

CONSENT AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF HAYS §

This Consent Agreement ("Agreement") is between the City of San Marcos, Texas ("the City"), a home-rule city located in Hays County, Texas, and LaSalle Holdings, Ltd. a Texas limited partnership. (the "Developer"). City consents to the creation of four (4) municipal utility districts to include approximately 1,437 acres of land, partially within the extraterritorial jurisdiction of the City of San Marcos, Texas. The name of the proposed Districts shall be the LaSalle Municipal Utility District No. 2, 3, 4 and 5 (the "Districts"). The Districts will be created pursuant Texas Water Code Sections 49 and 54 by special act of the Texas legislature.

INTRODUCTION

The Developer owns approximately 1,437 acres of land located within the extraterritorial jurisdiction of the City (the "Land"). The Developer desires to have the City's consent to the creation of four municipal utility districts.

The area is currently without an adequate waterworks system, wastewater system, or drainage system. The Districts will provide financing mechanisms to provide these items. Further, the Districts will assist in financing road improvements including the San Marcos Loop. Finally, the District will provide parks and open space.

The City has adopted an ordinance that regulates the creation and review of special districts within the City's limits and its ETJ.

The City has determined that, pursuant to the terms of this Agreement, and the requirements of CHAPTER 70 OF THE SAN MARCOS CODE the City will benefit from: (i) the quality of the development that will result from the plan set forth in the Development Agreement; and (ii) the creation of the Districts to finance the water and wastewater and drainage systems for the Districts. The Developer has determined that, pursuant to the terms of this Agreement, it will benefit from: (i) the certainty and assurance of the development regulations applicable to the development of the Land under this Agreement; and (ii) the ability to obtain the financial commitments that are necessary for development of this scope to become competitive in the marketplace.

The City hereby finds that:

- (1) it is not likely to annex the District or serve the district within three (3) years from the date of the approval of this consent petition.
- (2) it is not likely that the City will service the District with water or wastewater;
- (3) the District is in the City's preferred growth area;

- (4) the District is entirely within the city's extraterritorial jurisdiction;
- (5) the development supported by the District provides the following extraordinary public benefits:
- a. The City will receive one million dollars out of the net Developer reimbursement from the proceeds from the issuance of bonds;
 - b. The City may impose a sales and use tax on all eligible property within the District and receive sixty percent (60%) of the revenue collected through a Strategic Partnership Agreement as provided in Section 2.02(a) herein;
 - c. City's land use controls will apply within the District pursuant to a Development Agreement;
 - d. The City will receive parkland and public improvements will be constructed in accordance with the City's Land Development Code.

Therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the agreements set forth below, the parties contract as follows.

ARTICLE I DEFINITIONS

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

Agreement: This Consent Agreement between the City of San Marcos, Texas and the Developer.

Bonds. As used throughout this Agreement, bonds includes notes and other obligations.

City: The City of San Marcos, Texas, a home rule city located in Hays County, Texas.

Commission: The Texas Commission on Environmental Quality or its successor state agency.

Developer: LaSalle Holdings, Ltd., a Texas Limited Partnership, or its successors and assigns under this Agreement.

Development Agreement: The Development Agreement concerning the LaSalle Project, as amended from time to time by the parties.

Districts: The financing districts to be created by special act of the Texas Legislature, with the City's consent, over the portion of the Land described by metes and bounds in Exhibit A. The anticipated names of the Districts are LaSalle Municipal Utility Districts Nos. 2, 3, 4 and 5.

Effective Date: The last date when one or more counterparts of this Agreement, individually or taken together, bear the signature of the City and the Developer.

Land: Approximately 1,437 acres of land located in the City's extraterritorial jurisdiction, described by metes and bounds on Exhibit A.

ARTICLE II DISTRICT CREATION

Section 2.01. Consent to Creation of Districts. The City acknowledges receipt of the Developer's request, in accordance with SECTION 54.016 OF THE TEXAS WATER CODE AND SECTION 42.042 OF THE TEXAS LOCAL GOVERNMENT CODE, for creation of four financing districts (the "District") over the Land that may exercise all powers granted by CHAPTERS 49 AND 54 OF THE TEXAS WATER CODE. On the Effective Date of this Agreement, the City has approved the ordinance attached as Exhibit B, consenting to the inclusion of the Land described on Exhibit A within the Districts. The City agrees that this ordinance will be deemed to constitute the City's consent to the creation of the Districts within its extraterritorial jurisdiction. No further action will be required on the part of the City to evidence its consent however, the City agrees to provide any additional confirmation of its consent that may be required by the Developer or the District if requested to do so.

Section 2.02. Strategic Partnership Agreement.

(a) At the organizational meeting of the District's Board, the Board will authorize the negotiation and execution of a Strategic Partnership Agreement setting forth the terms and conditions of the City's annexation of the Land for limited purposes and the terms and conditions upon which the District will be converted to a limited district that will continue to exist following the City's full purpose annexation of all of the land within the District in accordance with Section 43.0751, TEXAS LOCAL GOVERNMENT CODE, and the Enabling Legislation. The Strategic Partnership Agreement shall permit the City to impose a sales and use tax on all eligible commercial and retail activities in areas annexed for limited purposes at the same rate it is imposed within the City as authorized under CHAPTER 321 OF THE TAX CODE and imposed by the City, and that the City shall pay to the District an amount equal to forty percent (40%) of the Sales and Use Tax revenues collected and paid to the City as reflected in sales tax reports provided by the Comptroller to the City and City will retain the remainder (60%).

The Strategic Partnership Agreement must be approved by the District and an original, executed by the District, returned to the City not later than 180 days after the organizational meeting of the Board. The SPA shall be limited in scope to provide for limited purpose and full purpose annexation and sales and use tax. It shall not contain any land development or other related matters.

(b) The District may not issue bonds until a Strategic Partnership Agreement is negotiated and approved by the City and the District, and an original Strategic Partnership Agreement executed by the District, returned to the City.

Section 2.03. General

a. The Developer shall submit to the City a satisfactory review of the Developer's financial position, certified by a third-party financial analyst. This requirement is satisfied by submitting a copy of the District's annual audit to the City when the audit is required by TCEQ rule.

b. All records, files, books, information, etc., of the District shall be a matter of public record and available for city inspection at all times.

