



City of Rowlett

Official Copy

4000 Main Street
Rowlett, TX 75088
www.rowlett.com

Resolution: RES-025-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING AN ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT WITH REALTY ADVISORS CORP., PERTAINING TO THE TERRA LAGO PROJECT; AUTHORIZING THE CITY MANAGER TO ENTER INTO THE AGREEMENT ON THE CITY'S BEHALF; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Rowlett, Texas, has negotiated an Economic Development Incentive Agreement with Realty Advisors Corp., for the development of the Terra Lago project, which, when completed, will involve the development and construction of facilities and utility infrastructure to serve a new community of approximately 447 mixed residential units; and

WHEREAS, the Agreement provides for economic development incentives through waivers of impact fees up to a specified amount and the rebate of a percentage of ad valorem property taxes for a period of 10 years of the development; and

WHEREAS, the project is designed and will be constructed according to the City's recently-enacted Form Base Codes, and the successful development of the project, which would not occur in the absence of the fee waivers and rebate of ad valorem property taxes, is in the best interest of the citizens of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS:

Section 1: That the City Council of the City of Rowlett does hereby accept and approve the Economic Development Incentive Agreement attached hereto and incorporated herein, and does hereby further authorize the City Manager of the City of Rowlett, Texas, to execute the Agreement on the City's behalf.

Section 2: This resolution shall take effect immediately upon its passage.

At a meeting of the City Council on March 18, 2014 this Resolution be adopted. The motion carried by the following vote:

Ayes: 6 Mayor Gottel, Mayor Pro Tem Kilgore, Deputy Mayor Pro Tem Gallops, Councilmember Dana-Bashian, Councilmember Pankratz and Councilmember Bobbitt

Absent: 1 Councilmember Phillips

Approved by 
Mayor

Date March 18, 2014

Approved to form by 
City Attorney

Date March 18, 2014


Certified by 
City Secretary

Date March 18, 2014

STATE OF TEXAS §
 §
 §
 §
COUNTY OF DALLAS §

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

BY AND BETWEEN

THE CITY OF ROWLETT, TEXAS

AND

REALTY ADVISORS, INC.

This Economic Development Incentive Agreement (this "Agreement") is entered into as of the Effective Date described herein between the City of Rowlett, Texas, a Texas municipal corporation, (the "City"), and Realty Advisors Corp., a Nevada corporation, ("Realty Advisors"), each acting by and through its duly authorized representatives.

RECITALS

WHEREAS, Realty Advisors owns certain land generally situated along the northern side of Lakeview Parkway to the east of Scenic Dr. and adjacent to Scenic Point park consisting of 8.993 +/- acres described as Terra Lago within the City of Rowlett, Texas, described on Exhibit "A" hereto (the "Property"), that intends to be improved by the construction of a residential community within the Healthy Living Urban Village Form Based District of approximately 447 residential units (the "Project"); and

WHEREAS, the attraction of private investment and the diversification of residential product types in the City will promote economic development, stimulate commercial activity, provide additional jobs and residential opportunities for the citizens of the City, generate additional tax revenue, and enhance the tax base and economic vitality of the City; and

WHEREAS, the City is authorized by Chapter 380 of the Texas Local Government Code to provide economic development grants to promote local economic development and to stimulate private investment in the City; and

WHEREAS, the City has determined that making economic development grants in accordance with this Agreement will further the objectives of the City and will benefit the City

and its inhabitants and will promote local economic development and stimulate employment, business and commercial activity in the City;

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, the parties agree as follows:

ARTICLE 1

Certain Definitions

"Commencement of Construction" shall mean that (i) plans have been prepared and submitted to applicable governmental authorities; and (ii) all necessary permits for the construction on the Property pursuant to the respective plans have been issued by all applicable governmental authorities.

"Completion of Construction" shall mean December 31, 2017, subject to Force Majeure events, or the date upon which the City issues a final certificate of occupancy for the last major structure built on the Property, which shall include the City's acceptance of all Infrastructure following its installation, construction, inspection, testing and final completion, whichever occurs earlier. As used herein, "major structure" shall not include accessory buildings, pavement, artistic elements, recreational or scenic facilities, or parking facilities.

"Effective Date" shall mean the last date of execution of this Agreement.

"Event of Bankruptcy or Insolvency" shall mean the dissolution or termination (other than a dissolution or termination by reason of a party merging with an affiliate) of a party's existence as an on-going business, insolvency, appointment of receiver for any part of a party's property and such appointment is not terminated within one hundred twenty (120) business days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against a party and in the event such proceeding is not voluntarily commenced by the party, such proceeding is not dismissed within one hundred twenty (120) business days after the filing thereof.

