to its southeastern corner, then along the eastern boundary of the Property to its northeastern corner. The approved construction plans will establish the route of the Sewer Line Extension Project.

2.28 Tax Increment Fund means the tax increment fund required by the Act into which the ad valorem taxes levied and collected by the City and the County on the Captured Appraised Value is to be deposited.

2.29 TCEQ means the Texas Commission on Environmental Quality, or successor agency.

2.30 Transportation Projects means the following projects required for development of Phases I, II, or III, constructed in accordance with construction plans approved by the City: (a) a deceleration lane on the frontage road of Highway 183A; (b) a deceleration lane on San Gabriel Parkway; (c) construction of two to four lanes of San Gabriel Parkway; (d) traffic signals on roads abutting the Property; (e) turn lane improvements on roads abutting the Property; and (f) sidewalks. .

2.31 Zone Administrative Expenses mean the administration costs set forth in the Project Plan.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 The City, the Authority and the Zone hereby certify, represent, and warrant to Developer that the City, the Authority and the Zone have full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all necessary City, Authority and Zone proceedings, findings, and actions. Accordingly, this Agreement constitutes the legal, valid, and binding obligation of the City, the Authority and the Zone, is enforceable in accordance with its terms and provisions, and does not require the consent of any other governmental authority.

3.2 Developer hereby certifies, represents, and warrants to the City, the Authority and the Zone that Developer has full constitutional and lawful right, power, and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all actions necessary. Accordingly, this Agreement constitutes the legal, valid, and binding obligation of Developer, is enforceable in accordance with its terms and provisions, and does not require the consent of any other authority or entity.

ARTICLE 4 SEWER LINE EXTENSION

4.1 Water and Sewer Line Extension. The City and the Authority caused the extension of an 18 inch sewer line from its present location at from the North Brushy Interceptor to the southeast corner of the Property (“SEWER INTERCEPTOR EXTENSION”). The cost to design

and construct the Sewer Interceptor Extension is approximately \$1,200,000. The Sewer Line Interceptor Extension is complete. The City and the Authority shall further cause a twenty-four inch (24") water line to be extended from Bagdad and San Gabriel to the Property along a route determined appropriate by the City (the "Water Line Extension"). The cost to design and construct the Water Line Extension is estimated to be \$2,375,000.

ARTICLE 5 MEDICAL COMPLEX PROJECTS

5.1 Medical Complex Projects. The Medical Complex Projects for which the Developer will be eligible for reimbursement, subject to the terms and conditions of this Agreement are: (a) the Transportation Projects; (b) the Drainage Structure – Water Quality and Detention Projects; (c) the Design Enhancement Projects; (d) the Sewer Projects; (e) the Onsite Water Projects; and (f) the Offsite Gas Line Extension Project.

ARTICLE 6 REIMBURSEMENT OF MEDICAL COMPLEX PROJECT COSTS

6.1 Medical Complex Project Costs. Subject to the terms of this Agreement, and the Developer's full and timely performance of, and compliance with, each of the requirements set forth in this Agreement, the Authority shall reimburse the Developer for the Medical Complex Project Costs as defined in Sections 6.2 and 7.1 of this Agreement up to the Maximum Reimbursement Amount.

6.2 Reimbursements Not To Exceed Maximum Reimbursement Amount. The Authority's obligation to reimburse the Developer for the Medical Complex Project Costs shall not exceed the Maximum Reimbursement Amount. The Estimated Costs for Each Category of the Medical Complex Projects are set forth in **Exhibit B** to this Agreement. The Estimated Costs for Each Category of the Medical Complex Projects shall be adjusted for cost overruns and cost underruns. Cost underruns in any project may be used to offset cost overruns in another project. An amendment to this Agreement is not required to adjust estimated project costs to allow cost underruns in any project to be used to offset cost overruns in another project. For example, assume that the actual cost to design, construct and install the Transportation Projects is \$400,000 and the Estimated Costs for the Transportation Projects are \$500,000. Under these assumptions, there would be a cost underrun of \$100,000 with respect to the Transportation Projects. Further, assume that the actual costs to design, construct and install the Drainage Structures – Water Quality and Detention Projects are \$650,000 and the Estimated Costs for the Drainage Structures – Water Quality and Detention Projects are \$550,000. Under these assumptions, there would be a cost overrun in the Drainage Structure – Water Quality and Detention Projects of \$100,000. The cost underrun in the Transportation Projects of \$100,000 may be applied to offset the \$100,000 overrun in the costs of the Drainage Structures – Water Quality and Detention Projects. In this example, the actual costs of the Drainage Structure – Water Quality and Detention Projects of \$650,000 would be reimbursable under this Section 6.2; provided that the Maximum Reimbursement Amount is not exceeded.

6.3 Medical Complex Project Payment Account. The City shall create and maintain the Medical Complex Project Payment Account as a separate and segregated account within the

Tax Increment Fund, which shall be invested in the same manner as other municipal funds (with interest added to the balance). The City shall not comingle the Medical Complex Project Payment Account with any other funds of the City and shall not allow the Medical Complex Project Payment Account to be used for any purposes except as provided by this Agreement.

6.4 Deposits. The City shall deposit the City Tax Increment Receipts and County Tax Increment Receipts into the Medical Complex Project Payment Account in March of each year for the period beginning on the Effective Date of this Agreement and ending on the earlier to occur of (a) the termination of the Zone; (b) the Medical Complex Projects Costs are reimbursed up to the Maximum Reimbursement Amount; or (c) the termination of this Agreement.

6.5 Annual Accounting. The Medical Complex Project Payment Account will be used to reimburse the Developer for Medical Complex Project Costs. The City and the Authority shall provide to the Developer an annual accounting (certified by the City Manager of the City and by the Board of Directors of the Authority) of all deposits into and disbursements from the Medical Complex Project Payment Account and shall otherwise maintain complete books and records with respect to such deposits and disbursements in accordance with generally accepted accounting principles as applied to Texas municipalities.

6.6 Reimbursement.

(a) No reimbursement payments to the Developer for Medical Complex Projects shall not be made until a certificate of occupancy has been issued for Phase I. After a certificate of occupancy has been issued for Phase I and before the issuance of a building permit for Phase II or Phase III, the Developer shall be entitled to receive a maximum of \$250,000 in reimbursements for the costs of completed Medical Complex Projects (the "PHASE I REIMBURSEMENT"). After the issuance of the Phase II Building Permit or Phase III Building Permit, the Developer shall be entitled to receive reimbursement payments that exceed \$250,000 for completed Medical Complex Projects as provided in this Section 6.6. In the event that a certificate of occupancy has been issued for Phase I but that no a building permit for Phase II or Phase III has been issued within three (3) years from the date of the certificate of occupancy for Phase I was issued, then reimbursement payments to the Developer for the Medical Complex Projects shall be suspended irrespective of whether the Developer has received \$250,000 in Phase I Reimbursements. . After the issuance of the Phase II Building Permit or the Phase III Building Permit, this suspension in reimbursement payments shall be lifted and the reimbursement payments will resume, and the Developer shall be entitled to receive reimbursement payments that exceed \$250,000 for the completed Medical Complex Projects as provided in this Section 6.6. If the Phase II Building Permit expires before completion of Phase II or if the Phase III Building Permit expires before the completion of Phase III, then the reimbursement payments to the Developer shall be suspended. This suspension shall be lifted and reimbursement payments will resume upon renewal or reissuance of a Phase II Building Permit or a Phase III Building Permit and will continue while such permit is in effect and unexpired.