Section 2.04. Expiration; Dissolution. The City's consent to the creation of the District shall be deemed withdrawn if:

(a) formal approval of the District is not granted by the state within 24 months after the date of the ordinance granting the City's consent;

(b) developer fails to commence substantial construction of improvements within the District within five (5) years after the date of the ordinance granting the City's consent;

The City's consent shall be deemed withdrawn and the District shall be dissolved if:

(a) The District has not held a confirmation election within six (6) years from the date of its creation by legislature; or

(b) upon the expiration of ten (10) years from the date of its creation if the District has been inactive for five consecutive years which means that the District has not performed any of the functions for which it was created, and the District has no outstanding bonded indebtedness.

Section 2.05. Annexation by the District. Any district created pursuant to this Agreement or a resulting district may not annex any additional land into its boundaries without the prior written consent of the City. Provided, however, that a district created pursuant to this Agreement or a resulting district may annex property that is within the boundaries of the Land. Any land annexed into the District must be located entirely within the city's ETJ.

The District and any resulting District and the Developer, on behalf of itself and respective successors and assignees, covenant and agree that, except upon written consent of the City, neither the District and any resulting district nor the Developer will: (1) seek or support any effort to incorporate the Land or any part thereof; or (2) sign, join in, associate with, or direct to be signed any petition seeking to incorporate the Land or seeking to include the Land within the boundaries of any other special district, assessment jurisdiction, other municipality, or any other incorporated entity other than the City.

Section 2.06. Administrative Fee and Master Development Fee.

(a) As additional consideration for this Agreement, the Developer shall pay the City an Administrative Fee and a Master Development Fee, which amounts will be full payment to the City of all fees due to the City in connection with the approval of this Agreement, but which is in addition to any other applicable City fees and sums due under the Development Agreement.

(b) Administrative Fee. An Administrative Fee of \$10,000.00 shall be paid to the City by the Developer on or before the Effective Date of this Agreement. This fee shall be for the sole use and benefit of the City for any purpose as the City in its discretion may decide.

(c) Master Development Fee. A Master Development Fee of one million dollars (\$1,000,000) shall be paid to the City out of the net Developer reimbursement from the proceeds from the issuance of bonds by the District and any resulting district at the rate of 5% of each net bond reimbursement received by the Developer from the District and any resulting district, if any, in accordance with the formula attached hereto as Exhibit D.

The City, the Developer and the District and any resulting district agree that the payment of the Master Development Fee is to be paid from the net Developer reimbursement from the proceeds of bonds issued by the District and any resulting district in conjunction with the closing of each such series of bonds but in any event not later than 30 days from the date of closing on a series of bonds. To the extent the full amount of the Master Development Fee is not paid by the 10th anniversary of the Effective Date of this Agreement, the percentage of net Developer reimbursement from each series of bonds is subject to increase as the City may determine.

(d) Assignment. The Developer hereby makes a partial assignment of its reimbursement rights to the City, as evidenced by Exhibit D attached hereto and made a part hereof for all purposes. No assignment of Developer's reimbursement rights shall be effective unless and until the City receives notice of such assignment accompanied by a fully executed Partial Assignment of Reimbursement Rights pursuant to which the City has a right to receive the Master Development Fee payable out of developer reimbursements as bonds are issued in accordance with this Agreement

Section 2.07. Bonds. The Districts shall have authority to issue bonds for its water, wastewater, drainage and roadway projects, as well as parks and recreational facilities, and other matters such as organizational costs, operation and maintenance, interest during construction, etc., subject to, and allowed by, the Commission rules. Bonding of land or easements necessary for Districts' projects shall be subject to the limitations set forth in the San Marcos Code as of the date of this Agreement. The Districts, including resulting districts, shall not issue bonds to provide services to land or projects outside the boundaries of the Districts. Bonds issued for one purpose shall not be used for another purpose except for surplus funds in a bond issue which surplus funds result from lower interest rate costs or lower project costs and as approved in accordance with Commission rules for the use of surplus bond funds; or TCEQ approved change in scope of authorized bond funds.

ARTICLE III

DEVELOPMENT PLAN, PARKS AND ROADWAYS

Section 3.01. Land Use. Developer agrees to enter into a Development Agreement with the City to delay annexation of the District by the City, establish certain restrictions and commitments imposed and made in connection with the development of LaSalle MUD Districts 2, 3, 4 and 5 in order to provide increased certainty to Developer and City concerning the development approval process and the development requirements of the City for a period of years; and to identify land uses and other aspects of the development of the District under the authority granted by SECTION 212.172 OF THE TEXAS LOCAL GOVERNMENT CODE. The Development Agreement must be executed by Developer, approved by City and filed in the Hays County Deed Records prior to any development of the land within the Project or any issuance of permits to develop the Land.

The Land shall be developed in accordance with the standards and requirements set forth in the Development Agreement.

The City accepts the Conceptual Land Plan submitted in the Developer's Preliminary Engineering and Creation Report (Revised January 2013) to illustrate the general proposed land uses. Notwithstanding the foregoing, any proposed development of the Property shall be subject to and governed by the terms of the City's Land Development Code and a Development Agreement which will supersede and replace the Conceptual Land Plan.

Section 3.02 Parks and Open Space. Park and open space and shall be dedicated in accordance with the Development Agreement.

Section 3.03. Roadway improvements, right-of-way, easements and other land dedications. Roadway improvements, right-of-way and the traffic plan shall also be developed in accordance with the Development Agreement. All rights-of-way for roads, and easements including but not limited to utility and drainage easements shall be dedicated to the public in accordance with the Development Agreement.

ARTICLE IV WATER AND WASTEWATER, AND OTHER MUNICIPAL SERVICES

Section 4.01. Water Services. Water service to the District shall be provided by third parties that hold the CCN to serve areas of the District within its service boundary. Currently, the City of Kyle holds the Certificate of Convenience and Necessity ("CCN") for over most of the property and it is anticipated that it will provide water to the Land in conjunction with any other CCN holders.

Section 4.02. Wastewater Services. Retail wastewater service to the District shall be provided by a third party. It is anticipated that the City of Kyle will provide that service.