"Force Majeure" shall mean any delays due to strikes, riots, acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), terrorist activities, blockage, embargo, labor dispute, labor strike, or labor-related lockout or interruption, not within the control of the party asserting Force Majeure. If a party asserts Force Majeure as an excuse for failure to timely perform the party's obligation, then that party must establish that it took reasonable steps to minimize delay or damages caused by foreseeable events, that the party substantially fulfilled all non-excused obligations, and that the other party was timely notified of the likelihood or actual occurrence of an event described in this definition.

"Grant" shall mean the Grant as defined in Article 2 below, and is inclusive of all grants and amounts described in Article 2.

“Infrastructure” means infrastructure necessary to develop the Project including streets and roads, site improvements, water and sewer facilities (other than services and lines on individual lots to mains), and drainage and related improvements, including but not limited to: (1) the design, engineering and construction of streets, roads, bridges, on or off site of the Project (and related type of improvements) necessary for the Project or for access or improved access to the Property; (2) the design, engineering, construction and installation of water, sewer and drainage utilities on or off site of the Property necessary for the development of the Project, and any portion of the underlying facilities necessary to extend, enlarge, support or provide such utility systems to the Property; and (3) the design, engineering, construction and installation of drainage and related improvements on or off site of the Property (e.g. storm sewers, detention ponds, retention ponds, drainage pipes, culverts, over sizing of facilities) necessary for the Project.

ARTICLE 2

Economic Development Grant

2.1. Grant. Subject to the terms, covenants and conditions of this Agreement, the City will make economic development grants (referred to as Impact Fee Waivers and, additionally, Annual 380 Grants) to Realty Advisors, from lawfully available funds and provided there is no default hereunder, in the amounts and at the times set forth hereinafter.

- a) **Impact Fee Waivers.** The City shall waive roadway impact fees when and as due in an amount not to exceed the aggregate sum of \$902,493.00; provided, however, that (i) roadway impact fee waivers shall not be given following the date of Completion of Construction, and (ii) no roadway impact fee waivers shall be granted once the fee waivers reach the total sum of \$902,493.00. Notwithstanding the characterization of this grant as a waiver of fees, the nonpayment of such fees shall in all events and for all purposes be deemed to be a grant in accordance with the provisions of Chapter 380 of the Texas Local Government Code payable from any source of funds lawfully available to the City. The City agrees not to increase impact fees payable by Realty Advisors over the fees described on Exhibit “B” hereto.
- b) **Annual 380 Grants.** The City shall give Realty Advisors an annual grant equal to fifty-seven percent (57%) of City ad valorem property taxes paid by Realty Advisors for the Property under the following terms and conditions:
 - 1) Annual grants shall be given for a period of ten (10) years, in ten (10) annual payments;
 - 2) The first year in which an annual grant is given shall be the first year in which Realty Advisors has spent the Minimum Cost Amount, as hereinafter defined;
 - 3) Grant payments shall be equal to 57% of real property ad valorem taxes assessed and collected by the City, exclusive of ad valorem taxes paid to the County, the Independent School District, or other taxing entities;

- 4) Grant payments shall be for ad valorem taxes paid for real property, exclusive of personal property tax assessments or payments, provided that the total of all annual 380 grant payments made by the City shall not exceed \$2,129,450.00;
- 5) Realty Advisors shall provide to the City, as a precondition to each grant payment to be made hereunder, written verification to the City that Realty Advisors or its successors and assigns, has paid the real property ad valorem taxes on which the grant amount is based; and,
- 6) The City shall make the Annual 380 Grant payment to Realty Advisors within sixty (60) days after receipt by the City of verification of payment of the ad valorem taxes or the City's receipt of the tax payment, whichever occurs later.

ARTICLE 3

Performance Obligations

The obligation of the City to make Grant payments in accordance with the foregoing, and the obligations assumed by Realty Advisors as conditions precedent and subsequent to the receipt of said Grant funds, are subject to the following:

3.1. Performance Criteria.

- a) Realty Advisors shall diligently pursue the development of the Project, subject to events of Force Majeure. Realty Advisors shall apply for all permits required by applicable laws promptly following (i) completion of plans and specifications, and (ii) the Project must be constructed in substantial compliance with the Schematic Site Plan and Development Plan attached hereto and incorporated herein as Exhibit "C" hereto. Certification by the architect retained by Realty Advisors for design of the Project ("Project Architect") that the Project is complete and in compliance with the approved plans and specifications, with the concurrence of the City, shall constitute satisfaction of this condition. In the event the Project Architect and the City are unable to reach agreement as to completion of the Project, the City and Project Architect shall jointly appoint a mediator who shall attempt to assist the parties in reaching agreement, the cost of which mediation shall be shared equally by the City and Realty Advisors.
- b) Realty Advisors shall use good faith efforts to obtain City approval of plans and specifications in accordance with the Schematic Site Plan and Development Plan.
- c) Commencement of Construction shall occur on or before December 31, 2014.
- d) Realty Advisors will achieve Completion of Construction, subject to events of force majeure, no later than December 31, 2017.

