SECOND AMENDMENT TO AMENDED AND RESTATED LIMESTONE CREEK DEVELOPMENT AGREEMENT

This Second Amendment to Amended and Restated Limestone Creek Development
Agreement (this "Second Amendment") is made and entered into as of the, 2023
(the "Second Amendment Effective Date") by and among The City of Kyle, Texas, a home rule
municipality situated in Hays County, Texas (the "City"), and Meritage Homes of Texas, LLC
an Arizona limited liability company, their successors and assigns (the "Developer"). The City
and Developer are sometimes each individually herein referred to as a "Party" and sometimes
collectively herein referenced as the "Parties".

RECITALS

- A. Developer and City entered into that certain Amended and Restated Limestone Creek Development Agreement, dated June 21, 2022 (the "Amended and Restated Agreement"), which was amended by that certain First Amendment to Amended and Restated Limestone Creek Development Agreement, dated October 18, 2022 (the "First Amendment") in connection with the development of a master planned community, providing for, among other terms, certain development obligations of the Developer in return for consideration of special financing terms by the City.
- B. Developer and City desire to modify and amend the Amended and Restated Agreement on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained in this Second Amendment, and other good and valuable consideration, the City and Developer agree as follows:

- 1. The recitals set forth above are incorporated herein and made a part of this Second Amendment to the same extent as if set forth herein in full.
- **2.** All capitalized terms in this Second Amendment shall have the same meanings as in the Amended and Restated Agreement unless expressly provided otherwise herein.
- **3.** Section A of the Recitals of the Amended and Restated Agreement is hereby deleted and replaced with the following:

A.Developer owns approximately 161.5 acres of land, more or less, located within the City and described by metes and bounds on the attached Exhibit "A" (the "Property"). Kyle Land Partners, LLC, the Consenting Party, owns approximately 17.841 acres of land, more or less adjacent to the Property and described by metes and bounds on the attached Exhibit

- "A-1" (the "Commercial Tracts") which the Parties intend to be included, along with the Property, in the proposed TIRZ.
- **4.** Section E of the Recitals of the Amended and Restated Agreement is hereby deleted and replaced with the following:
 - E. Prior to the Effective Date, the Property was subject to that certain Agreement Regarding Roadway and Drainage Improvements Spooner Tract, entered into December 15, 2020 (the "Original Agreement") between the City and Sandera Land Development Company, LLC, as predecessor in interest to Developer (the "Previous Owner"), which provided for certain improvements to the Property for the benefit of the City. Sandera assigned the Roadway and Drainage Agreement to Kyle Land Partners, LLC, effective June 1, 2021. Developer subsequently acquired approximately 161.5 acres from Kyle Land Partners, LLC and Kyle Land Partners retained approximately 17.841 acres.
- **5.** The Definition of "Eminent Domain Fees" in the Amended and Restated Agreement is hereby deleted and replaced with the following:
 - "Eminent Domain Fees" means the reasonable and necessary legal proceeding/litigation costs, compensation awards by courts or negotiated amounts for the condemned property interest, attorneys' fees, appraiser and expert witness fees, right-of-way and/or relocation agent fees, reasonable moving costs, replacement housing payments, and/or purchase supplements for displaced residents, interest, court costs, mediation fees, deposition costs, copy charges, courier fees, postage and taxable court costs.
- **6.** The Definition of "Goforth Boulevard" in the Amended and Restated Agreement is hereby deleted and replaced with the following:
 - "S. Goforth Road" means the roadway that will be constructed to City standards in addition to the requirements set forth in Sections 5.03 and 6.03 in this Agreement, and as generally depicted on the Concept Plan and on Exhibit "C" attached hereto. The use of "Goforth Boulevard" in the Agreement shall mean "S. Goforth Road."
- **7.** The following definition is hereby added to Article II Definitions in the Amended and Restated Agreement:
 - "Negotiated Settlement Fees" means the reasonable and necessary negotiated amounts for the property interest subject to a cap equal to the fair market appraisal of such property, attorneys' fees, appraiser fees, right-of-way and/or relocation agent fees, reasonable moving costs, replacement housing payments, and/or purchase supplements for displaced residents, interest, costs, copy charges, courier fees, and postage.
- **8.** <u>Section 6.04</u>. Section 6.04 of the Amended and Restated Agreement is hereby deleted and replaced with the following:
 - (a) Off-Site Properties Acquisition.