(b) Upon completion of a Medical Complex Project and approval of such completion by the City (provided that in the case of case of the Offsite Gas Line Project, Atmos Energy shall approve completion), the Developer shall submit to the Authority a reimbursement request

("REIMBURSEMENT REQUEST"), on the form attached hereto as Exhibit D, which shall include any additional documentation reasonably required by the City to verify the amounts presented for reimbursement, for the Medical Complex Project Costs for which Developer is entitled to reimbursement. The Reimbursement Request for the Offsite Gas Line Project shall be accompanied by documentation from Atmos Energy that said Project has been completed and accepted by Atmos Energy. The Developer shall keep records of all contracts, change orders, payment applications, and pay requests made in connection with the design and construction of the Medical Complex Projects.

(c) Upon receipt of a Reimbursement Request, the Authority shall have sixty (60) days to verify the Medical Complex Project Costs or to notify the Developer in writing of the Authority's objections to the Developer's Reimbursement Request. The failure of the Authority to notify the Developer in writing of the Authority's objections to the Developer's Reimbursement Request within sixty (60) days shall constitute verification of the Medical Complex Project Costs as presented by the Developer on the Reimbursement Request.

(d) If the Authority verifies (or is deemed to have verified) the Medical Complex Project Costs ("VERIFIED PROJECT COSTS") that Developer paid or incurred, then to the extent that funds are available in the Medical Complex Project Payment Account, the Authority shall reimburse the Developer for the Verified Project Costs within thirty (30) days of verification, subject to the terms and limitations set forth in Section 6.6(a) ("INITIAL PAYMENT").

(e) After an Initial Payment, to the extent that funds are available in the Medical Complex Project Payment Account and that the Verified Project Costs have not been reimbursed in an amount up to the Maximum Reimbursement Amount, then the Authority shall make payments to reimburse the Developer for such Verified Project Costs on or before April 30 of each year until the Verified Project Costs have been paid up to the Maximum Reimbursement Amount, subject to the terms and limitations set forth in Section 6.6(a).

(f) The parties to this Agreement acknowledge that the actual costs of designing, constructing and installing a Medical Complex Project may be greater than or less than the Estimated Costs for such project. The Developer's right to reimbursement under this Section 6.6 shall be equal to the Maximum Reimbursement Amount and shall not be limited to the Estimated Costs of Each Category of the Medical Complex Projects. The Estimated Costs of Each Category of the Medical Complex Projects may be adjusted as the Medical Complex Projects proceed, so that reimbursement amounts may be transferred from one category that is constructed for actual costs less than its Estimated Costs to another category that is constructed for actual costs greater than its Estimated Costs. At such time that the Developer submits a Reimbursement Request, the Developer may request an adjustment to the Estimated Costs of Each Category of the Medical Complex projects and the parties will cooperate to determine to which categories adjustments should be made.

6.7 Medical Complex Project Payment Account. The Medical Complex Project Payment Account shall be used to reimburse Medical Complex Project Costs in the order determined by the Developer, provided that the Developer notifies the City in writing of the desired order. When verified Project Costs in an amount equal to the Maximum Reimbursement Amount have been paid, the City may terminate the Medical Complex Project Payment Account,

and use the City Tax Increment Receipts unencumbered by this Agreement, and the County may use the County Tax Increment Receipts unencumbered by this Agreement.

6.8 Representation Regarding the Tax Increment Receipts. The City, the Authority, and the Zone each represent and warrant to the Developer that, to the best knowledge and belief of each of them, no person or entity has any right, title, or interest in the City Tax Increment Receipts and County Tax Increment Receipts. Each of the City, the Authority, and the Zone further represent and warrant to the Developer that, to their best knowledge and belief, entering into this Agreement will not constitute a breach of or otherwise violate any agreement to which they are a party or by which they are bound.

6.9 Suspension of Reimbursements. Notwithstanding any other term or provision of this Agreement, no reimbursement shall be made to Developer at a time when Developer is delinquent in the payment of ad valorem taxes to either the City or the County. For so long as such delinquencies by Developer remain unpaid (including interest, penalties, and costs of collection), reimbursements by the Authority to Developer shall be suspended until the delinquencies are fully paid. This provision does not apply to ad valorem taxes that are due but not yet delinquent. A developer shall not be considered "delinquent" if exercising its rights to protest valuation.

ARTICLE 7 PROJECT COSTS; ENGINEERING REQUIREMENTS

7.1 The Medical Complex Project Costs means all costs of acquisition, design, development, installation, and construction for each of the Medical Complex Projects including, but not limited to the following:

- (a) hard construction costs;
- (b) surveying costs;
- (c) the cost of soils and materials testing;
- (d) engineering fees relating to the Project;
- (e) any other necessary and reasonable out-of-pocket costs expended by the Developer in connection with the design, development, construction, and installation of the Medical Complex Projects, including the cost of any necessary land and rights-of-way located outside the boundaries of the Property;
- (f) all payments arising under any contracts entered into for the design or construction of the Medical Complex Projects; and
- (g) plan review, approval, and inspection fees paid to any governmental agency having jurisdiction to review the plans and construction of the Medical Complex Projects, that are charged and paid for review and inspection of the Medical Complex Projects.

7.2 Developer Payment of Costs. All Medical Complex Project Costs shall be paid by the Developer as they become due. The Authority shall not bear any part or portion of such costs.

7.3 Developer Financing. The Developer shall secure the financing for, and shall design, construct, and install the Medical Complex Projects in accordance with the Applicable Regulations and this Agreement.

7.4 City Engineer Review.

(a) Prior to entering into a contract for construction of one or more Medical Complex Projects, the Developer shall submit the contractors' proposals to the City Engineer for review, evaluation, and approval. The City Engineer shall review the proposals to determine whether the proposals are fair and balanced prior to the Developer awarding a construction contract for one or more Medical Complex Projects. Any unbalanced or skewed proposals that appear to include costs for other infrastructure for the Medical Complex in the proposal for Medical Complex Projects will be appropriately corrected or rejected by the City Engineer and the Developer. The City Engineer's decision to reject a proposal will not be made in an arbitrary or capricious manner. The Developer shall not award a contract that includes any Medical Complex Projects until the Developer has received the City Engineer written approval of the contractor's proposal, and expenditures made under such a contract prior to receiving the City Engineer's written approval will be disallowed. All utility construction must be unit price bids. The Parties acknowledge that the Medical Complex Projects may, in some cases, be built in conjunction with other improvements for the Medical Complex that are not subject to reimbursement under this Agreement. Developer will have each contract proposal separately identify or itemize the construction costs for Medical Complex Projects and other improvements for the Medical Complex that are not Medical Complex Projects.

(b) The City Engineer will timely review and approve all contracts for the construction of Medical Complex Projects for compliance with the Applicable Regulations. Provided that the contract proposals for Medical Center Projects are reviewed and approved by the City Engineer as provided in Section 7.4(a), the selection of the contractor will be at the sole discretion of the Developer. The Developer will award all construction contracts.

(c) The Medical Complex Projects shall be designed and constructed in accordance with the plans and specifications approved by the City (or, with respect to the Offsite Gas Line Extension, the plans and specifications approved by Atmos Energy), the Applicable Regulations, and good engineering practices.