- e) Realty Advisors shall construct the Grand Stair contemplated by Exhibit "D" in accordance with the design created by the architect, firm or person selected by the City, up to a cost of \$500,000.00, including all design costs which shall not exceed \$50,000.00. Realty Advisors shall pay for all work, labor, materials and service, payment of all invoices of the design firm selected by the City, up to the maximum amount of \$50,000.00, which shall be included in the \$500,000.00 cost described above. Payment for the Grand Stair design work shall be made by the City to the selected design firm from a fund established by the City. Realty Advisors shall remit to the City for deposit into said fund the sum of \$12,500.00 within fifteen days from the Effective Date of this Agreement and the remaining balance of \$37,500.00 no later than 180 days from the Effective Date of this Agreement. If the actual cost of design is less than the sum of the deposit, then the City shall remit the excess balance to Realty Advisors within thirty (30) days of notice thereof from Realty Advisors.
- f) Realty Advisors agrees to incur costs for the Project of at least Forty Million and No/100 Dollars (\$40,000,000.00) ("Minimum Cost Amount"). Once Realty Advisors, or its affiliates, have spent at least the Minimum Cost Amount, the obligation of the City to initiate the 380 Grant Project payments shall commence, if Realty Advisors has satisfied all other Performance Obligations under this Article.

ARTICLE 4

Grant Limitations

4.1 Grant Limitations. Under no circumstances shall the City's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.

ARTICLE 5

Events of Default; Events of Termination; Recapture

5.1 This Agreement terminates upon any one of the following:

- a) by mutual written agreement of the parties;
- b) by the City or Realty Advisors if the other party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within sixty (60) days after written notice thereof by the non-breaching party; provided, however, if the default is not capable of being cured within sixty (60) days but the defaulting party is diligently pursuing cure, the cure period shall be extended to such time as reasonable required to cure. The extension provision described in the preceding sentence shall not apply to the payment of any sums due hereunder.
- c) by the City if Realty Advisors or an assignee or successor in interest fails to meet any one or more of the Performance Obligations identified in Article 3 above, subject to the cure provisions described in Section 5.1(b) above.

- d) by the City if any taxes, fees or charges owed to the City, other than those specifically identified and waived herein, the County of Dallas, or the State of Texas by Realty Advisors shall have become delinquent and such default is not cured within sixty (60) days after written notice thereof from the City (provided, however, Realty Advisors retains the right to timely and properly protest and contest appraised values for ad valorem tax purposes);
- e) by the City if Realty Advisors suffers an Event of Bankruptcy or Insolvency; or
- f) by the City or by Realty Advisors, respectively, if any subsequent federal or state legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid or illegal; provided, however, if only a portion of the Agreement is rendered invalid or illegal, the balance of this Agreement shall remain in full force and effect.

5.2 Recapture. In the event that this Agreement is terminated as to any party prior to payment of the Annual 380 Grant or the waiver of the roadway impact fees, the obligation of the City to waive said fees or fund said Grant (or any remaining portion thereof) shall cease immediately after the expiration of the notice and cure period provided herein. In the event that this Agreement is terminated by the City based upon Realty Advisors breach or failure to meet any one or more of the Performance Obligations of Article 3 hereof after the notice and cure period provided herein, the City shall have no obligation to fund the Grant (or waive the fees); if all or any portion of the Grant has been paid to Realty Advisors, or if any fees have been waived, then Realty Advisors shall, within thirty (30) days of such notice, refund all amounts previously paid or waived.

ARTICLE 6

Covenants, Representations, and Warranties

6.1 Separated Contracts. In developing and constructing the Project, Realty Advisors will use reasonable efforts to encourage all contractors and vendors to use "separated contracts" (as that term is defined in Sec. 3.291 of the Texas Administrative Code), in order to maximize sales tax revenues to the City.

6.2 Existence; Authority.

- a) Realty Advisors represents and warrants that it has sufficient legal authority to conduct business in the State of Texas; that it has full capacity and authority to grant all rights and assume all obligations that it has granted and assumed under this Agreement; and that the person or persons executing this Agreement on its behalf has been duly authorized to do so.
- b) The City represents and warrants that it has full capacity and authority to grant all rights and assume all obligations that it has granted and assumed under this Agreement;

and that the person or persons executing this Agreement on its behalf has been duly authorized to do so.

