

**CITY OF KYLE, TEXAS DEPOSIT AND REIMBURSEMENT AGREEMENT  
SOUTHWEST KYLE PUBLIC IMPROVEMENT DISTRICT NO. 1**

THIS DEPOSIT AGREEMENT (this "**Agreement**") is made and entered into as of \_\_\_\_\_, 2018 by and between the **CITY OF KYLE, TEXAS** (the "**City**"), and **Paramount Park, Ltd.**, a Texas limited partnership (including its Designated Successors and Assigns, the "**Developer**").

WHEREAS, after providing the notices required by Section 372.009 of the Texas Local Government Code, the Kyle City Council (the "**City Council**"), on November 4, 2017, approved resolution No. \_\_\_\_\_ authorizing and creating Southwest Kyle Public Improvement District No. 1 (the "**District**"); and

WHEREAS, the Developer has requested that the City enter into a PID Financing Agreement under which the City will agree, among other things, to levy special assessments, and to issue one or more series of bonds (the "**Bonds**") to provide for the construction, acquisition, or furnishing of certain public improvements within the District; and

WHEREAS, the Developer is developing real property that would be included within the boundaries of the proposed District; and

WHEREAS, the Developer has agreed to advance moneys to be used by the City Manager of the City (the "**City Manager**") to pay costs already incurred while forming the District, and expenses associated with retaining the Consultants (herein defined) to assist the City with assessing the feasibility and desirability of (i) entering into a PID Financing Agreement, (ii) levying assessments, and (iii) issuing Bonds (the "**PID Feasibility Matters**") such advances being subject to reimbursement or credit upon the approval of the Attorney General and City Council and a successful issuance of the Bonds, or the termination or abandonment of such proceedings as provided herein; and

WHEREAS, the parties hereto wish to enter into the Agreement to define the terms and conditions under which moneys will be advanced by and reimbursed to the Developer.

NOW THEREFORE, the parties, for mutual consideration, agree as follows:

**SECTION 1. ADVANCEMENT OF MONEYS.** The Developer shall advance funds (the "**Moneys**") to the City Manager as provided in Section 3 hereof, which Moneys shall be used by the City exclusively to pay costs generally described in Section 2 hereof. If the Moneys are not advanced in accordance with Section 3, the City shall not proceed with assessing the feasibility and desirability of the PID Feasibility Matters.

**SECTION 2. USE OF MONEYS ON DEPOSIT.** The City may employ consultants, including but not limited to PID administrators, appraisers, market study consultants, attorneys, engineers, and financial advisors (collectively, "**Consultants**"). As services are contracted, the City must notify Developer of the specific scope of services that are to be engaged along with

their cost or estimated cost range to completion. The City must also obtain Developer's authorization for any agreement containing a scope of work that either anticipates expenses exceeding \$5,000.00 or duplicates or appears to duplicate other contracted services that have already been approved by the City. The Consultants will assist the City with assessing the feasibility and desirability of the PID Feasibility Matters. The Consultants will be responsible to, and will act as consultants to, the City in connection with the PID Feasibility Matters. The City Manager will use the Moneys to pay costs and expenses of the Consultants that are associated with or incidental to the PID Feasibility Matters (collectively, "**Project Costs**"). The scope of work and terms and conditions of the agreements for the Consultants are, or will be, set forth in agreements on file in the City Manager's office. The City Manager may also use the Moneys for other direct City expenses relating to creation of the PID, such as statutorily required public notices. The City Manager shall maintain records of the payment of all Project Costs and keep such records on file and available for inspection and review by the Developer in the City Manager's office.

SECTION 3. DEPOSITS. The Developer shall deposit with the City the amount of \$35,000.00 within five business days after this Agreement is executed and delivered by the City. Whenever the account reaches a balance below \$2,500.00, the Developer shall deposit an additional \$15,000.00 within thirty days of notification by the City Manager. The City Manager shall cause all Moneys received from the Developer to be deposited into a separate account maintained by or at the direction of the City Manager and the Office of the City Director of Finance. All interest or other amounts earned on Moneys (if any) in such account shall be held in such account for the payment of Project Costs or otherwise applied as set forth in Section 4 hereof.

SECTION 4. REIMBURSEMENT. If proceedings for approval of the PID Financing Agreement are unsuccessful and are terminated or abandoned prior to the issuance of the Bonds, the City Manager shall transfer to the Developer all Moneys, including any interest earnings thereon, then on deposit in the account established and maintained pursuant to Section 3, exclusive of Moneys necessary to pay Project Costs or portions thereof that (i) have been actually incurred and (ii) are due and owing as of the date of such termination or abandonment.

The Developer shall have the following options upon the successful issuance of the Bonds:

- A. Contingent on the Attorney General's and City Council approval, the Developer may direct the City to reimburse the Developer for the Moneys, and the interest thereon, previously advanced by the Developer from the proceeds of the Bonds;
- B. The Developer may direct the City to return unexpended Moneys, and the interest thereon, to Developer; or
- C. The Developer may direct the City to do any combination of the above.

SECTION 5. RESERVED RIGHTS. This Agreement does not in any way create an obligation or commitment that the City will execute any agreements, create the District, or

proceed with the issuance of the Bonds, and the City expressly reserves the right to terminate or abandon the proceedings at any time prior to the issuance of the Bonds, if in the City's sole discretion, it deems such termination or abandonment to be in the best interests of the City.

SECTION 6. BINDING EFFECT. This Agreement shall be binding on the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date above written.

EXECUTED and ACCEPTED this 11<sup>TH</sup> of JUNE 2018.

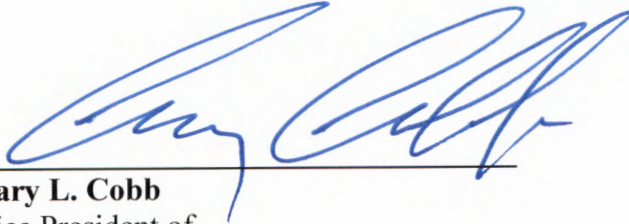
**CITY OF KYLE, TEXAS**, a municipal corporation

By: \_\_\_\_\_  
**Travis Mitchell, Mayor**

Date: \_\_\_\_\_

AGREED TO and ACCEPTED this 11th of June 2018.

**Paramount Park, Ltd.**, a Texas limited partnership

By:  \_\_\_\_\_  
**Cary L. Cobb**  
Vice President of  
Intermandeco GP, LLC  
Its Managing General Partner