Any wastewater treatment plant constructed in whole or in part with bond proceeds will be subject to review and comment by the San Marcos City Council prior to the issuance of the state permit or any amendment thereto. Any wastewater treatment package plant designed and constructed to provide wastewater service to the District will be designed to be capable of and shall treat wastewater to tertiary standards. Further, the District's package plant shall meet or exceed the effluent limitations (5.5.2.1) and minimum self-monitoring requirements (5) times per week for CBOD, TSS, Ammonia Nitrogen and Total Phosphorus; and daily for E. coli bacteria, colonies per 100 ml) contained in City of San Marcos' TPDES Permit. Any wastewater treatment package plant providing wastewater service to the District shall be operated by Class A wastewater operator on a full-time basis. "Full time basis" does not mean an operator has to be on site for 40 hours per week but must monitor plant as plant as required by State of Texas regulation and meet or exceed the self-monitoring requirements in San Marcos' TPDES Permit, or meet requirements established by separate agreement with the City.

Section 4.03. Connection of Utilities. The District shall comply with TEXAS LOCAL GOVERNMENT CODE §212.012 and TEXAS WATER CODE §54.106 regarding connection of utilities.

Section 4.04 Ownership, Maintenance and Operation of Roadways. All Roadways will be dedicated to the public and maintained by Hays County.

Section 4.05 City Services. No City services, other than services related to planning and zoning (including environmental quality), enforcement of planning and zoning regulations (including environmental regulations), and any other services that the City may agree to provide under separate contract with the District or the Developer will be provided to any area within the District boundaries prior to the City's annexation of such land for full purposes.

ARTICLE V AUTHORITY

Section 5.01. Authority. This Agreement is entered into under the statutory authority of SECTION 54.016 OF THE TEXAS WATER CODE AND SECTION 42.042 AND 212.172 OF THE TEXAS LOCAL GOVERNMENT CODE. The parties intend that this Agreement guarantee the continuation of the extraterritorial status of the Land within the District; authorize certain general uses and development on the Land; provide for infrastructure for the Land; specify the uses and development of the Land after annexation; and provide other lawful terms and considerations relating to the Land.

ARTICLE VI ISSUANCE OF BONDS; SETTING TAX RATES:

Section 6.01. Issuance of Bonds; The District and any resulting district may issue Bonds as permitted by SECTION 70.053 OF THE SAN MARCOS CODE and this Agreement, as each may be amended from time to time. TCEQ administrative rule 30 TAC 293.47 shall apply in determining the bonding allowed for water, wastewater and drainage. Except as authorized by this Agreement, the District and any resulting district shall not issue Bonds without the prior approval of the City Council and not until the

Section 6.02. Bond Requirements. The District and any resulting district shall obtain all necessary authorizations for Bonds in accordance with this Agreement and with CHAPTER 70, SECTION 70.053 OF THE SAN MARCOS CODE. To the extent of a conflict with Section 70.053 of the San Marcos Code, this Agreement shall control. All Bonds, including refunding bonds, issued by the District and any Resulting District shall comply with the following requirements:

- (a) Maximum maturity of 25 years from the date of issuance for any one series of Bonds; and
- (b) The net effective interest rate will not exceed two percent (2o/o) above the highest average interest rate reported by the Daily Bond Buyer in its weekly "20 Bond Index" during the one month period immediately preceding the date that the notice of sale of such Bonds is given; and
- (c) The Bonds shall expressly provide that the District and any resulting district shall reserve the right to redeem Bonds at any time beginning not later than the tenth (10th) anniversary of the date of issuance, without premium. No variable rate Bonds shall be issued by the District and any resulting district; and
- (d) Any refunding Bonds of the District and any resulting district must provide for a minimum of three percent (3o/o) present value savings, and, further, must provide that the latest maturity of the refunding Bonds may not extend beyond the latest maturity of the refunded Bonds; and

Section 6.03 Economic Feasibility. At least thirty (30) days before the issuance of bonds, except refunding bonds, the District's financial advisor shall certify in writing that the bonds are being issued within the existing economic feasibility guidelines established by the TCEQ for the districts issuing bonds for water, sewer or drainage facilities in Hays County and shall deliver such certification to the City Manager and the City Clerk. First District and all Resulting Districts agree to provide a copy of TCEQ Bond Order and Memo prior to issuance to reduce cost to District.

Section 6.04. Notice of Bond Issues. At least thirty (30) days before the issuance of bonds, the District or any resulting district shall deliver to the City Manager and City Attorney notice containing: (a) the amount of Bonds being proposed for issuance; (b) a general description of the projects to be funded by such bonds; and (c) the proposed debt service tax rate after the issuance of the Bonds.

If the District and any resulting district is not required to obtain TCEQ approval of the issuance of the Bonds (other than refunding bonds), the District and any resulting district shall deliver such other notice required in this Section at least sixty (60) days prior to the issuance of Bonds. Within thirty (30) days after the District or any resulting district closes the sale of a series of bonds, the District or resulting district shall deliver to the City Manager a copy of the final official statement for such series of bonds. If the City requests additional information regarding such issuance, the District or resulting district shall promptly provide such information at no cost to the City.

Section 6.05. Compliance with Agreements. At least thirty (30) days before issuance of Bonds, the District and any resulting district shall certify in writing that it is in substantial compliance with the consent resolution approved by the city council, the consent agreement, and to the extent such agreements impose requirements on the District, with the consent agreement and all other agreements executed by the City and the District and shall promptly deliver such certification to the City Manager, and City Clerk.

Section 6.06. Certifications. With respect to any matter required by this Article VI to be certified in writing, the Agreement also requires, and the District and any resulting district hereby warrants, that every statement in any certification shall be true and correct in all material respects and that the person signing the certification has been given the requisite authority to do so on behalf of such district.

Section 6.07. Tax Rate. The District's and any resulting district's Tax Rate will approximate but not be less than the City's tax rate.

Section 6.08. Notice of Tax Rate. The District and any resulting district shall send a copy of the order or other action setting an ad valorem tax rate to the City Manager, and City Clerk within thirty (30) days after District's adoption of the rate.

Additional Requirements relating to Bonds:

The District shall provide copies of any material event notices filed under applicable federal securities laws or regulations to the city manager, city attorney within thirty (30) days after filing such notices with the applicable federal agency.

Before the District issues bid invitations for its bonds, the city council shall have the right of review of all bond issues and sales, including bond prices, interest rates and redemption

premiums, and copies of all documents submitted to state agencies shall be concurrently submitted to the City. Provided, however, that the city council must provide any comments within 30 days of receiving the bid invitations.