6.3 Limitation of Liability of City. Except for the City's obligations to pay the Grant proceeds as set forth in this Agreement, the City and its past, present and future officials, officers, employees and agents make no warranties and assume no responsibilities or liabilities to Realty Advisors or any third party in connection with the development and improvement of the Property or the Project, and Realty Advisors hereby holds harmless and waives any and all claims against the City and its officials, officers, employees, agents and representatives for any claims, losses, injury, or damage to persons or property; provided, however, nothing contained herein shall apply to any property dedicated to the City. It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the parties and neither party shall in any way be deemed an agent of the other. Realty Advisors acknowledges and agrees that there shall be no personal recourse to the officials, officers, employees or agents of the City, who shall incur or assume no liability in respect of any claims based upon or relating to this Agreement. By entering into this Agreement, the City does not and shall not be deemed to waive any defenses or immunities, whether governmental, sovereign, official, qualified or otherwise, all such defenses and immunities being hereby expressly retained. Nothing in this Agreement is intended, and nothing herein shall in any way be deemed, to confer or create any rights in any person not a party to this Agreement.

ARTICLE 7

Miscellaneous

7.1 Recitals. The recitals in the preamble to this Agreement are hereby incorporated herein as part of this Agreement.

7.2 Binding Agreement; Assignment. The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. Realty Advisors shall have the authority to assign, sell or transfer ownership of the Project to any person, in which event the benefits and burdens of this Agreement shall be transferred to such purchaser and Realty Advisors shall thereafter be released from all obligations hereunder. Realty Advisors shall notify the City as to any such transfer. Realty Advisors may, subject to the consent of the City, not to be unreasonably withheld, sell the Project, but retain the rights under this Agreement. However, no consent shall be required from the City for an assignment or transfer to an affiliate, parent or subsidiary of Realty Advisors, but notice of such assignment or transfer shall be given.

7.3 Governing Law. The validity of this Agreement and all of its terms and provisions, as well as the rights and duties of the parties, shall be governed by the laws of the State of Texas, and venue for any action concerning this Agreement shall lie exclusively in the state courts of appropriate jurisdiction in Dallas County, Texas.

7.4 Amendment. This Agreement may be amended only by the mutual written

agreement of the parties hereto.

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

7.6 Notices. All notices which are required or permitted hereunder must be in writing and shall be deemed to have been given, delivered or made, as the case may be (notwithstanding lack of actual receipt by the addressee): (i) upon actual receipt or refusal by the addressee by hand, telecopier or other electronic transmission; or (ii) three (3) business days after having been deposited in the United States mail, certified or registered, return receipt requested, sufficient postage affixed and prepaid; or (iii) one (1) business day after having been deposited with an expedited, overnight courier service (e.g. U.S. Express Mail or Federal Express) for one-day delivery, addressed to the party to whom notice is intended to be given at the following addresses:

If intended for CITY, to:

City of Rowlett
4000 Main Street
Rowlett, Texas _____
Attn: City Manager
Fax: _____
Email: _____

With a copy to:

David M. Berman, City Attorney
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.
1800 Lincoln Plaza
500 North Akard Street
Dallas, Texas 75201
Fax: _____
Email: _____

If intended for Realty Advisors, to:

Realty Advisors, Inc.
1603 LBJ Freeway, Suite 800
Dallas, Texas 75234
Attn: Steven Shelly
Fax: 469-522-4320
Email: steven.shelley@pillarincome.com

With a copy to:

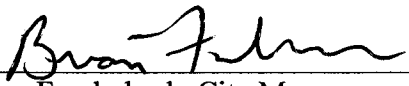
Bennett, Weston, LaJone & Turner, P.C.
1603 LBJ Freeway, Suite 280
Dallas, Texas 75234
Attn: Jay LaJone
Fax: 214-393-4025
Email: jlajone@bennettweston.com

7.7 Entire Agreement. This Agreement is the entire agreement between the parties with respect to the subject matter covered in this Agreement. There is no other oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement.

7.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

EXECUTED in single or multiple originals on the date(s) set forth below.

CITY OF ROWLETT, TEXAS

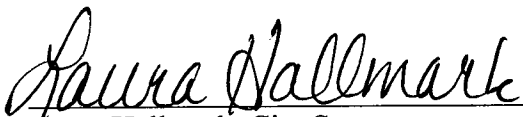


Brian Funderburk, City Manager

Date: 3-21-14



ATTEST:



Laura Hallmark, City Secretary

REALTY ADVISORS CORP.