- (1) The Parties acknowledge that in order to facilitate the construction of the off-site portion of S. Goforth Road and its inclusion of same into the City's Transportation Master Plan network, the Off-Site Properties, consisting of no more than six (6) lots and any partial additional property that may need to be acquired for the construction of the off-site portion of S. Goforth Road, as generally shown in Exhibit "D" attached hereto, will need to be acquired by the City. Once acquired by the City, the City will own and maintain the Off-Site Properties.
- (2) Construction of the off-site portion of S. Goforth Road, Access to acquired Off-Site Properties and Platting. The City hereby agrees to grant the Developer access to the Off-Site Properties after the City acquires the Off-Site Properties for purposes related to the construction of the off-site portion of S. Goforth Road pursuant to the submission by the Developer of a re-plat, or other instrument agreed to by the Parties, that includes the City as owner of the Off-Site Properties and the Off-Site Properties dedicated as right-of-way. Developer agrees to construct the off-site portion of S. Goforth Road to City standards in addition to the requirements set forth in Sections 5.03 and 6.03. Developer further agrees that in its agreement with the contractor for the construction of the off-site portion of S. Goforth Road, cause the contractor to: (i) carry commercial general liability insurance, with a combined single limit of not less than one million and No/100 Dollars (\$1,000,000.00), which coverage may be provided in the form of a rider and/or endorsement to a previously existing insurance policy and such insurance coverage shall specifically name the City as an additional insured; and (ii) indemnify, defend, and hold harmless the City and its officers, agents and employees against all claims, suits, demands, judgments, expenses, including attorney's fees, or other liability for personal injury, death, or damage to any person or property which arises from or is in any manner caused by the construction or installation of the offsite portion of S. Goforth Road or use of the Off-Site Properties by the contractor.
- (3) As a condition to requiring the Developer to construct the off-site portion of S. Goforth Road outside the Property, the City shall use its best efforts and pursue all reasonable actions to secure the Off-Site Properties, including consideration of the use of the City's power of eminent domain or negotiated settlement. If the City takes such eminent domain action or negotiated settlement pursuant to an acquisition, the Developer shall fund all reasonable and necessary Negotiated Settlement Fees or Eminent Domain Fees paid or incurred by the City in the exercise of its eminent domain powers or general acquisition powers and shall escrow with a mutually agreed upon escrow agent the City's reasonably estimated Negotiated Settlement Fees or Eminent Domain Fees both in advance of the initiations of each eminent domain proceeding or negotiated acquisition and as funds are needed by the City. If the escrow fund remains appropriately funded in accordance with this Agreement and in accordance with the City's discretionary governmental powers, the City will use all reasonable efforts to expedite such condemnation procedures so that the off-site portion of S. Goforth Road can be constructed as soon as reasonably practicable. If the Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, Developer shall

deposit additional funds as requested by the City into the escrow account within ten (10) days after written notice from the City. Any unused escrow funds will be refunded to Developer within thirty (30) days after any condemnation award or settlement becomes final and non-appealable. Nothing in this subsection is intended to constitute a delegation of the police powers or governmental authority of the City, and the City reserves the right, at all times, to control its proceedings in eminent domain.

(4) To the extent Eminent Domain Fees and/or Negotiated Settlement Fees are paid by the Developer, the Developer may seek reimbursement of any or all eligible Eminent Domain Fees and/or Negotiated Settlement Fees from PID Bonds, or if PID Bonds are not issued, Assessments. The Developer may seek reimbursement of Eminent Domain Fees and/or Negotiated Settlement Fees from TIRZ proceeds, if a determination is made that any Eminent Domain Fees and/or Negotiated Settlement Fees are not reimbursable from the PID but are eligible for reimbursement from the TIRZ.

(b) Relocation Plan.