(d) Prior to approving a change order to a contract for construction of one or more Medical Complex Projects, the Developer shall submit the change order to the City Engineer for review, evaluation, and approval. The City Engineer shall review the change order to determine whether the change order is fair and balanced prior to the Developer approving the change order. Any unbalanced or skewed change orders that appear to include costs for other infrastructure for the Medical Complex in the proposal for Medical Complex Projects will be appropriately corrected or rejected by the City Engineer and the Developer. The City Engineer's decision to reject a change order will not be made in an arbitrary or capricious manner. The

Developer shall not approve a change order for a contract that includes any Medical Complex Projects until the Developer has received the City Engineer written approval of the change order, and expenditures made under such a changer order prior to receiving the City Engineer's written approval will be disallowed.

(e) The actual Medical Complex Project Costs paid or incurred by the Developer will determine the amount reimbursed to the Developer pursuant to this Agreement; provided that the amount reimbursed to Developer shall not exceed the Maximum Reimbursement Amount. Contractors' invoices shall separately itemize the construction costs for Medical Complex Projects and other improvements for the Medical Complex that are not Medical Complex Projects.

7.5 City Engineer Responsibilities. The City Engineer will: (1) make recommendations to and advise the Authority on the award of construction contracts by the Developer; (2) review and make recommendations on the Reimbursement Requests; and (3) periodically inspect the Medical Complex Projects during construction. No changes to the plans and specifications or change orders to the construction contracts pertaining to a Medical Complex Project may be made without the written approval of the City Engineer. The City Engineer will reasonably cooperate with the Developer and the Developer's project engineer and will keep the Developer's project engineer fully advised of the City Engineer's findings regarding the bidding process and the construction of the Medical Complex Projects.

7.6 Record Drawings. Upon completion of construction of each Medical Complex Project, the Developer must provide the Authority with final, "record" drawings in a form approved by the City Engineer.

7.7 Required Certificates. Upon Completion of construction of each Medical Complex Project, the Developer's engineer must provide the City with a certificate or completion certifying that the construction of the Medical Complex Project has been completed in accordance with the plans and specifications approved by the City Engineer and that the required "record" drawings have been provided. For the Offsite Gas Line Extension, the Developer's engineer will also provide the City Engineer with documentation from Atmos Energy that Atmos Energy has accepted the Offsite Gas Line Extension.

7.8 Eligible Costs. The Developer will work and coordinate with the Authority and the City Engineer to assure that actual Medical Complex Project Costs are accurately and truly identified and agreed between the Parties as eligible for reimbursement under this Agreement.

ARTICLE 8 PLANS, SPECIFICATIONS, AND PERFORMANCE

8.1 Other Authority Agreements. The City and the Authority hereby further agree as follows:

(a) Building Permits. The City and the Authority will coordinate and facilitate the issuance of building permits for the Medical Complex Projects.

(b) Authorized Coordination. The Authority will, as appropriate, authorize the City Engineer to coordinate with the Developer's engineer in a timely manner on specific design requirements, plans, and specifications for the Medical Complex Projects.

(c) Plan Approval. The City Engineer shall review and approve, on behalf of the Authority, all plans for the construction of Medical Complex Projects that are in compliance with the Applicable Regulations, except that the plans for construction of the Offsite Gas Line Project shall be reviewed and approved by Atmos Energy, and the Developer shall provide the City with a copy of the approved construction plans.

(d) Required City Engineer Approvals. All approvals of Medical Complex Projects and the plans and specifications therefore by the City Engineer shall be based compliance with the Applicable Regulations and this Agreement, and no approvals shall be unreasonably denied, withheld, conditioned, or delayed.

8.2 Permits and Approvals. The City Engineer shall cooperate with the Developer as appropriate and take necessary, reasonable, and appropriate actions on a timely basis to assist the Developer in obtaining any permits, licenses, or other approvals from the City, the County, TxDOT, TCEQ, or any other regulatory authority required for the construction of the Medical Complex Projects.

8.3 Fill Materials. The Developer shall have the right, subject to the approval of the City Engineer, to remove soil and limestone required, if necessary, to construct and to use such materials as fill within the Property.

8.4 Submittal Review. The City Engineer shall conduct a timely review of all submittals by the Developer as each submittal is made, and the City and the Authority will review such submittals individually.

8.5 Project Acceptance.

(a) After completion of construction of Medical Complex Projects in accordance with the Applicable Regulations and this Agreement, the Developer will dedicate and the City Engineer shall approve and cause the acceptance of the following Medical Center Projects by the City in a timely manner: (1) The Sewer Line Extension Project; (2) Design Enhancement Projects that are located on public right-of-way or other property that has or will be dedicated to the City; and (3) the Transportation Projects.

(b) The following Medical Center Projects set forth in this section will be owned, maintained and operated by the Developer (the "DEVELOPER-MAINTAINED PROJECTS"): (1) Onsite Water Projects; (2) Drainage Structure – Water Quality and Detention Projects; (3) Design Enhancement Projects that are located on portions of the Property owned by the Developer, as shown on the City-approved construction plans; and (4) the Onsite Sewer Project. The Developer will grant the City the following easements free of any liens or encumbrances, or with such liens and encumbrances subordinated to the easement interests (the "EASEMENTS"): (i) a Public Utility Easement over the property upon which the Onsite Water Projects and Onsite Sewer Project are located, which also grant the City the authority to make connections to the

Onsite Water Projects and Onsite Sewer Project; (ii) a Drainage Easement over the property upon which the Drainage Structure – Water Quality and Detention Projects are located, which will also grant the City or a third party under contract with the City to construct expansions to the Drainage Structure – Water Quality and Detention Projects; (iii) a Conveyance Easement for conveyance of storm water over the Property to the Drainage Structure – Water Quality and Detention Projects along the route set forth in the construction plans, final plat, or site development plans, as appropriate (iv) a Public Utility Easement over the land upon which the street lights are located; and (v) a Public Access Easement over the portion of the Property upon which the Sidewalks are located. The Developer shall further enter into a restrictive covenant agreement with the City for each of the Developer-Maintained Projects in a form substantially similar to that set forth in **Exhibit E**. The easement and restrictive covenant agreement shall be granted to the City at either the time that the Property is final platted or at the time a certificate of completion is issued for the Medical Center, or a phase thereof. Easements conveyed at the time of final plat will be documented on the plat and in the plat note. Easements conveyed at the time of site development will be conveyed by separate instrument using the forms substantially similar to those set forth in **Exhibits F-1 through F-5**. Delivery to the City of a fully executed restrictive covenant agreement and easement required for a particular Developer-Maintained Project (if conveyed at site development) shall be a condition of approval of a final plat and/or issuance of a certificate of completion, as appropriate. The executed restrictive covenant agreement and required easement for a particular Medical Center Project must be received by the City before reimbursements will be paid for such Project.

(c) Upon completion of the Offsite Gas Line Project, Developer will convey the Offsite Gas Line Project to Atmos Energy for ownership, maintenance, and operation.

8.6 Perform Under Agreement. The City, the Authority, and the Zone agree to perform their respective duties and obligations under this Agreement in a timely manner, including reimbursement by the authority to the Developer of Medical Complex Project Costs as provided by this Agreement.