By: 

Name: STEVEN A. SHELLEY

Title: VICE PRESIDENT

Date: 03/21/14

EXHIBIT "A"

Legal Description

DESCRIPTION OF PROPERTY SURVEYED

DESCRIPTION of an 8.970 acre tract of land situated in the Elijah R. Foster Survey, Abstract No. 81, Rockwall County, Texas; said tract being all of that tract of land described in Warranty Deed to Three SR, LP in Volume 6850, Page 269, all of that tract of land described in Tax Resale Deed to Pillar Income Asset Management, Inc. recorded in Instrument No. 20130000499995, all of the Deed Records of Rockwall County, Texas; said 8.890 acre tract being more particularly described as follows:

BEGINNING, at a 1/2-inch iron rod with a plastic cap stamped "GM RPLS 4395" found in the east right-of-way line of Scenic Drive (a variable width right-of-way, 60 feet wide at this point), said point being in the north line of a tract of land described in Warranty Deed to Debra Pruitt & Stevie Pruitt recorded in Volume 1170, Page 272 of said Deed Records and being the southwest corner of said Three SR, LP tract;

THENCE, North 00 degrees, 03 minutes, 54 seconds West, along the said east line of Scenic Drive, a distance of 106.05 feet to a 5/8-inch iron rod with "PACHECO KOCH" cap found at the beginning of a tangent curve to the right;

THENCE, in a northwesterly direction, continuing along the said east line of Scenic Drive and along said curve to the right, having a central angle of 35 degrees, 51 minutes, 13 seconds, a radius of 290.00 feet, a chord bearing and distance of North 17 degrees, 51 minutes, 43 seconds East, 178.53 feet, at an arc distance of 121.01 feet passing the south corner of Entry Landscape Area 2, Block B, Mallard Reserve, an addition to the City of Rowlett, Texas according to the plat recorded in Cabinet G, Slide 271 of the Plat Records of Rockwall County, Texas, continuing along the southeast line of said Landscape Area 2 in all a total arc distance of 181.47 feet to a 5/8-inch iron rod with "PACHECO KOCH" cap found at the end of said curve;

THENCE, North 35 degrees, 47 minutes, 19 seconds East, continuing along the said southeast line of Landscape Area 2, at a distance of 87.38 feet passing the easternmost corner of said Landscape Area 2 and the southeast corner of Lot 9, Block B of said Mallard Reserve, continuing along the southeast line of said Lot 9 in all a total distance of 181.38 feet to a point for corner in the southwest line of a tract of land described in Warranty Deed to the City of Dallas, Texas recorded in Volume 67, Page 253 of said Deed Records (said line being the "Take Line" of the property acquired by the City of Dallas for Lake Ray Hubbard and shown on the City of Dallas "Take Line" map for Lake Ray Hubbard, File 612D-1, Sheets 153 and 154 on file in the City of Dallas Survey Records Vault); said point being the easternmost corner of said Lot 9; from said point a 1/2-inch iron rod with "ROOME" cap found bears North 77 degrees, 27 minutes East, a distance of 0.4 feet;

THENCE, in an easterly direction along the said City of Dallas "Take Line", the following five (5) calls:

South 54 degrees, 12 minutes, 59 seconds East, a distance of 30.84 feet to a 5/8-inch iron rod with "PACHECO KOCH" cap found for corner;

North 51 degrees, 08 minutes, 13 seconds East, a distance of 244.01 feet to a City of Dallas concrete monument with aluminum disk stamped "Z20-4" found for corner;

North 84 degrees, 27 minutes, 39 seconds East, a distance of 212.10 feet to a 5/8-inch iron rod with "PACHECO KOCH" cap found for corner;

South 54 degrees, 10 minutes, 10 seconds East, a distance of 405.45 feet to a 5/8-inch iron rod with "PACHECO KOCH" cap found for an angle point;

South 37 degrees, 31 minutes, 02 seconds East, a distance of 89.28 feet to a City of Dallas concrete monument with aluminum disk stamped "Z20-1" found for corner; said point being the northernmost corner of a tract of land described in Special Warranty Deed to Debra Pruitt & Stevie Pruitt as recorded in Volume 1171, Page 115 of the said Deed Records and the easternmost corner of said Pillar Income Asset Management, Inc. tract;

THENCE, in a southwesterly direction along the said northwest line of the second referenced Pruitt Tract, the following three (3) calls:

Along said curve to the left, having a central angle of 15 degrees, 19 minutes, 34 seconds, a radius of 639.62 feet, a chord bearing and distance of South 49 degrees, 58 minutes, 45 seconds West, 170.58 feet, at an arc distance of 132.38 feet passing a 1/2-inch iron rod found for the southwest corner of said Pillar Income Asset Management, Inc. tract, continuing in all a total arc distance of 171.09 feet to a 5/8-inch iron rod with "PACHECO KOCH" cap found at the end of said curve;

South 42 degrees, 29 minutes, 43 seconds West, a distance of 60.00 feet to a 5/8-inch iron rod with "PACHECO KOCH" cap found for corner being the beginning of a non-tangent curve to the right;

Along said curve to the right, having a central angle of 07 degrees, 32 minutes, 19 seconds, a radius of 1073.96 feet, a chord bearing and distance of South 46 degrees, 48 minutes, 46 seconds West, 141.20 feet, an arc distance of 141.31 feet to a 1/2-inch iron rod found at the end of said curve; said point being the northeast corner of the first referenced Pruitt tract;

THENCE, South 88 degrees, 21 minutes, 39 seconds West, departing the said north line of the second referenced Pruitt tract and along the north line of the first referenced Pruitt tract, a distance of 696.08 feet to the POINT OF BEGINNING;

CONTAINING, 390,734 square feet or 8.970 acres of land, more or less.