No bond funds shall be expended or bonds issued to provide service outside the District boundaries without the prior consent of the City Council.

The District shall prepare for and submit to the City annual reports on the status of construction and bond sales.

ARTICLE VII TERM, ASSIGNMENT AND REMEDIES

Section 7.01. Term.

a. As between the City and the Developer, the term of this Agreement will commence on the Effective Date and continue for 20 years thereafter, unless terminated on an earlier date under other provisions of this Agreement or by written agreement of the City and the Developer. Upon the expiration of 20 years, this Agreement may be extended, at the Developers request and with City Council approval, for up to two successive ten-year periods.

b. As between the City and the District, the term of this Agreement will commence on the date that the District Board of Directors executes this Agreement and will continue for 40 years thereafter, unless the District is annexed by the City on an earlier date.

Section 7.02. Assignment.

a. The rights and obligations of the Developer under this Agreement may be assigned by the Developer in accordance with the provisions of Section 7.02(b) and (c).

b. If the Developer assigns its rights and obligations hereunder as to a portion of the Land, then the rights and obligations of any assignee and the Developer will be severable, and the Developer will not be liable for the nonperformance of the assignee and vice versa. However, Developer will continue to be responsible and liable for all obligations up to the effective date of the assignment. In the case of nonperformance by one developer, the City may pursue all remedies against that nonperforming developer, but will not impede development activities of any performing developer as a result of that nonperformance.

c. Developer, as Owner, may assign this Agreement and including any obligation, right, title or interest of Developer under this Agreement, to the District or any resulting district (after the District Confirmation Date), and to any person or entity (an "Assignee") provided that the following conditions are satisfied: (1) the City has also given its written consent to allow the Assignee to assume all of the obligations of the Developer under the Development Agreement as amended; (2) if not the District or resulting district Assignee is a successor owner of all or any part of the Land or is a lender to a successor owner of all or any part of the Land; (3) if not the District or any resulting District, Assignee has a contractual right to be reimbursed for water, sewer or drainage improvements from Bonds (or has a lien or other security interest in such reimbursements); (4) the assignment is in writing executed by Developer, as Owner, Assignee and the City in the form of assigned attached as Exhibit D;

(5) Assignee expressly assumes in the assignment any assigned obligations and expressly agrees in the assignment to observe, perform, and be bound by this Agreement to the extent this Agreement relates to the obligations, rights, titles, or interests assigned; (6) Developer is then in compliance with all terms and conditions of the Development Agreement as amended; (7) a copy of the executed assignment is provided to all Parties within 15 days after execution; and (8) Assignee has executed a Partial Assignment of Reimbursement Rights in favor of the City in substantially the same form as Exhibit D. Provided all of the foregoing conditions are satisfied, from and after the date the assignment is executed by Developer and Assignee, the City agrees to look solely to Assignee for the performance of all obligations assigned to Assignee and agrees that Owner shall be released from performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations. No assignment by Owner shall release Owner from any liability that resulted from an act or omission by Owner that occurred prior to the effective date of the assignment. Owner shall maintain written records of all assignments made by Owner (including, for each Assignee, the Notice information required by this Agreement, and including a copy of each executed assignment) and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity.

It is specifically intended that this Agreement as may be amended, and all terms, conditions and covenants herein, shall survive a transfer, conveyance, or assignment occasioned by the exercise of foreclosure of lien rights by a creditor or a Party, whether judicial or non-judicial. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and Assignees. Notwithstanding the foregoing, however, Developer shall not have the right to assign this Agreement, or any right, title, or interest of Owner under this Agreement, until the District and all resulting districts have become a Party.

d. This Agreement is not intended to be binding upon, or create any encumbrance to title as to, any ultimate consumer who purchases a fully developed and improved lot within the Land.

Section 7.03. Remedies. In the event of default by any party, a non-defaulting party may give the defaulting party written notice specifying the default (the "Notice"). If the defaulting party fails to fully cure any default that can be cured by the payment of money ("Monetary Default") within 30 days after receipt of the Notice, or fails to commence the cure of any default specified in the Notice that is not a Monetary Default within 30 days of the date of the Notice, and thereafter to diligently pursue such cure to completion, then the other party shall be entitled to a proper writ issued by a court of competent jurisdiction compelling and requiring the defaulting party to observe and perform the covenants, obligations and conditions described in this Agreement. The non-defaulting party may employ attorneys to pursue its legal rights and if it prevails before any court or agency of competent jurisdiction, the defaulting party shall be obligated to pay all expenses incurred by the non-defaulting party, including reasonable attorneys' fees not to exceed the usual and customary rate charged by the City attorney.

No Bonds shall be issued during any period in which Developer is not in compliance with any court order compelling performance under this Agreement as amended. Further, during the cure period and continuing until the default or breach is cured, the District is prohibited from taking any affirmative act to issue Bonds until the default or breach has been cured. The City shall have all rights to enjoin the issuance of Bonds during any period during which a default or breach remains uncured under this Section. If Developer fails to cause the District to cure any default or breach, Developer shall not enter into any agreements with the District or seek reimbursement from the District for any expenses incurred in connection with the District or the development of the Land until the default or breach has been cured

Section 7.04. Cooperation.

a. The City, the Developer, and the District each agree to execute such further documents or instruments as may be necessary to evidence their agreements hereunder.

b. In the event of any third party lawsuit or other claim relating to the validity of this Agreement or any actions taken hereunder, the City, the Developer, and the District agree to cooperate in the defense of such suit or claim, and to use their respective best efforts to resolve the suit or claim without diminution in their respective rights and obligations under this Agreement.

ARTICLE VIII MISCELLANEOUS PROVISIONS

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

City:	City of San Marcos 630 East Hopkins San Marcos, Texas 78666 Attn: City Manager
With Required Copy to:	City Attorney, Legal Department 630 East Hopkins San Marcos, Texas 78666
Developer:	Mike Schroeder Managing Member LaSalle Holdings, Ltd. 6109 FM 390N Brenham, TX 77833 USA
With a Copy to:	Andy Barrett 3006 Bee Cave Road, Suite D-310 Austin, Texas 78746
District:	Andy Barrett 3006 Bee Cave Road, Suite D-310 Austin, Texas 78746

The parties may change their respective addresses to any other address within the United States of America by giving at least 5 days' written notice to the other party. The Developer and the District may, by giving at least 5 days' written notice to the City, designate additional parties to receive copies of notices under this Agreement.