8.7 Other Developer Agreements. The Developer hereby further agrees:

(a) Payment of Fees. To pay to the Authority, the Zone, and the City all fees and charges provided for or established by the Applicable Regulations for or with respect to the development of the Property;

(b) Dedication. Upon completion of the Medical Complex Projects, to dedicate to the City, for ownership, operation, and maintenance, the Medical Projects described in Section 8.5(a) if constructed in substantial accordance with the Applicable Regulations; provided that upon completion of the Offsite Gas Line Extension, the Developer shall dedicate the Offsite Gas Line Extension to Atmos Energy for ownership, operation and maintenance.

(c) Timely Coordination. To coordinate with the City Engineer with respect to specific design requirements and specifications and with respect to the review and approval by the City Engineer of the plans and specifications for the Medical Complex Projects in a timely manner;

(d) Timely Applications. To make, or cause the Developer's engineer to make, timely requests for reviews, approvals, and permits accompanied by documents, plans and specifications compliant with Applicable Regulations; and

(e) Perform Under Agreement. To perform in a timely manner all applicable duties and obligations of the Developer as provided in this Agreement.

8.8 Natural Resource Regulations. The Developer further agrees that the-Medical Complex Projects will be constructed in compliance with the applicable state and federal natural resource and environmental laws, rules, and regulations. The Developer is not, however, responsible for water quality problems that are the result of surface water that originates outside the Property.

ARTICLE 9 EMINENT DOMAIN

9.1 The Authority agrees to cooperate and facilitate with the City for the City to provide reasonable use of all necessary City lands, rights-of-way, and easements and to provide further required easements or lands in fee simple as may be necessary for construction of Medical Complex Projects, save and except for any such land and easements within the Property. It is acknowledged that there exists a public necessity for the Medical Complex Projects, that the Medical Complex Projects will be Authority projects for the benefit of the Zone and the City, and that the Authority agrees to work, cooperate, and facilitate with the City to cause the City to use its power of eminent domain to acquire such lands or easements, if necessary. The Developer shall pay the reasonable costs of any eminent domain proceeding that is initiated under the terms of this Agreement.

ARTICLE 10 ASSIGNMENT

10.1 Assignment. The parties to this Agreement each bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators, and assigns of such other party in respect to all the covenants of this Agreement. No successor, executor, administrator or assign is valid in the place of the parties to this Agreement without the written consent of the City and such consent shall not be unreasonably withheld. Notwithstanding the foregoing sentence, Developer may assign this Agreement to an affiliate, subsidiary or related party that is controlled by the Developer (the "Assignee"); provided that, in order for any assignment to be effective; (a) the assignment must be in writing and signed by both the Developer and the Assignee; (b) the assignment must specifically identify the rights, duties, and obligations assigned and assumed; (c) the Assignee must expressly assume and agree to perform all of the assigned duties and obligations; and (d) one fully executed original of the assignment must be delivered to the City.

10.2 Memorandum of Agreement. The Parties agree to execute and record a "Memorandum of Agreement" regarding this Agreement, the form of which memorandum shall be determined by the City, and which shall be recorded within sixty (60) days after the date the execution of this agreement. Upon termination of this Agreement, the Parties agree to execute

and record an appropriate release of this Agreement. This Agreement shall be binding upon the Parties, their successors and assigns.

ARTICLE 11 DEFAULT; REMEDIES

11.1 Notice; Cure; Default. Notwithstanding anything herein to the contrary, no Party shall be deemed to be in default under this Agreement until the passage of sixty (60) business days after receipt by such Party of notice of default from the other Party ("CURE PERIOD"), which notice shall specify, in reasonable detail, the nature of the default. Upon the passage of the Cure Period without cure of the default, such Party shall be deemed to have defaulted for purposes of this Agreement; provided that, if the nature of the default is such that it cannot reasonably be cured within the Cure Period, the Party receiving the notice of default may during such Cure Period give the other Party written notice that it has commenced cure within the Cure Period and will diligently and continuously prosecute the cure to completion as soon as reasonably possible, and such written notice together with diligent and continuous prosecution of the cure shall extend the Cure Period for up to an additional ninety (90) calendar days so long as the cure is being diligently and continuously pursued during such time; and provided further that, if the cure cannot be reasonably accomplished within the additional ninety (90) calendar day period but the applicable facts, circumstances, and progress establish that a cure will be obtained within a reasonable period of time following the expiration of the ninety (90) calendar day period, the time for cure will be extended for an additional period of time as mutually agreed by the Parties (such agreement not to be unreasonably withheld); provided, further, that if a default is not cured within the applicable Cure Period, or, as applicable, written notice having been given and cure being commenced and diligently and continuously prosecuted, within the additional ninety (90) calendar days after the giving of the written notice, or, as otherwise applicable within the time mutually agreed by the Parties due to the defaulting Party not being able to obtain a cure within the additional ninety (90) calendar days after the defaulting Party gives written notice that it is commencing cure, then the non-defaulting Party may pursue the remedies set forth in this Agreement.

11.2 Remedies. If a Party is in default under this Agreement, the other Parties have available (to the maximum extent permitted by law) all remedies at law or in equity (including, but not limited to, injunctive relief, specific performance, and mandamus); however, no default by one Party shall constitute or be the basis for a default by a different Party, and no default by a Party shall: (1) entitle any Party to terminate this Agreement except as provided in Section 11.4; (2) entitle any Party to seek monetary damages; (3) relieve the City from its obligation to create and maintain the Medical Complex Project Payment Account within the Tax Increment Fund and to deposit therein the City Tax Increment Receipts and County Tax Increment Receipts; (4) relieve the Authority from its obligation to reimburse verified, completed Medical Complex Project Costs, subject to the terms, conditions, and limitations under this Agreement; or (5) relieve the Developer from complying with each requirement and obligation of the Developer under this Agreement.

11.3 Suspension of Reimbursements. In addition to the remedies set forth in this Article 11, notwithstanding the Cure Period, if the Developer is in default under this Agreement, and the Developer is or becomes entitled to reimbursement by the Authority for Medical

Complex Project Costs in accordance with this Agreement, the Authority shall have the right, notwithstanding the Cure Period, upon 30 day's written notice to Developer, to suspend (and place in a third-party escrow account for the benefit of the Party "A") such reimbursements until the default has been cured.

11.4 Partial Termination. In addition to the remedies set forth in this Article 11, if a Party is in default under this Agreement, the Authority may partially terminate this Agreement as to any Medical Complex Projects not then completed or under construction upon the condition that further written notice of the intent of the Authority to do so is given to the defaulting Party and to any lenders to or assignees of the defaulting Party that have been identified to the Authority and the lenders and assignees are given an additional 90 days to cure the default.

11.5 Remedies Cumulative. The remedies described in this Article are in addition to and not in replacement of any other remedies at law or inequity that a Party may have as a result of any default under this Agreement.

11.6 Waiver of Immunity. Notwithstanding anything to the contrary herein, the City, the Authority, the Zone and the Developer hereby agree and acknowledge that this Agreement is subject to the provisions of Subchapter I of Chapter 271, Texas Local Government Code, as amended. The City, the Authority, and the Zone agree that their immunity from suit is waived for purposes of enforcing this Agreement or adjudicating a claim for breach of this Agreement.