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EXHIBIT "B"

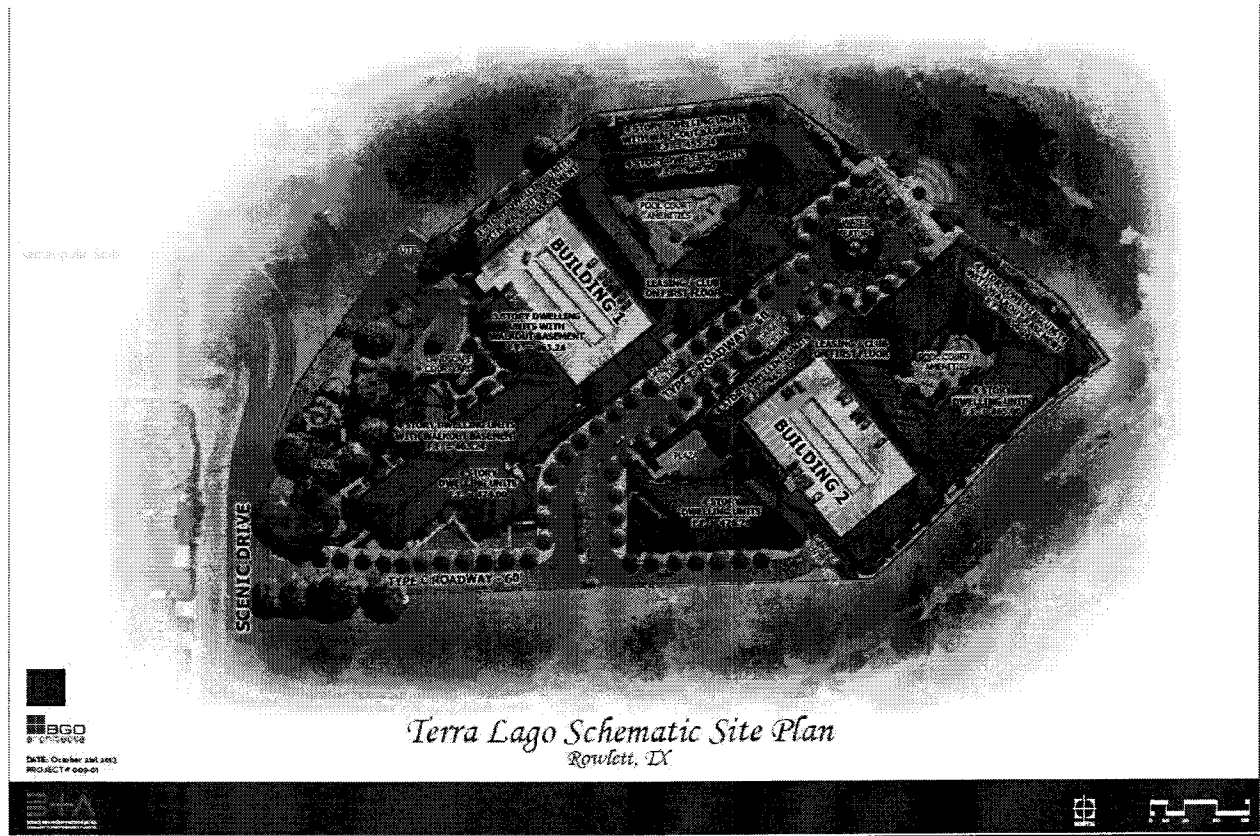
Roadway Impact Fees

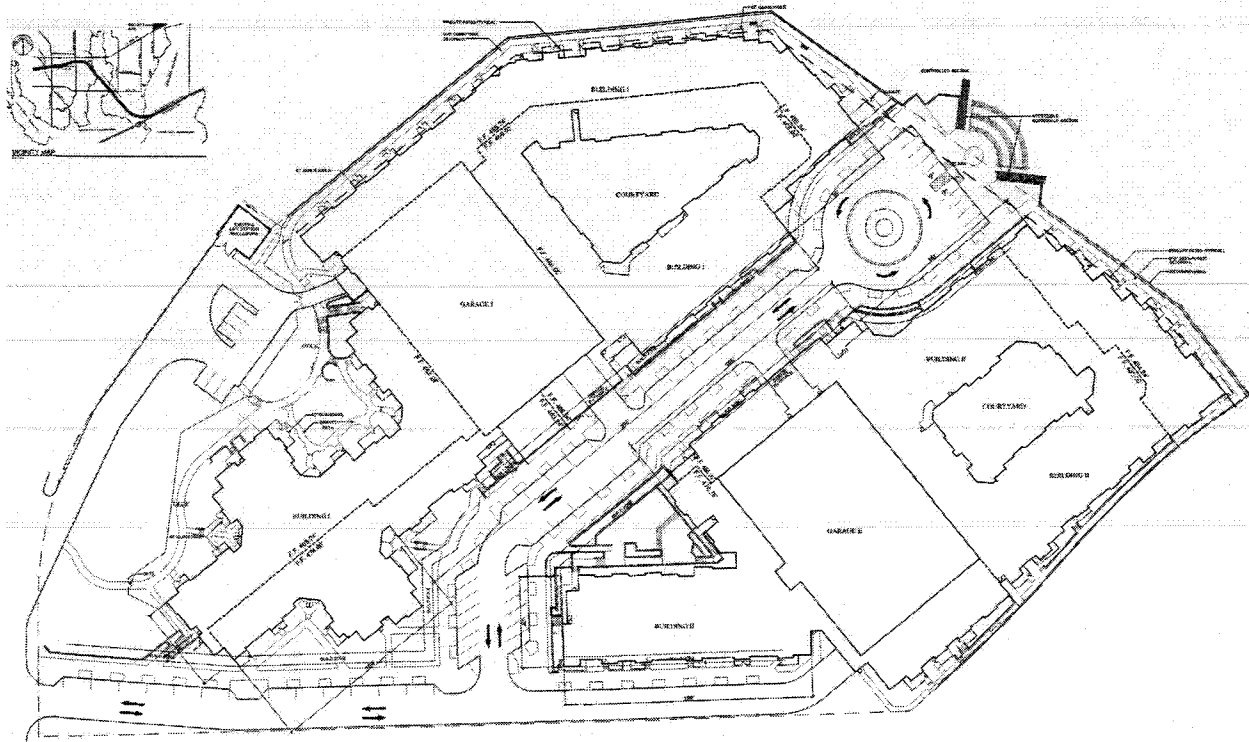
Building 1 – Based on 247 units - \$498,693

Building 2 – Based on 200 units - \$403,800

EXHIBIT "C"

Schematic Site Plan and Development Plan





1 SITE PLAN
SCALE: 1/8" = 1'-0"