Section 8.02. Severability; Waiver.

a. If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected, and, in lieu of each illegal, invalid, or unenforceable provision, that a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms to the illegal, invalid or enforceable provision as is possible.

b. 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 thereof or of any other provision, and such party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

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

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

Section 8.05. Exhibits, Headings, Construction and Counterparts. All schedules and exhibits referred to in or attached to this Agreement are incorporated into and made a part of this Agreement for all purposes. The paragraph headings contained in this Agreement are for convenience only and do not enlarge or limit the scope or meaning of the paragraphs. Whenever appropriate, words of the masculine gender may include the feminine or neuter, and the singular may include the plural, and vice-versa. The parties acknowledge that each of them have been actively and equally involved in the negotiation of this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting party will not be employed in interpreting this Agreement or any exhibits hereto. 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.

Section 8.06. Time. Time is of the essence of this Agreement. In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday or legal holiday.

Section 8.07. 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 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 the Developer.

Section 8.08. Exhibits. The following exhibits are attached to this Agreement, and made a part hereof for all purposes:

- Exhibit A - Metes and Bounds Description of the Land
- Exhibit B - District Consent Ordinance
- Exhibit C - Master Development Calculation Form
- Exhibit D - Assignment and Assumption Agreement

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement on the dates indicated below:

SIGNATURE PAGES FOLLOW

EXHIBIT A

[Metes and Bounds Description of the Land]

HOLT CARSON, INC.
PROFESSIONAL LAND SURVEYORS
1904 FORTVIEW ROAD
AUSTIN, TEXAS 78704
TELEPHONE: (512) 442-0990
FACSIMILE: (512) 442-1084
www.hciaustin.com

MUD #2

FIELD NOTE DESCRIPTION OF 305.41 ACRES OF LAND OUT OF THE WILLIAM HEMPHILL SURVEY ABSTRACT No. 221 IN HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN (765.035 ACRE) TRACT OF LAND AS CONVEYED TO LASALLE HOLDINGS, LTD. BY SPECIAL WARRANTY DEED RECORDED IN VOLUME 2909 PAGE 684 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" iron rod found in the Southwest line of Hays County Road No. 158 and for an angle corner in the Northeast line of that certain (765.035 acre) tract of land as conveyed to LaSalle Holdings, Ltd. by Special Warranty Deed recorded in Volume 2909 Page 684 of the Official Public Records of Hays County, Texas, and being the most Northerly corner and **PLACE OF BEGINNING** of the herein described tract of land, and from which a capped iron rod found (marked "Byrn") for an angle corner in the Northeast line of said LaSalle Holdings (765.035 acre) tract bears N 44 deg. 12' 41" E 9.20 ft.;

THENCE with the Southwest line of Hays County Road No. 158 and with the Northeast line of said LaSalle Holdings (765.035 acre) tract, the following four (4) courses;

- 1) S 45 deg. 36' 48" E 2564.23 ft. to a ½" iron rod found;
- 2) S 28 deg. 19' 21" E 180.67 ft. to a ½" iron rod found;
- 3) S 45 deg. 36' 07" E 787.93 ft. to a ½" iron rod found;
- 4) S 00 deg. 52' 46" E 57.01 ft. to a ½" iron rod found for an Easterly angle corner of said LaSalle Holdings (765.035 acre) tract and being an Easterly angle corner of this tract;

THENCE with the Northwest line of Hays County Road No. 158 and with the Southeast line of said LaSalle Holdings (765.035 acre) tract, the following two (2) courses;

- 1) S 43 deg. 23' 26" W 2355.38 ft. to a ½" iron rod found;
- 2) S 43 deg. 23' 01" W 1294.66 ft. to a point for the most Southerly corner of this tract and from which a ½" iron rod found in the Northwest line of Hays County Road No. 158 and in the Southeast line of said LaSalle Holdings (765.035 acre) tract bears S 43 deg. 23' 01" W 302.20 ft.;

305.41 ACRES

THENCE leaving the Northwest line of Hays County Road No. 158 and crossing the interior of said LaSalle Holdings (765.035 acre) tract with the Southwest line of this tract, N 45 deg. 39' 03" W 3568.62 ft. to a point in a Northwesterly line of said LaSalle Holdings (765.035 acre) tract for the most Westerly Northwest corner of this tract;

THENCE with a Northwesterly line of said LaSalle Holdings (765.035 acre) tract, N 43 deg. 28' 18" E 700.00 ft. to a capped iron rod found (marked "Byrn") for an angle corner of said LaSalle Holdings (765.035 acre) tract and being an angle corner of this tract, and from which a 1" iron pipe found for an angle corner in a Southwesterly line of said LaSalle Holdings (765.035 acre) tract bears N 45 deg. 13' 18" W 487.22 ft.;

THENCE re-crossing the interior of said LaSalle Holdings (765.035 acre) tract with the Northwest line of this tract, N 43 deg. 27' 55" E 3046.28 ft. to the **PLACE OF BEGINNING**, containing 305.41 acres of land.

PREPARED: January 30, 2013

Holt Carson

Registered Professional Land Surveyor No. 5166

HOLT CARSON, INC.
PROFESSIONAL LAND SURVEYORS
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MUD #3

FIELD NOTE DESCRIPTION OF 320.71 ACRES OF LAND OUT OF THE WILLIAM HEMPHILL SURVEY ABSTRACT No. 221 IN HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN (765.035 ACRE) TRACT OF LAND AS CONVEYED TO LASALLE HOLDINGS, LTD. BY SPECIAL WARRANTY DEED RECORDED IN VOLUME 2909 PAGE 684 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, TOGETHER WITH A PORTION OF THAT CERTAIN (171.236) ACRE) TRACT OF LAND AS CONVEYED TO LASALLE HOLDINGS, LTD. BY GENERAL WARRANTY DEED RECORDED IN VOLUME 3030 PAGE 657 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING FOR REFERENCE at ½" iron rod found in the Northeast right-of-way line of Yarrington Road for the most Westerly corner of that certain (765.035 acre) tract of land as conveyed to LaSalle Holdings, Ltd. By Special Warranty Deed recorded in Volume 2909 Page 684 of the Official Public Records of Hays County, Texas, and for the most Southerly corner of that certain (468.288 acre) tract of land described as "Tract 2" in deed to F.M. 158 Land, Ltd. As recorded in Volume 2702 Page 613 of the Official Public Records of Hays County, Texas;