ARTICLE 12 FORCE MAJEURE

12.1 Force Majeure. The term "force majeure" as employed herein shall mean and refer to acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemies, orders of any kind of the government of the United States, including, but not limited to, the State of Texas, Williamson County or the City of Leander, or any civil or military authority; insurrections; riots; epidemic; landslides; lightning, earthquakes; fires, hurricanes; storms, floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery, pipelines, or canals; or other causes not reasonably within the control of the Party claiming such inability. The term "force majeure" will specifically include an attack by terrorists within the United States that results in a disruption of the financial markets for a period of more than one (1) week.

12.2 Notice of Force Majeure. If, by reason of force majeure, any Party hereto shall be rendered wholly or partially unable to carry out its obligations under this Agreement, then such Party shall give written notice of the full particulars of such force majeure to the other Parties within thirty (30) days after the occurrence thereof.

12.3 Suspension. The obligations of the Party giving such notice, to the extent affected by the force majeure, shall be suspended during the continuance of the inability claimed, except as hereinafter provided, but for no longer period, and the Party shall endeavor to remove or overcome such inability with all reasonable dispatch.

12.4 Settlement of Strikes. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require that the settlement be unfavorable in the judgment of the Party having the difficulty.

ARTICLE 13
NOTICES AND MISCELLANEOUS PROVISIONS

13.1 Written Notice. Any notice to be given hereunder by any Party to another Party shall be in writing and may be affected by personal delivery, or by facsimile with confirmation of receipt by the addressee, or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below, or such other party or address as either party designates in writing. Notice shall be deemed given when delivered or when deposited with the United States Postal Service with sufficient postage affixed.

City of Leander
Attn: City Manager
P.O. Box #319
200 West Willis Street
Leander, Texas 78646-0319
Facsimile: (512) 259-1605

Leander TIRZ
Leander Development Authority
P.O. Box #319
200 West Willis Street
Leander, Texas 78646-0319
Facsimile: (512) 259-1605

Copy to:
The Knight Law Firm, LLP
223 W. Anderson Lane, Suite A-105
Austin, Texas 78752
Facsimile: (512) 323-5773

St. David's Healthcare Partnership, L.P., LLP
c/o GHC – Galen Healthcare, LLC, Manager
HCA Incentives and Credits Director
P.O. Box #1504
Nashville, Tennessee 37202-1504

Copy to:
Garry M. Miles, Esq.
Locke Lord LLP
2200 Ross Avenue, Suite #2800
Dallas, Texas 75201
Facsimile: (214) 756-8602

13.2 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 Williamson County, Texas.

13.3 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 Developer, the City, the Zone, and the Authority.

13.4 Attorney Fees. A Party shall not be liable to another Party for attorney fees or costs incurred in connection with any litigation between the parties, in which a Party seeks to obtain a remedy from the other party, including appeals and post judgment awards.

13.5 Severability. 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, 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.

13.6 Waiver. 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 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.

13.7 No Joint Venture. The terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the parties. The City, the Zone, and the Authority, its past, present and future officers, elected officials, employees and agents, do not assume any responsibilities or liabilities to any third party in connection with the development of the Property. The City, the Zone, and the Authority enter into this Agreement in the exercise of its public duties and authority to provide for development of property within the City pursuant to its police powers and for the benefit and protection of the public health, safety, and welfare.

13.8 No Third Party Beneficiaries. This Agreement is not intended, nor will it be construed, to create any third-party beneficiary rights in any person or entity who is not a party, unless expressly provided otherwise herein, or in a written instrument executed by both the City and the third party. Absent a written agreement between the City and third party providing otherwise, if a default occurs with respect to an obligation of the City under this Agreement, any notice of default or action seeking a remedy for such default must be made by the Developer.

13.9 Exhibits, Headings, Construction. 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. The paragraph headings contained in this Agreement are for convenience only and do not enlarge or limit the scope or meaning of the paragraphs. Wherever appropriate, words of the masculine gender may include the feminine or neuter, and the singular may include the plural, and vice-versa.

13.10 Counterparts. 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.

13.11 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.

13.12 Authority for Execution. The City certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with its City Charter and City ordinances. The Authority certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with its bylaws and City Ordinances. The Zone certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with its governing statute and City Ordinances. Developer 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 Developer.

[Execution Page Follows]

EXECUTED as of this _____ day of _____, 2016 and effective upon execution by all Parties.

CITY OF LEANDER, TEXAS

BY: _____

MAYOR/CITY MANAGER

ATTEST:

CITY SECRETARY

APPROVED AS TO FORM:

BY: _____

CITY ATTORNEY

DATE: _____

LEANDER DEVELOPMENT AUTHORITY

BY: _____
NAME: _____
TITLE: _____

REINVESTMENT ZONE NUMBER ONE, CITY OF LEANDER

BY: _____

NAME: _____

TITLE: _____

ST. DAVID'S HEALTHCARE PARTNERSHIP, L.P., LLP

By: GHC – Galen Healthcare, LLC, Manager

BY: _____
NAME: _____
TITLE: _____

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE PROPERTY

METES AND BOUNDS DESCRIPTION FOR A 51.993 ACRE TRACT OF LAND IN THE WILLIAM MANCIL SURVEY, ABSTRACT 437, WILLIAMSON COUNTY, TEXAS. BEING A PORTION OF A 320.38 ACRE TRACT RECORDED IN VOLUME 511, PAGE 54, DEED RECORDS, WILLIAMSON COUNTY, TEXAS AND A PORTION OF THE ABANDONED ROADWAY KNOWN AS OLD HIGHWAY 29.

Beginning at a ½" iron rod with plastic cap marked "G&R Surveying" set in the West right of way line of US Highway 183A at the southeast corner of a 22.252 acre tract recorded in Document No. 2011059284, Official Public Records, Williamson County, Texas, for the northeast corner of this tract;

Thence with the West right of way line of said US Highway 183A the following two (2) courses and distances:

1. along a curve to the left in a southeasterly direction, said curve having a radius length of 5929.58 feet, an arc length of 1658.97, a delta angle of 16'01'48" and a chord length of 1653.56 feet bearing South 48'02'46" East to a TXDOT brass disk found for a point of tangency in the east line of this tract;
2. South 56'03'40" East, a distance of 122.03 feet to a ½" iron rod found in the North right of way line of San Gabriel Parkway for the southeast corner of this tract;

Thence with the North right of way line of said San Gabriel Parkway the following three (3) courses and distances:

1. South 48'09'33" West, a distance of 55.64 feet to a ½" iron rod found for a point of curvature in the south line of this tract;
2. along a curve to the right in a southwesterly direction, said curve having a radius length of 965.00 feet, an arc length of 403.08 feet, a delta angle of 23'55'58" and a chord length of 400.16 feet bearing South 60'07'30" West to a ½" iron rod found for a point of tangency in the south line of this tract;
3. South 72'05'29" West, a distance of 1407.55 feet to a point in the East right of way line of the T.&H.O. Railroad deeded to the City of Austin in Volume 1417, Page 282, Deed Records, Williamson County, Texas, for the southwest corner of this tract, whence a ½" iron rod found near this corner bears South 75'54'20" West, a distance of 1.21 feet;

Thence North 21'05'32" West with the East right of way line of said T.H.&O. Railroad, a distance of 1549.69 feet to a point at the southwest corner of said 22.252 acre tract for the

northwest corner of this tract, whence a ½" iron rod found near this corner bears North 67°25'02" East, a distance of 0.68 feet;

Thence North 67°25'02" East with the South line of said 22.252 acre tract, a distance of 1033.77 feet to the point of beginning. Containing 51.993 acres of land, more or less.