 BGO architects	DEVELOPER: BGO PARTIAL P1 APPROVED: 01-31-2014	TERRA LAGO Rowlett, Texas	 01-31-2014	DATE: 01-31-2014	SHEET NUMBER: A1-01
				REVISION: 12165	SITE PLAN

EXHIBIT "D"

Grand Stair Description

May 9, 2013

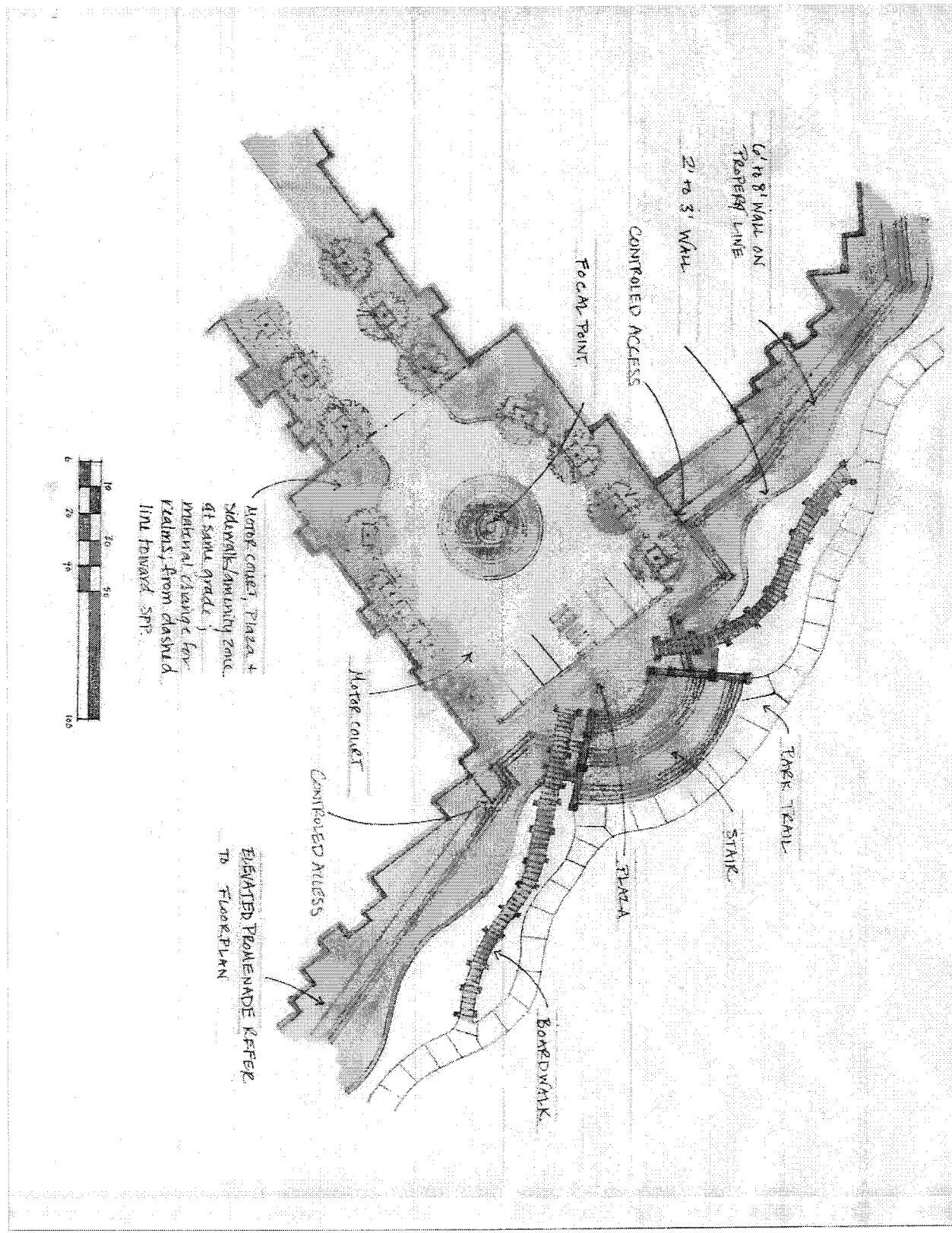
Grand Stair into Scenic Point Park
City of Rowlett - Parks and Recreation
Rowlett, Texas