THENCE leaving the Northeast right-of-way line of Yarrington Road with a Northwesterly line of said LaSalle Holdings (765.035 acre) tract, N 44 deg. 14'37"E 963.10 ft. to a point for the North corner and **PLACE OF BEGINNING** of the herein described tract of land;

THEN continuing with a Northwesterly line of said LaSalle Holdings (765.035 acre) tract, the following three (3) courses;

- 1) N 44 deg. 14' 37" E 2807.00 ft.;
- 2) N 45 deg. 27' 33" W 240.49 ft.;
- 3) N 43 deg. 28' 18" E 1300.84 ft. to a point for the most Northerly corner of this tract, and from which a capped iron rod found (marked "Byrn" for an angle corner of said LaSalle Holdings (765.035 acre) tract bears N 43 deg. 28' 18" E 700.00 ft.;

THENCE crossing the interior of said LaSalle Holdings (765.035 acre) tract with the Northeast line of this tract, S 45 deg. 39' 03" E 3568.62 ft. to a point in the Northwest line of Hays County Road No. 158 and in the Southeast line of said LaSalle Holdings (765.035 acre) tract and being the most Easterly corner of this tract, and from which a ½" iron rod found in the Northwest line of Hays County Road No. 158 and in the Southeast line of said LaSalle Holdings (765.035 acre) tract bears N 43 deg. 23' 01" E 1294.66 ft.;

THENCE with the Northwest line of Hays County Road No. 158 and with the Southeast line of said LaSalle Holdings (765.035 acre) tract, the following two (2) courses;

- 1) S 43 deg. 23' 01" W 302.20 ft. to a ½" iron rod found;
- 2) S 43 deg. 23' 51" W 1010.30 ft. to a ½" iron rod found for the most Southerly corner of said LaSalle Holdings (765.035 acre) tract and for the most Easterly corner of that certain (171.236 acre) tract of land as conveyed to LaSalle Holdings, Ltd. By General Warranty Deed recorded in Volume 3030 Page 657 of the Official Public Records of Hays County, Texas;

THENCE with the Northwest line of Hays County Road No. 158 and with the Southeast line of said LaSalle Holdings (171.236 acre) tract, the following four (4) courses;

- 1) S 43 deg. 29' 43" W 1818.92 ft. to a capped iron rod found (marked "4069");

- 2) S 44 deg. 22' 05" W 453.62 ft. to a capped iron rod found (marked "4069);
- 3) S 43 deg. 10' 19" W 425.56 ft. to a ½" iron rod found;
- 4) S 44 deg. 50' 25" W 57.00 ft. to a point for the West corner of this tract and from which a capped iron rod found (marked "4069), bears S 44 deg. 50' 25" W 65.22 ft.;

THENCE leaving the Northwest line of Hays County Road No. 158 and crossing the interiors of said LaSalle Holdings (171.236 acre) tract and LaSalle Holdings (765.035 acre) tract with the Northwest line of this tract, N 46 deg. 21' 22" W 3360.37 ft. to the **PLACE OF BEGINNING**, containing 320.71 acres of land.

PREPARED: January 30, 2013

Holt Carson

Registered Professional Land Surveyor No. 5166

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MUD #4

FIELD NOTE DESCRIPTION OF 535.54 ACRES OF LAND OUT OF THE WILLIAM HEMPHILL SURVEY ABSTRACT No. 221 IN HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN (811.38 ACRE) TRACT OF LAND AS CONVEYED TO LASALLE HOLDINGS, LTD. BY SPECIAL WARRANTY DEED RECORDED IN VOLUME 2909 PAGE 684 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a capped iron rod found (marked "ProTech") in the Northwest line of the Old San Antonio Road for the most Easterly corner of that certain (811.38 acre) tract of land as conveyed to LaSalle Holdings by Special Warranty Deed recorded in Volume 2909 Page 684 of the Official Public Records of Hays County, Texas, and being the most Easterly corner and **PLACE OF BEGINNING** of the herein described tract of land;

THENCE with the Southeast line of said LaSalle Holdings (811.38 acre) tract, S 48 deg. 44' 13" W 178.85 ft. to a capped iron rod found (marked "Byrn") at the point of intersection with the curving Northwest right-of-way line State Highway No. 21 for an angle corner of this tract;

THENCE with the Northwest right-of-way line of State Highway No. 21, the following two (2) courses;

1) along a curve to the left with a radius of 5779.51 ft. for an arc length of 830.52 ft. and which chord bears S 52 deg. 53' 22" W 829.80 ft. to a PK nail found in a broken

concrete monument for a point of tangency;

2) S 48 deg. 46' 22" W 1475.74 ft. to a ½" iron rod found for the most Southerly corner of said LaSalle Holdings (811.38 acre) tract and for the most Southerly corner of

this tract;

THENCE leaving the Northwest right-of-way line of State Highway No. 21 with a Southerly line of said LaSalle Holdings (811.38 acre) tract, the following two (2) courses;

1) N 45 deg. 31' 36" W 2950.62 ft.;

2) S 44 deg. 02' 00" W 1300.00 ft. to a point for a Southwesterly angle corner of this tract;

535.54 ACRES

THENCE crossing the interior of said LaSalle Holdings (811.38 acre) tract with a Southwesterly line of this tract, N 45 deg. 39' 03" W 4231.53 ft. to a point in the Southeast line of Hays County Road No. 158 and in the Northwest line of said LaSalle Holdings (811.38 acre) tract and being the most Westerly corner of this tract, and from which a ½" iron rod found in the Southeast line of Hays County Road No. 158 and in the Northwest line of said LaSalle Holdings (811.38 acre) tract bears S 43 deg. 26' 25" W 605.66 ft.;

THENCE with the Southeast line of Hays County Road No. 158 and with the Northwest line of said LaSalle Holdings (811.38 acre) tract, the following three (3) courses;

1) N 43 deg. 26' 25" E 482.55 ft. to a capped iron rod found (marked "Byrn");

2) N 43 deg. 23' 06" E 1527.54 ft.;