- (1) The Parties acknowledge that no more than six (6) residences, as shown on Exhibit D, will be displaced as a result of condemnation proceedings and/or negotiated settlement and may be eligible for relocation assistance through the implementation of a relocation plan (the "Relocation Plan" or "Plan"). Through the Relocation Plan, residents of each displaced residence will be given sufficient time to plan for an orderly, timely, and efficient move. Information regarding the Relocation Plan will be provided to the residents individually and may also be provided and discussed at City initiated public hearings, town hall meetings or both, as may be necessary. In addition to the acquisition costs for [real] property acquired, certain displaced persons may also be eligible for relocation benefits (including reasonable moving costs, replacement housing payments, and/or purchase supplements). Relocation services will be provided by a relocation expert retained by the City in order to ensure that displaced persons are relocated to decent, safe, and sanitary housing.
- (2) As part of the Eminent Domain Fees and/or Negotiated Settlement Fees, Developer agrees to pay for all reasonable and necessary costs associated with the implementation of the Relocation Plan, including but not limited to, the City's cost in retaining a right-of-way and/or relocation agent(s).
- (3) If there is a dispute by the Developer on the amount of additional funds requested by the City, the Developer shall give written notice to the City of the amount disputed and the specific basis for the dispute within five (5) days of receipt of the City's additional funds request. The Parties shall cooperate to resolve any dispute permitted under this paragraph promptly in order to avoid a default under this

Amended and Restated Agreement. The Developer agrees to deposit with the City the amount not in dispute or another amount in order to not delay the eminent domain proceedings and/or negotiated settlement while the dispute is being resolved.

- **9.** <u>Section 12.21</u>. The following section is hereby added to the Amended and Restated Agreement:
 - 12.21. Acceptance of Authorized Improvements. The Parties acknowledge and confirm that any Authorized Improvements identified in a PID Service and Assessment Plan approved by the City for the Property, will only be acquired by the City through the City's formal process for accepting Authorized Improvements and with the proceeds of PID Assessments, PID bond proceeds, or TIRZ proceeds. For off-site Authorized Improvements, Developer shall request acceptance of the off-site Authorized Improvements in writing to the City Engineer and City Engineer shall provide Developer an acceptance letter once the City Engineer deems the off-site Authorized Improvements completed and ready for acceptance. For on-site Authorized Improvements, Developer shall request acceptance of the on-site Authorized Improvements in writing to the City Engineer and the City Engineer shall place the request on the City Council agenda for City Council acceptance approval once the City Engineer deems the on-site Authorized Improvements completed and ready for acceptance.
- **10.** <u>Additional Exhibits</u>. Exhibit "A-1" Commercial Tracts is hereby added as an exhibit to the Amended and Restated Agreement.
- **11.** Replaced Exhibits. Exhibits "C" S. Goforth Road, and "D" Off-Site Properties to the Amended and Restated Agreement are hereby deleted and replaced with the following:

Exhibit "C" S. Goforth Road and Drainage

Exhibit "D" Off-Site Properties (showing connection to S. Goforth Road). At the request of city staff, a vehicular connection shall be made between the southern, east/west alignment of Quail Ridge Drive to S. Goforth Road, as depicted in Exhibit D. Developer is not responsible for any other improvements to Quail Ridge Drive or nearby residential driveways.

- **12.** <u>Incorporation of Amended and Restated Development Agreement</u>. The Amended and Restated Agreement is incorporated herein by reference for all purposes.
- 13. Ratification and Compliance. Except as expressly amended or modified by this Second Amendment, the Amended and Restated Agreement and First Amendment shall continue in full force and effect. The City and Developer each hereby ratify, affirm, and agree that the Amended and Restated Agreement and First Amendment, as herein modified, represent the valid, binding, and enforceable obligations of Developer and the City respectively. Developer and the City each promise and agree to perform and comply with the terms, provision, and conditions of and the agreements in the Amended and Restated Agreement, as modified by this Second Amendment. In the event of any conflict or inconsistency between the provisions of

the Amended and Restated Agreement, the First Amendment and this Second Amendment, the provisions of this Second Amendment shall control and govern.

- **14.** <u>Binding</u>. This Second Amendment shall be binding on and inure to the benefit of City, Developer, and their respective heirs, executors, administrators, legal representatives, successors and assigns.
- **15.** Governing Law. This Second Amendment shall be construed and governed by the laws of the State of Texas in effect from time to time.
- 16. <u>No Waiver</u>. Neither City's nor Developer's execution of this Second Amendment shall (a) constitute a waiver of any of its rights and remedies under the Amended and Restated Agreement and the First Amendment, or at law with respect to the other party's obligations under the Amended and Restated Agreement and First Amendment; or (b) be construed as a bar to any subsequent enforcement of any of its rights or remedies against the other party.
- **17.** <u>Section Headings</u>. The section headings used herein are intended for reference purposes only and shall not be considered in the interpretation of the terms and conditions hereof.
- **Construction**. Each party acknowledges that is and its counsel have had the opportunity to review this Amendment; that the normal rule of construction shall not be applicable and there shall be no presumption that any ambiguities will be resolved against the drafting party in interpretation of this Amendment.
- **19.** <u>Counterparts</u>. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any parties to this Amendment may execute the Amendment by signing any of the counterparts.