la terra studio

Basic Concept	Quantity	Unit	Per Each	
Demo / Site Prep / Mobilization				
Mobilization / Permitting (+/-5% Total)	1	LS	\$ 20,000.00	\$ 20,000.00
Clear and Grub Existing Vegetation and Site Debris	1	LS	\$ 10,000.00	\$ 10,000.00
Tree Protection	1	LS	\$ 4,000.00	\$ 4,000.00
Sub-Total Demo / Site Prep / Mobilization				\$ 34,000.00
Site Work				
Grading	1	LS	\$ 23,000.00	\$ 23,000.00
Drainage/ Stormwater Management	1	LS	\$ 5,000.00	\$ 5,000.00
Structural Fill	340	CY	\$ 60.00	\$ 20,400.00
Planting Medium	2000	CY	\$ 25.00	\$ 50,000.00
Concrete Stairs	748	LF	\$ 15.00	\$ 11,220.00
Concrete Paving	2550	SF	\$ 6.00	\$ 15,300.00
Low Curved Retaining Wall	927	LF	\$ 100.00	\$ 92,700.00
Wall at Grand Stair	127	LF	\$ 200.00	\$ 25,400.00
Landscape	17703	SF	\$ 3.00	\$ 53,109.00
Wooden Boardwalk	2	LS	\$ 30,000.00	\$ 60,000.00
Sub-Total Site Work				\$ 356,129.00
			Sub Total	\$ 390,129.00
			Contingency 15%	\$ 58,519.35
			Magnitude of Cost for Grand Stair	\$ 448,648.35

*la terra studio, inc. reserves the right to revise this estimate at any time.



REALTY ADVISORS, INC.
1603 LBJ Freeway, Suite 800
Dallas, Texas 75234

November 20, 2015

VIA CERTIFIED MAIL, RRR# 7013 3020 0000 4697 1713

City of Rowlett
Attn: City Manager
4000 Main Street
Rowlett, TX 75088

Re: Economic Development Incentive Agreement dated as of March 21, 2014
By and Between The City of Rowlett, Texas ("City") and Realty Advisors, Inc.
(the "Agreement")

Dear City Manager:

Pursuant to Section 7.2 of the Agreement concerning transfers and assignments by Realty Advisors, Inc. ("RAI"), the purpose of this letter is to give the City notice that RAI no longer owns the Property (as defined in the Agreement), and that the rights and obligations of RAI under the Agreement have been assigned to Terra Lago Apartments, LLC, a Delaware limited liability company. Terra Lago Apartments, LLC is an affiliate of RAI.

Should the City have any questions concerning this transfer, please feel free to contact me.

Very Truly Yours,
REALTY ADVISORS, INC.

By: 
Name: Daniel J. Moos
Title: President

cc: VIA CERTIFIED MAIL, RRR# 7013 3020 0000 4697 1720
David M. Berman, City Attorney
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.
1800 Lincoln Plaza
500 North Akard Street
Dallas, Texas 75201

VIA E-MAIL
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