3) N 43 deg. 39' 30" E 1505.40 ft. to a capped iron rod found (marked "Byrn") for an angle corner of said LaSalle Holdings (811.38 acre) tract and for the West corner of that certain (1.00 acre) tract of land as conveyed to Drue B. Ewald, et ux, by deed recorded in Volume 269 Page 202 of the Deed Records of Hays County, Texas;

THENCE leaving the Southeast line of Hays County Road No. 158 with the common line of said LaSalle Holdings (811.38 acre) tract, the following two (2) courses;

1) S 44 deg. 58' 54" E 221.56 ft. to a capped iron rod found (marked "Jones-Carter");

2) N 43 deg. 24' 04" E 198.54 ft. to a ½" iron rod found for an angle corner of said LaSalle Holdings (811.38 acre) tract and for the East corner of said Ewald (1.00 acre) tract and being angle corner of this tract;

THENCE with the Northeast line of said LaSalle Holdings (811.38 acre) tract, the following three (3) courses;

1) S 46 deg. 09' 07" E 3771.42 ft.;

2) S 45 deg. 57' 07" E 2455.99 ft.;

3) S 46 deg. 02' 10" E 1031.75 ft. to the **PLACE OF BEGINNING**, containing 535.54 acres of land.

PREPARED: January 30, 2013

Holt Carson

Registered Professional Land Surveyor No. 5166

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MUD #5

FIELD NOTE DESCRIPTION OF 275.81 ACRES OF LAND OUT OF THE WILLIAM HEMPHILL SURVEY ABSTRACT No. 221 IN HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN (811.38 ACRE) TRACT OF LAND AS CONVEYED TO LASALLE HOLDINGS, LTD. BY SPECIAL WARRANTY DEED RECORDED IN VOLUME 2909 PAGE 684 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING FOR REFERENCE at a capped iron rod found (marked "ProTech") in the Northwest line of the Old San Antonio Road for the most Easterly corner of that certain (811.38 acre) tract of land as conveyed to LaSalle Holdings by Special Warranty Deed recorded in Volume 2909 Page 684 of the Official Public Records of Hays County, Texas;

THENCE with the Southeast line of said LaSalle Holdings (811.38 acre) tract, S 48 deg. 44' 13" W 178.85 ft. to a capped iron rod found (marked "Byrn") at the point of intersection with the curving Northwest right-of-way line State Highway No. 21;

THENCE with the Northwest right-of-way line of State Highway No. 21, the following two (2) courses;

1) along a curve to the left with a radius of 5779.51 ft. for an arc length of 830.52 ft. and which chord bears S 52 deg. 53' 22" W 829.80 ft. to a PK nail found in a broken concrete monument for a point of tangency;

2) S 48 deg. 46' 22" W 1475.74 ft. to a ½" iron rod found for the most Southerly corner of said LaSalle Holdings (811.38 acre) tract;

THENCE leaving the Northwest right-of-way line of State Highway No. 21 with a Southerly line of said LaSalle Holdings (811.38 acre) tract, the following two (2) courses;

1) N 45 deg. 31' 36" W 2950.62 ft.;

2) S 44 deg. 02' 00" W 1300.00 ft. to a point for an Easterly angle corner and **PLACE OF BEGINNING** of the herein described tract of land;

THENCE continuing with a Southerly or Southeasterly line of said LaSalle Holdings (811.38 acre) tract, S 44 deg. 02' 00" W 1863.28 ft. to a point for the most Southerly corner of this tract;

275.81 ACRES

THENCE continuing with a Southerly line of said LaSalle Holdings (811.38 acre) tract, the following thirteen (13) courses;

- 1) N 54 deg. 17' 20" W 771.66 ft.;
- 2) S 83 deg. 08' 18" W 840.88 ft.;
- 3) N 52 deg. 17' 55" W 690.89 ft.;
- 4) N 62 deg. 00' 02" W 69.27 ft.;
- 5) N 68 deg. 09' 41" W 56.18 ft.;
- 6) N 72 deg. 20' 49" W 88.29 ft.;
- 7) N 73 deg. 00' 27" W 53.89 ft.;
- 8) N 78 deg. 17' 31" W 427.31 ft.;
- 9) N 88 deg. 16' 13" W 82.92 ft.;
- 10) S 89 deg. 50' 43" W 252.84 ft.;
- 11) N 77 deg. 42' 55" W 289.03 ft.;
- 12) N 69 deg. 45' 12" W 133.17 ft.;

13) N 65 deg. 20' 24" W 1059.29 ft. to a point in the Southeast line of Hays County Road No.158 for the most Westerly corner of said LaSalle Holdings (811.38 acre) tract and being the most Westerly corner of this tract;

THENCE with the Southeast line of Hays County Road No. 158 and with the Northwest line of said LaSalle Holdings (811.38 acre) tract, the following two (2) courses;

- 1) N 43 deg. 32' 03" E 3243.31 ft. to a ½" iron rod found;

2) N 43 deg. 26' 25" E 605.66 ft. to a point for the most Northerly corner of this tract, and from which a capped iron rod found (marked "Byrn") in the Southeast line of Hays County Road No. 158 and in the Northwest line of said LaSalle Holdings (811.38 acre) tract bears N 43 deg. 26' 25" E 482.55 ft.;

THENCE crossing the interior of said LaSalle Holdings (811.38 acre) tract with the Northeast line of this tract, S 45 deg. 39' 03" E 4231.53 ft. to the **PLACE OF BEGINNING**, containing 275.81 acres of land.

PREPARED: January 30, 2013

Holt Carson

Registered Professional Land Surveyor No. 5166

EXHIBIT B

DISTRICT CONSENT ORDINANCE

ORDINANCE NO. 2013-18

AN ORDINANCE GRANTING THE CONSENT OF THE CITY OF SAN MARCOS, TEXAS, TO THE CREATION OF LASALLE MUNICIPAL UTILITY DISTRICT NOS. 2, 3, 4 and 5 WITHIN THE CITY'S EXTRATERRITORIAL JURISDICITON; APPROVING A CONSENT AGREEMENT; AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONSENT AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE

RECITALS:

1. The City of San Marcos ("City") received a Petition for Consent to the Creation of four (4) MUNICIPAL UTILITY DISTRICTS for 1,437 acres currently located in the City's extraterritorial jurisdiction, a copy of which petition is attached as Exhibit A; and
2. SECTION 54.016 OF THE TEXAS WATER CODE AND SECTION 42.042 OF THE LOCAL GOVERNMENT CODE provide that land within a municipality's extraterritorial jurisdiction may not be included within a district without the municipality's written consent;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. That the City Council of the City of San Marcos, Texas, gives its written consent to the creation of the LaSalle Municipal Utility Districts Nos. 2, 3, 4 and 5 as described in the attached petition, provided, however, that said consent is expressly subject to the conditions set forth in the Consent Agreement which is hereby approved and attached hereto as Exhibit B and incorporated herein to this Consent Ordinance.