EXHIBIT B

MEDICAL COMPLEX PROJECTS

NAME	ESTIMATED COST
1. Transportation Projects a. A deceleration lane on the frontage road of Highway 183A b. A deceleration lane on San Gabriel Parkway c. Construction of two to four lanes of San Gabriel Parkway d. Traffic signals on roads abutting the Property e. Turn lane improvements on roads abutting the Property f. Sidewalks	\$ 450,000 (total)
2. Drainage Structure – Water Quality and Detention Projects	\$ 550,000
3. Design Enhancement Projects a. Street Lighting	\$ 150,000
4. Sewer Projects a. Onsite Sewer Project b. Sewer Line Extension Project	\$ 300,000 (total) \$ 150,000 \$ 150,000
5. Onsite Water Projects	\$200,000
6. Offsite Gas Line Extension Project	\$ <u>350,000</u>
TOTAL:	\$2,000,000

EXHIBIT C

Offsite Gas Line Extension Project and Sewer Line Extension Project

EXHIBIT D

MEDICAL COMPLEX LEANDER – REIMBURSEMENT FORM

CATEGORY	ORIGINAL ESTIMATED TOTAL COSTS	REVISED ESTIMATED TOTAL COSTS	ACTUAL COSTS TO DATE	AMOUNTS PREVIOUSLY REIMBURSED	CURRENT REIMBURSEMENT DUE
1. Transportation Projects a. A deceleration lane on the frontage road of Highway 183A b. A deceleration lane on San Gabriel Parkway c. Construction of two to four lanes of San Gabriel Parkway d. Traffic signals on roads abutting the Property e. Turn lane improvements on roads abutting the Property f. Sidewalks	\$ 450,000 (Total)				
2. Drainage Structure – Detention Projects	\$ 550,000				
3. Design Enhancement Projects a. Street Lighting	\$ 150,000				
4. Sewer Projects a. Sewer Line Extension Project b. Onsite Sewer Project	\$ 300,000				
5. Onsite Water Projects	\$ 200,000				
6. Offsite Gas Line Extension	\$ 350,000				
TOTAL:	\$ 2,000,000				

EXHIBIT E

RESTRICTIVE COVENANT AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This Restrictive Covenant Agreement (this "Agreement"), is entered into as of the ____ day of _____, 201__, by and between the City of Leander, Texas (the "City"), and _____ (the "Owner").

WHEREAS, the Owner constructed or caused to be constructed _____ (the "Public Improvement") on the property more particularly shown and described in Exhibit A attached hereto and incorporated herein for all purposes (the "Property");

WHEREAS, the Property is located in the City of Leander Tax Increment Financing District No. 1 (the "District") which was created in accordance with Chapter 311, Texas Tax Code;

WHEREAS, the parties entered into that certain Leander Medical Complex Development and Reimbursement Agreement dated effective ____ which provides that the Owner is eligible to be paid reimbursements from the tax increment fund for the Medical Complex Development for the design and construction of the Public Improvement;

WHEREAS, the Public Improvement is located on property that is owned by the Owner; and

WHEREAS, the City and the Owner desire to ensure the continued use of the Property and the Public Improvement for the benefit of the District and the Medical Complex;

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), together with other good and valuable consideration, and mutual promises contained herein, Owner and the City agree as follows:

1. Owner hereby covenants to City that the Owner will not remove, destroy, or otherwise materially alter the Public Improvement without the prior written consent of the City; provided that the Owner will conduct maintenance for and make repairs to the Public Improvement to keep the Public Improvement in good working order, condition, and appearance. The Owner further covenants to the City that the use of the Property in accordance with approved site plans and a construction plans as a site for the Public Improvement shall not change without the written consent of the City.

Facsimile: 512.259.1605

With a copy to: The Knight Law Firm, LLP
Attn: Paige Saenz, City Attorney
223 W. Anderson, Suite A-105
Austin, Texas 78752
Facsimile: 512.323.5773

If to Owner:

With a copy to:

5. This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed in accordance with the laws of the State of Texas (without giving effect to the principles thereof relating to conflicts of law).

6. At any time, and from time to time (but not more often than once every calendar quarter), within thirty (30) days after notice or request by an Owner, the City shall execute and deliver to such requesting Owner a statement certifying: (a) that this Agreement is unmodified and is in full force and effect (or if there have been modifications, certifying that this Agreement is in full force and effect as modified in the manner specified in such statement); (b) that there exists no default under this Agreement except as otherwise specified in such statement; and (c) to such other matters relating to this Agreement as may reasonably be requested by the requesting Owner.

IN TESTIMONY WHEREOF, the parties hereto have executed this AGREEMENT in Williamson County, Texas as of this ____ day of _____, 201__.

CITY OF LEANDER, TEXAS

Attest:

Christopher Fielder, Mayor

Debbie Haile, City Secretary

OWNER:

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

 This instrument was acknowledged before me on the ___ day of _____, 201__, by
_____, _____ of _____, Owner of
the Property described herein.

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS _____

PRINT OR TYPE NAME

MY COMMISSION EXPIRES: _____

EXHIBIT "A"

Metes and Bounds Description of the Property

EXHIBIT F-1 –F-__

EASEMENTS

EXHIBIT F-1

UTILITY EASEMENT
ONSITE WATER PROJECTS AND ONSITE SEWER PROJECT

DATE: _____, 200__

GRANTOR: _____

GRANTOR'S MAILING ADDRESS (including County): _____

GRANTEE: _____

GRANTEE'S MAILING ADDRESS (including County): _____

LIENHOLDER: _____

CONSIDERATION: Ten Dollars (\$10.00) and other good and valuable consideration,
the receipt and sufficiency of which is hereby acknowledged.

PROPERTY:

A utility easement, containing _____ acres, more or less, located in _____
County, Texas, said easement being more fully described in Exhibit "A" attached
hereto and made a part hereof for all purposes.

GRANTOR, for the **CONSIDERATION** paid to **GRANTOR**, hereby grants, sells, and conveys to **GRANTEE**, its successors and assigns, an exclusive, perpetual easement for the purpose of placing, constructing, operating, repairing, maintaining, rebuilding, replacing, relocating making connections to, and removing or causing to be placed, constructed, operated, repaired, maintained, rebuilt, replaced, relocated, connected to, and removed structures, facilities, or improvements reasonably necessary and useful for water and/or wastewater mains, lines and pipes, and the supplying of water and sanitary sewer (the "Facilities") in, upon, under and across the **PROPERTY** more fully described in Exhibit "A" attached hereto. **GRANTOR** has designed or constructed or will design and construct certain onsite water and wastewater facilities (the

“Grantor’s Facilities”) pursuant to that certain Leander Medical Complex Development and Reimbursement Agreement dated effective _____ (the “Development Agreement”) and applicable City ordinances. **GRANTOR** grants **GRANTEE** the authority to connect its water and/or wastewater system to the Grantor’s Facilities.