20. Boycotts and Foreign Business Engagements.

A. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Second Amendment is a contract for goods or services, will not boycott Israel during the term of this Second Amendment. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

B. The Developer represents that neither it nor any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such

officer's internet website: https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

C. Firearm Entity Boycotts. To the extent this Second Amendment constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

- (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate during the term of this Second Amendment against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19). The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

D. Energy Company Boycotts. To the extent this Second Amendment constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Second Amendment. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

21. <u>1295 Compliance</u>. Section 2252.908 of the Texas Government Code requires that for certain types of contracts, you must fill out a conflict of interest form ("<u>Disclosure of Interested Parties</u>") at the time you submit your signed contract to the City. For further information please go to the Texas Ethics Commission website via the following link.

<u>https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm</u>. The City has no obligation under this Second Amendment until such form is accurately completed and properly submitted, and any City obligation is conditioned on such proper completion and submission.

[Signature pages follow]

EXECUTED in multiple the day of	le counterparts, each of which shall constitute an original, as of, 20
	CITY
	<u>CITY</u> :
	CITY OF KYLE, TEXAS a Texas home-rule municipal corporation
Attest:	
By:	By: Name: Travis Mitchell Title: Mayor
THE STATE OF TEXAS COUNTY OF HAYS	§ §
This instrument was acknowled Mitchell, Mayor of the City of of said corporation.	lged before me on this day of, 2023, by Travis Kyle, Texas, a Texas home-rule municipal corporation, on behalf
(SEAL)	Notary Public, State of Texas

EXECUTED in multiple counter the day of	erparts, each of which shall constitute an original, as of, 20
	<u>DEVELOPER</u> :
	Meritage Homes of Texas, LLC an Arizona limited liability company
	By: Name: Title:
THE STATE OF TEXAS \$ COUNTY OF TRAVIS \$	
	efore me on this day of, 2023, by of Meritage Homes of Texas, LLC, an Arizona limited ited liability company.
(SEAL)	Notary Public, State of Texas

EXECUTED in multiple counterparts, each of which shall constitute an original, as of the day of
CONSENTING PARTY:
Kyle Land Partners, LLC a Texas limited liability company
Nome:
Kyle Land Partners, LLC

EXHIBIT "A-1" COMMERCIAL TRACTS



A DESCRIPTION OF 11.946 ACRES IN THE JAMES W. WILLIAMS SURVEY NO. 11, ABSTRACT 473, HAYS COUNTY, TEXAS, BEING OUT OF A CALLED 134 1/2 ACRE TRACT OF LAND CONVEYED TO JOHN H. SPOONER, IN VOLUME 2940, PAGE 806 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY TEXAS (OPRHCT); SAID 11.946 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2-inch iron rod found at the west corner of said 134 1/2 acre tract, same being the north corner of Lot 86, Quail Ridge Subdivision, recorded in Volume 2, Page 337 of the Plat Records of Hays County, Texas (OPRHCT), also being in the southeast right-of-way-line of E Post Road (right-of-way width varies);

THENCE, with the northwest line of said 134 1/2 acre tract, same being the southeast right-of-way line of E Post Road, N43°16'11"E, at a distance of 122.88 feet to a 1/2-inch iron rod with "PAYNE 6064" cap set in the northwest line of said 134 1/2 acre tract, the same being in the southeast right-of-way line of said E Post Road and in the north right-of-way line of a 7.87 acre tract (80' wide road) conveyed to LaSalle Municipal Utility District No. 1 in Document No. 21016927 ORHCT, being the POINT OF BEGINNING hereof:

THENCE, leaving the 7.87 acre right-of-way tract, continuing with the northwest line of said 134 1/2 acre tract, same being the southeast right-of-way line of E Post Road, N43°16'11"E, at a distance of 865.89 feet to a 1/2-inch iron rod with "PAYNE 6064" cap set in the northwest line of said 134 1/2 acre tract, the same being the southeast right-of-way line of said E Post Road from which a calculated point at the north corner of said 134 1/2 acre tract bears N43°16'11"E a distance of 471.57 feet;

THENCE, leaving E Post Road and across said 134 1/2 acre tract the following four (4) courses and distances:

- 1) S47°21'20"E, a distance of 480.45 feet to a 1/2-inch iron rod with "PAYNE 6064" cap set,
- with a curve to the left, having a radius of 330.00 feet, a delta angle of 23°38'24", an arc length of 136.16 feet, and a chord which bears S14°33'37"W, a distance of 135.19 feet to a 1/2-inch iron rod with "PAYNE 6064" cap set,
- 3) S02°44'25"W, a distance of 419.43 feet to a 1/2-inch iron rod with "PAYNE 6064" cap set, and,
- 4) with a curve to the right, having a radius of 20.00 feet, a delta angle of 90°26'03", an arc length of 31.57 feet, and a chord which bears S47°57'26"W, a distance of 28.39 feet to a 1/2-inch iron rod with "PAYNE 6064" cap set in the north right-of-way line of the previously mentioned 7.87 acre roadway conveyed in Document Number 21016927, ORHCT:

THENCE, across said 134 1/2 acre tract and with said north right-of-way of the 7.87 acre roadway tract the following four (4) courses and distances:

- 1) $N86^{\circ}49'32"W$, a distance of 279.81 feet to a 1/2-inch iron rod with "PAYNE 6064" cap set,
- 2) with a curve to the right, having a radius of 960.25 feet, a delta angle of 31°34'30", an arc length of 529.18 feet, and a chord which bears N71°23'26"W, a distance of 522.51 feet to a 1/2-inch iron rod with "PAYNE 6064" cap set,
- N55°36'03"W, a distance of 114.06 feet to a 1/2-inch iron rod with "PAYNE 6064" cap set, and,

Payne Industries, LLC | 302 W. Hopkins, Suite 1A | San Marcos, TX 78666 | 512.663.0004 | Page 1 of 2

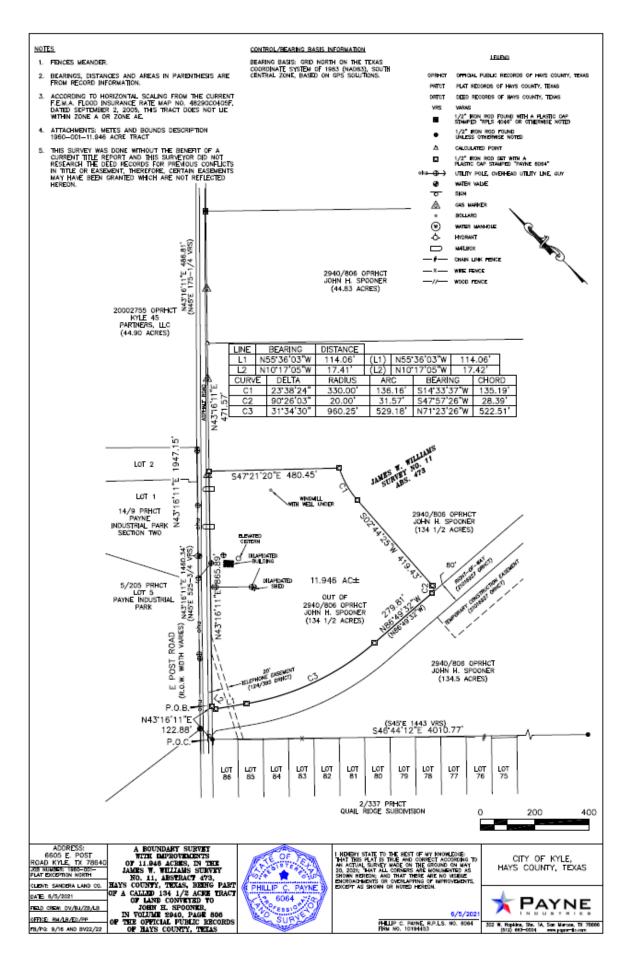
4) N10°17'05"W, a distance of 17.41 feet to the POINT OF BEGINNING hereof, and containing 11.946 acres, more or less.