SECTION 2. The City Council approves, and the City Manager is authorized to execute the Consent Agreement.

SECTION 3. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 4. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 5. This ordinance will take effect after its passage, approval and adoption on second reading.

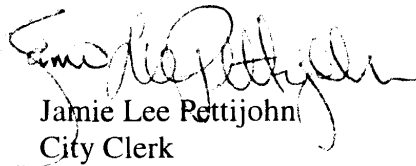
PASSED AND APPROVED on first reading on April 2, 2013.

PASSED, APPROVED AND ADOPTED on second reading on April 16, 2013.



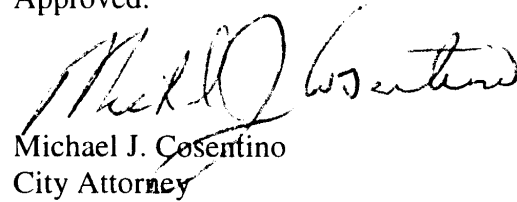
Daniel Guerrero
Mayor

Attest:



Jamie Lee Pettijohn
City Clerk

Approved:



Michael J. Cosentino
City Attorney

EXHIBIT C

Master Development Fee Calculation Form

TOTAL DISTRICT BONDS SOLD	\$ _____
Less:	
Surplus and Escrowed Funds	\$ _____
Non-Construction Costs:	
Legal and Financial Advisory Fees:	\$ _____
Interest Costs:	
Capitalized Interest	\$ _____
Developer Interest	\$ _____
Bond Discount	\$ _____
Administrative and Organization (including creation costs and operating advances)	\$ _____
Bond Application, Market Study, and other bond issuance costs	\$ _____
TCEQ Bond Issuance Fee	\$ _____
Application, Review and Inspection Fees	\$ _____
Site Costs	\$ _____
Off-Site Costs	\$ _____
Total Deductions:	\$ _____
NET DEVELOPER REIMBURSEMENT AMOUNT	\$ _____ *

MASTER DEVELOPMENT FEE PERCENTAGE: MASTER DEVELOPMENT FEE
AMOUNT:

X 5%

\$,_____

* based upon costs approved for reimbursement under applicable TCEQ rules, and an audit of
developer reimbursables performed at the time of each Bond issue

EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment") is made and entered into as of the _____ day of _____ between _____ a _____ ("Assignor"), and _____ a _____ ("Assignee") (Assignor and Assignee are hereinafter sometimes collectively referred to as the "Parties" and singularly as a "Party").

RECITALS:

A. Assignor is the owner of the rights of the Owner under that certain "Consent Agreement" (the "Agreement") effective as of _____, among **LaSalle, Holdings, Ltd.**, a Texas limited partnership, its successors and assigns, collectively as Owner, the City of San Marcos, Texas, as the City, and LaSalle Municipal Utility Districts No. ___, as the District, relating to the creation and operation of the District, to the extent that the Agreement covers, affects, and relates to the lands described on **Exhibit A** attached to and made a part hereof of this Assignment for all purposes (the "Transferred Premises").

B. Assignor desires to assign certain of its rights under the Agreement as it relates to the Transferred Premises to Assignee, and Assignee desires to acquire such rights, on and subject to the terms and conditions of this Assignment.

NOW, THEREFORE, in consideration of the premises, the mutual covenants and obligations set forth herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties hereby agree and act as follows:

1. **Certain Defined Terms.** Unless indicated otherwise herein, capitalized terms in this Assignment shall have the same respective meanings as are ascribed to them in the Agreement.

2. **Assignment.** Subject to all of the terms and conditions of this Assignment, Assignor hereby assigns all **[or describe specifically assigned rights if partial]** of its rights under the Agreement, insofar as the Agreement covers, affects, and

relates to the Transferred Premises.

3. **Assumption.** Assignee hereby assumes all obligations of Assignor and any liability that may result from acts or omissions by Assignee under the Agreement as it relates to the Transferred Premises that may arise or accrue from and after the effective date of this Assignment, and Assignor is hereby released from all such obligations and liabilities from and after the effective date of this Assignment; provided, however, this Assignment does not release Assignor from any liability that resulted from an act or omission by Assignor that occurred prior to the effective date of this Assignment unless the City approves the release in writing.

4. **Governing: Law.** This Assignment must be construed and enforced in accordance with the laws of the State of Texas, as they apply to contracts performed within the State of Texas and without regard to any choice of law rules or principles to the contrary.

5. **Counterpart/Facsimile Execution.** This Assignment has been prepared in multiple counterparts, each of which shall constitute an original hereof, and the execution of any one of such counterparts by any signatory shall have the same force and effect and shall be binding upon such signatory to the same extent as if the same counterpart were executed by all of the signatories. Facsimile copies of signatures may be appended hereto with the same force and effect as legally delivered original signatures.

6. **Notice to City.** A copy of this Assignment shall be provided to the City within fifteen (15) days after execution.

7. **Binding Effect.** This Assignment, when accompanied by a Partial Assignment of Reimbursement Rights in favor of the City for the Master Development Fee described in the Agreement, shall be binding upon and shall inure to the benefit of Assignor and Assignees and their respective heirs, personal representatives, successors, and assigns.

8. **Partial Assignment of Reimbursement Rights.** Assignee hereby assigns to the City of San Marcos Texas its right to reimbursements from bond proceeds in the amount equal to the Engineer's Cost Estimate (as that term is defined in the Agreement and in the Amended and Restated Development Agreement).

EXECUTED as of the day and year first above written.

ASSIGNOR:

By: _____

Printed Name: _____

Title: _____

ASSIGNEE:

By: _____

Printed Name: _____

Title: _____