This Easement is subject to the following covenants:

1. The Grantor has the right to place, construct, operate, repair, replace and maintain driveways and landscaping on, over and across the Property, so long as such use does not unreasonably interfere with or prevent Grantee's use of the Property as provided herein. But Grantor may not construct any buildings, walls, or similar improvements on the Property. Further, Grantor may not construct any structure of any kind in such proximity to the Facilities as would constitute a violation of the City building codes in effect at the time the structure is erected.
2. Grantor will maintain the Grantor’s Facilities pursuant to applicable City ordinances, covenants, policies, and agreements unless the Grantor and Grantee agree in writing otherwise.
3. This Easement is granted and accepted subject to any and all easements, covenants, rights-of-way, conditions, restrictions, encumbrances, mineral reservations and royalty reservations, if any, relating to the Property to the extent and only to the extent, that the same may still be in force and effect, and either shown of record in the Office of the County Clerk of _____ County, Texas, or apparent on the ground.

The covenants and terms of this Easement are covenants running with the land, and inure to the benefit of, and are binding upon, Grantor, Grantee, and their respective heirs, executors, administrators, legal representatives, successors and assigns.

TO HAVE AND TO HOLD the above-described easement, together with all and singular the rights and appurtenances thereto in anywise belonging unto **GRANTEE**, and **GRANTEE's** successors and assigns forever; and **GRANTOR** does hereby bind himself, his heirs, successors and assigns to **WARRANT AND FOREVER DEFEND** all and singular the easement unto **GRANTEE**, its successor and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, subject to the exceptions set forth above.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR:

THE STATE OF TEXAS

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, Grantor herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that [s]he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of 200_.

(SEAL)

Notary Public-State of Texas

ACCEPTED BY THE CITY OF LEANDER, TEXAS:

Name: _____
Title: Mayor

THE STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, Mayor of the City of Leander, Texas, Grantee herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that [s]he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of 200_.

(SEAL)

Notary Public-State of Texas

AFTER RECORDING RETURN TO:

City of Leander
Attn: City Secretary

P.O. Box 319
Leander, TX 78646-0319

EXHIBIT F-2

DRAINAGE EASEMENT

DATE: _____, 20__

GRANTOR: _____

GRANTOR'S MAILING ADDRESS (including County): _____

GRANTEE: _____

GRANTEE'S MAILING ADDRESS (including County): _____

LIENHOLDER: _____

CONSIDERATION: Ten Dollars (\$10.00) and other good and valuable consideration,
the receipt and sufficiency of which is hereby acknowledged.

PROPERTY:

A drainage easement, containing _____ acres, more or less, located in _____
County, Texas, said easement being more fully described in Exhibit "A" attached
hereto and made a part hereof for all purposes.

GRANTOR, for the **CONSIDERATION** paid to **GRANTOR**, hereby grants, sells, and conveys to **GRANTEE**, its successors and assigns, an exclusive, perpetual easement for the purpose of allowing water from adjacent properties to drain onto and across the **PROPERTY** and for placing, constructing, operating, repairing, maintaining, rebuilding, replacing, expanding, relocating and removing or causing to be placed, constructed, operated, repaired, maintained, rebuilt, replaced, expanded, relocated and removed structures, facilities, or improvements reasonably necessary and useful for drainage, water quality, conveyance of storm water run-off, and the City's drainage system and water quality treatment system (the "Facilities") in, upon, under and across the **PROPERTY** more fully described in Exhibit "A" attached hereto. **GRANTOR** has or will design and construct certain drainage and/or water quality improvements on the Property (the "Grantor's Facilities") pursuant to that certain Leander Medical Complex Development and Reimbursement Agreement dated effective _____ (the "Development Agreement") and applicable City ordinances. **GRANTOR** grants **GRANTEE** the authority to modify, expand, and reconstruct or cause the modification, expansion, or reconstruction of the Grantor's Facilities to accept storm water and drainage flows from other properties.

This Drainage Easement is subject to the following covenants:

1. The Grantor has the right to place, construct, operate, repair, replace and maintain driveways, parking, and landscaping on, over and across the Property, and to dedicate and grant public or private easements for such purposes, so long as such use does not unreasonably interfere with the Facilities or interfere with or prevent Grantee's use of the Property as provided herein; provided that such improvements must be installed in accordance with applicable laws, ordinances, and regulations, and provided further that Grantee shall not be responsible for any damage or injury to such improvements that are caused by Grantee's activities under this Drainage Easement. Grantor may not construct any building, fences, walls, or similar improvements on the Property. Further, Grantor may not construct any structure of any kind in such proximity to the Facilities as would constitute a violation of the City building codes in effect at the time the structure is erected.
2. Grantor will maintain the Grantor's Facilities pursuant to applicable City ordinances, covenants, and agreements unless the Grantor and Grantee agree in writing otherwise.
3. This Drainage Easement is granted and accepted subject to any and all easements, covenants, rights-of-way, conditions, restrictions, encumbrances, mineral reservations and royalty reservations, if any, relating to the Property to the extent and only to the extent, that the same may still be in force and effect, and either shown of record in the Office of the County Clerk of _____ County, Texas, or apparent on the ground.

The covenants and terms of this Drainage Easement are covenants running with the land, and inure to the benefit of, and are binding upon, Grantor, Grantee, and their respective heirs, executors, administrators, legal representatives, successors and assigns.

TO HAVE AND TO HOLD the above-described easement, together with all and singular the rights and appurtenances thereto in anywise belonging unto **GRANTEE**, and **GRANTEE's** successors and assigns forever; and **GRANTOR** does hereby bind himself, his heirs, successors and assigns to **WARRANT AND FOREVER DEFEND** all and singular the easement unto **GRANTEE**, its successor and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, subject to the exceptions set forth above.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR:

THE STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, Grantor herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that [s]he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of 20__.

(SEAL)

Notary Public-State of Texas

City of _____, Texas

Name: _____

Title: _____

THE STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, Grantor herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that [s]he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of 200__.

(SEAL)

Notary Public-State of Texas

AFTER RECORDING RETURN TO:

City of Leander
Attn: City Secretary
P.O. Box 319
Leander, Texas 78646

EXHIBIT F-3

STORM WATER CONVEYANCE EASEMENT

DATE: _____, 20__

GRANTOR: _____

GRANTOR'S MAILING ADDRESS (including County): _____

GRANTEE: _____

GRANTEE'S MAILING ADDRESS (including County): _____

LIENHOLDER: _____

CONSIDERATION: Ten Dollars (\$10.00) and other good and valuable consideration,
the receipt and sufficiency of which is hereby acknowledged.

PROPERTY:

A drainage easement, containing _____ acres, more or less, located in _____
County, Texas, said easement being more fully described in Exhibit "A" attached
hereto and made a part hereof for all purposes.

GRANTOR, for the **CONSIDERATION** paid to **GRANTOR**, hereby grants, sells, and conveys to **GRANTEE**, its successors and assigns, an exclusive, perpetual easement for the purpose of allowing water from adjacent properties to drain onto and across the **PROPERTY** and for placing, constructing, operating, repairing, maintaining, rebuilding, replacing, relocating and removing or causing to be placed, constructed, operated, repaired, maintained, rebuilt, replaced, relocated and removed structures, facilities, or improvements reasonably necessary and useful for drainage, conveyance of storm water run-off, the City's drainage system, the and the supplying of other public utility services (the "Facilities") in, upon, under and across the **PROPERTY** more fully described in Exhibit "A" attached hereto.