Surveyed on the ground May 20, 2021. Bearing Basis: Grid North on The Texas Coordinate System of 1983 (NAD83), South Central Zone, based on GPS solutions. Attachments: drawing 1960-001-PLAT EXCEPTION-NORTH

Phillip C. Payne, RPLS State of Texas #6064

6/5/21





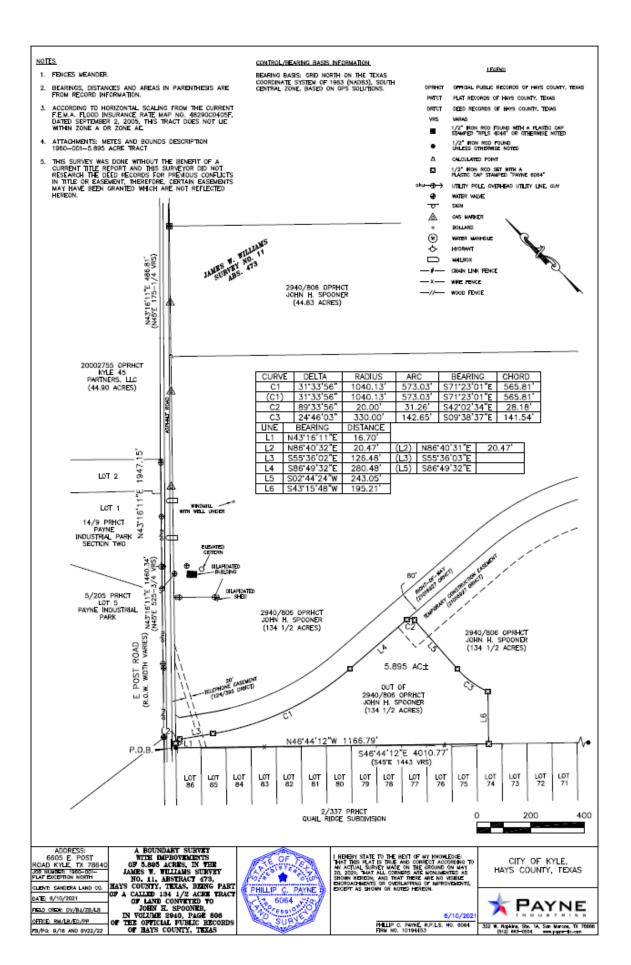


EXHIBIT "C" S. GOFORTH ROAD AND DRAINAGE

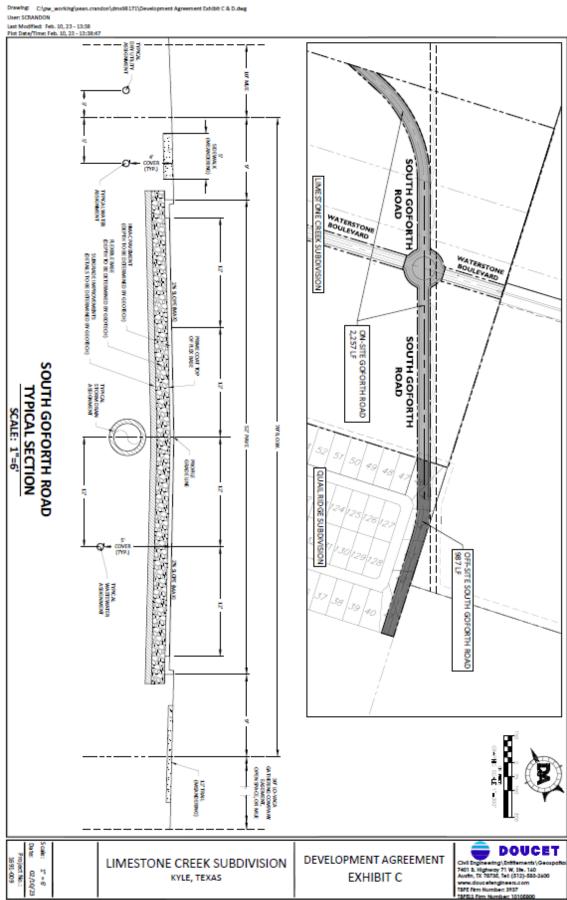


EXHIBIT "D" OFF-SITE PROPERTIES

(showing connection to S. Goforth Road)