This Easement is subject to the following covenants:

1. The Grantor has the right to place, construct, operate, repair, replace and maintain driveways, parking, and landscaping on, over and across the Property, and to dedicate and grant public or private easements for such purposes, so long as such use does not

unreasonably interfere with or prevent Grantee's use of the Property as provided herein; provided that such improvements must be installed in accordance with applicable laws, ordinances, and regulations, and provided further that Grantee shall not be responsible for any damage or injury to such improvements that are caused by Grantee's activities under this Easement. Grantor may not construct any building, fences, walls, or similar improvements on the Property. Further, Grantor may not construct any structure of any kind in such proximity to the Facilities as would constitute a violation of the City building codes in effect at the time the structure is erected.

2. This Easement is granted and accepted subject to any and all easements, covenants, rights-of-way, conditions, restrictions, encumbrances, mineral reservations and royalty reservations, if any, relating to the Property to the extent and only to the extent, that the same may still be in force and effect, and either shown of record in the Office of the County Clerk of _____ County, Texas, or apparent on the ground.

The covenants and terms of this Easement are covenants running with the land, and inure to the benefit of, and are binding upon, Grantor, Grantee, and their respective heirs, executors, administrators, legal representatives, successors and assigns.

TO HAVE AND TO HOLD the above-described easement, together with all and singular the rights and appurtenances thereto in anywise belonging unto **GRANTEE**, and **GRANTEE's** successors and assigns forever; and **GRANTOR** does hereby bind himself, his heirs, successors and assigns to **WARRANT AND FOREVER DEFEND** all and singular the easement unto **GRANTEE**, its successor and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, subject to the exceptions set forth above.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR:

THE STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, Grantor herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that [s]he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of 20__.

(SEAL)

Notary Public-State of Texas

City of _____, Texas

Name: _____

Title: _____

THE STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, Grantor herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that [s]he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of 200_.

(SEAL)

Notary Public-State of Texas

AFTER RECORDING RETURN TO:

City of Leander

Attn: City Secretary

P.O. Box 319

Leander, Texas 78646

EXHIBIT F-4

UTILITY EASEMENT
STREET LIGHTS

DATE: _____, 200_

GRANTOR: _____

GRANTOR'S MAILING ADDRESS (including County): _____

GRANTEE: _____

GRANTEE'S MAILING ADDRESS (including County): _____

LIENHOLDER: _____

CONSIDERATION: Ten Dollars (\$10.00) and other good and valuable consideration,
the receipt and sufficiency of which is hereby acknowledged.

PROPERTY:

A _____ foot (_____) wide utility easement, containing _____ acres, more or less, located in _____ County, Texas, said easement being more fully described in Exhibit "A" attached hereto and made a part hereof for all purposes.

GRANTOR, for the **CONSIDERATION** paid to **GRANTOR**, hereby grants, sells, and conveys to **GRANTEE**, its successors and assigns, an exclusive, perpetual easement for the purpose of placing, constructing, operating, repairing, maintaining, rebuilding, replacing, relocating and removing or causing to be placed, constructed, operated, repaired, maintained, rebuilt, replaced, relocated and removed streetlights and similar lighting structures (the "Facilities") in, upon, under and across the **PROPERTY** more fully described in Exhibit "A" attached hereto.

This Easement is subject to the following covenants:

1. The Grantor has the right to place, construct, operate, repair, replace and maintain driveways and landscaping on, over and across the Property, so long as such use does not unreasonably interfere with the Facilities or interfere with or prevent Grantee's use of the Property as provided herein.

2. Grantor has designed and installed or will design and install street lighting on the Property (the "Grantor's Facilities") pursuant to that certain Leander Medical Complex Development and Reimbursement Agreement dated effective _____ and applicable City ordinances. Grantor will maintain the Grantor's Facilities pursuant to applicable City ordinances, covenants, and agreements unless the Grantor and Grantee agree in writing otherwise.

3. This Easement is granted and accepted subject to any and all easements, covenants, rights-of-way, conditions, restrictions, encumbrances, mineral reservations and royalty reservations, if any, relating to the Property to the extent and only to the extent, that the same may still be in force and effect, and either shown of record in the Office of the County Clerk of _____ County, Texas, or apparent on the ground.

The covenants and terms of this Easement are covenants running with the land, and inure to the benefit of, and are binding upon, Grantor, Grantee, and their respective heirs, executors, administrators, legal representatives, successors and assigns.

TO HAVE AND TO HOLD the above-described easement, together with all and singular the rights and appurtenances thereto in anywise belonging unto **GRANTEE**, and **GRANTEE's** successors and assigns forever; and **GRANTOR** does hereby bind himself, his heirs, successors and assigns to **WARRANT AND FOREVER DEFEND** all and singular the easement unto **GRANTEE**, its successor and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, subject to the exceptions set forth above.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR:

THE STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, Grantor herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that [s]he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of 200_.

(SEAL)

Notary Public-State of Texas

ACCEPTED BY THE CITY OF LEANDER, TEXAS:

Name: _____
Title: Mayor

THE STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, Mayor of the City of Leander, Texas, Grantee herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that [s]he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of 200_.

(SEAL)

Notary Public-State of Texas

AFTER RECORDING RETURN TO:

City of Leander
Attn: City Secretary
P.O. Box 319
Leander, TX 78646-0319

EXHIBIT F-5

PUBLIC ACCESS EASEMENT

DATE: The ____ day of _____, 20__

GRANTOR: _____

GRANTOR'S MAILING ADDRESS _____

GRANTEE: City of Leander, Texas

GRANTEE'S MAILING ADDRESS: P.O. Box 319, Leander, Williamson County, Texas
78646-0319

LIENHOLDER:

CONSIDERATION: Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

PROPERTY:

A ____ Foot (___') Ingress and Egress Easement being a portion of

Leander, Williamson County, Texas, as more particularly described in Exhibit A
attached hereto and incorporated herein for all purposes as if fully transcribed herein.

GRANTOR, for the **CONSIDERATION** paid to **GRANTOR**, hereby grants, sells, and conveys to **GRANTEE** and the general public an perpetual easement for the purpose of pedestrian ingress and egress on, in, under, over and across the Property, more fully described and as shown in Exhibit "A" attached hereto.

TO HAVE AND TO HOLD the above-described easement, together with all and singular the rights and appurtenances thereto in anywise belonging unto **GRANTEE**, and **GRANTEE'S** successors and assigns forever; and **GRANTOR** does hereby bind itself, its successors and assigns to **WARRANT AND FOREVER DEFEND** all and singular the easement unto **GRANTEE**, its successor and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

EXECUTED at _____, _____ County, Texas, this the ____ day of _____, 20__.

GRANTO:

By: _____

THE STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, Grantor herein, known to me to be the person whose name is subscribed to the foregoing instrument, and that he has authority to bind the entity and executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this ____ day of _____, 20__.

(SEAL)

Notary Public - State of Texas

ACCEPTED BY THE CITY OF LEANDER, TEXAS:

Name: _____
Title: Mayor

THE STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, Mayor of the City of Leander, Texas, Grantee herein, known to me to be the person whose name is subscribed to the foregoing

instrument, and acknowledged that [s]he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of 200_.

(SEAL)

Notary Public-State of Texas

AFTER RECORDING RETURN TO:

City of Leander

Attn: City Secretary

P.O. Box 319

Leander, TX 78646-0319