

EXHIBIT C

ESTANCIA HILL COUNTRY PUBLIC IMPROVEMENT DISTRICT

IMPROVEMENT AREA #2 LANDOWNER AGREEMENT

between

THE CITY OF AUSTIN, TEXAS

and

SLF III – ONION CREEK, L.P.

Dated as of:

_____, 2018

EXHIBIT C

IMPROVEMENT AREA #2 LANDOWNER AGREEMENT (Estancia Hill Country Public Improvement District)

This **LANDOWNER AGREEMENT** (this “Agreement”) is entered into between the CITY OF AUSTIN, TEXAS, a municipal corporation of the State of Texas (the “City”) and SLF III – ONION CREEK, L.P., a Texas limited partnership (the “Landowner”) (individually “Party” or collectively “Parties”). This Agreement shall be effective on the latest date it is executed by all Parties (the “Effective Date”).

RECITALS

WHEREAS, the Landowner owns approximately 131 acres of land located in Travis County, Texas more particularly described in Exhibit “A” attached hereto (the “Land”).

WHEREAS, the Land constitutes taxable, privately-owned land located within the Estancia Hill Country Public Improvement District (the “District”) created pursuant to the authority of Chapter 372, Texas Local Government Code, as amended (the “PID Act”);

WHEREAS, SLF III - Onion Creek, L.P. and the City have entered into that certain Estancia Hill Country Public Improvement District Financing Agreement (as such agreement may be amended from time to time as provided therein, the “PID Financing Agreement”), relating to, among other matters, for the levy of assessments within the Land, the issuance of revenue bonds secured by such assessments, and the construction of the “Public Improvements” as defined therein;

WHEREAS, it is intended that the land within the District will be developed in phases over time;

WHEREAS, the City Council of the City (the “City Council”) has herewith adopted an assessment ordinance (Ordinance No.) (including all exhibits, the “Assessment Ordinance for Improvement Area #2”) that levied an Assessment on each Parcel within Improvement Area #2 (“Assessed Parcels in Improvement Area #2”), which Assessments will be pledged as security for the payment of PID Bonds issued by the City to pay for, among other things, the costs of constructing the Public Improvements that will confer a special benefit on Improvement Area #2;

WHEREAS, a copy of the Assessment Ordinance for Improvement Area #2 is attached hereto as Exhibit “B”;

WHEREAS, the Assessment Ordinance for Improvement Area #2 includes an Estancia Hill Country Public Improvement District 2018 Amended and Restated Service and Assessment Plan (the “Service and Assessment Plan”); and

WHEREAS, the Service and Assessment Plan includes an “Improvement Area #2 Assessment Roll” setting forth the amount of the Assessment for each Assessed Parcel in Improvement Area #2, including the amount of the “Improvement Area #2 Annual Installment” for each Assessment paid in installments; and

EXHIBIT C

WHEREAS, as additional Improvement Areas are developed within the District and additional PID Bonds are sold, it is intended that the City Council will (i) adopt an Assessment Ordinance for the applicable Improvement Area (or amend an existing Assessment Ordinance) and (ii) adopt an update to the Service and Assessment Plan to incorporate additional Improvement Areas (or amend the existing Service and Assessment Plan).

NOW THEREFORE, for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the Parties agree as follows:

ARTICLE I **DEFINITIONS; APPROVAL OF AGREEMENTS**

Definitions. Capitalized terms used but not defined in this Agreement (including the exhibits hereto) shall have the meanings given to them in the PID Financing Agreement.

Affirmation of Recitals. The matters set forth in the Recitals of this Agreement are true and correct and are incorporated in this Agreement as official findings of the City Council.

ARTICLE II **AGREEMENT OF LANDOWNER**

A. Landowner ratifies, confirms, accepts, agrees to, and approves:

(i) the creation of the District, the boundaries of the District, and the boundaries of the Assessed Parcels in Improvement Area #2;

(ii) the location and construction of the Public Improvements which confer a special benefit on Improvement Area #2 ("Improvement Area #2 Improvements");

(iii) the determinations and findings of special benefit to the Assessed Parcels in Improvement Area #2 made by the City Council in the Assessment Ordinance for Improvement Area #2 and Service and Assessment Plan; and

(iv) the Assessment Ordinance for Improvement Area #2 and the Service and Assessment Plan.

B. Landowner consents, acknowledges, accepts, and agrees:

(i) to the Assessments to be levied against the applicable Assessed Parcels in Improvement Area #2 as shown on the Improvement Area #2 Assessment Roll, as the Improvement Area #2 Assessment Roll may be amended from time to time;

(ii) that the Improvement Area #2 Improvements confer a special benefit on the Assessed Parcels in Improvement Area #2 in an amount that exceeds the Assessments

EXHIBIT C

against the Assessed Parcels in Improvement Area #2 as shown on the Improvement Area #2 Assessment Roll;

(iii) that the Assessments against the Assessed Parcels in Improvement Area #2 are final, conclusive, and binding upon the Landowner and its successors and assigns;

(iv) to pay the Assessments against the Assessed Parcels in Improvement Area #2 when due and in the amounts stated in the Assessment Ordinance for Improvement Area #2, Service and Assessment Plan, and Improvement Area #2 Assessment Roll;

(v) that each Assessment or reassessment against the Assessed Parcels in Improvement Area #2, with interest, the expense of collection, and reasonable attorney's fees, if incurred, is a first and prior lien against the Assessed Parcels in Improvement Area #2, superior to all other liens and monetary claims except liens or monetary claims for state, county, school district, or municipal ad valorem taxes, and is a personal liability of and charge against the owner of the Assessed Parcels in Improvement Area #2 regardless of whether the owner is named;

(vi) that the Assessment liens on the Assessed Parcels in Improvement Area #2 are liens and covenants that run with the land and are effective from the date of the Assessment Ordinance for Improvement Area #2 and continue until the Assessments are paid in full and may be enforced by the governing body of the City in the same manner that ad valorem tax liens against real property may be enforced;

(vii) that delinquent installments of Assessments against the Assessed Parcels in Improvement Area #2 shall incur and accrue interest, penalties, and attorney's fees as provided in the PID Act;

(viii) that the owner of an Assessed Parcel in Improvement Area #2 may pay at any time the entire Assessment against the Assessed Parcel in Improvement Area #2, with interest that has accrued on the Assessment to the date of such payment;

(ix) that Improvement Area #2 Annual Installments may be adjusted, decreased, and extended and that owners of the Assessed Parcels in Improvement Area #2 shall be obligated to pay such Improvement Area #2 Annual Installments as adjusted, decreased, or extended, when due and without the necessity of further action, assessments, or reassessments by the City Council;

(x) that the Landowner has received, or hereby waives, all notices required by State law (including, but not limited to the PID Act) in connection with the creation of the District and the adoption and approval by the City Council of the Assessment Ordinance for Improvement Area #2, the Service and Assessment Plan, and the Improvement Area #2 Assessment Roll; and

(xi) that after the initial PID Bonds are paid in full, additional Assessments may be placed on the Land.

EXHIBIT C

C. Landowner further agrees that the City may record in the real property records of Travis County a “Notice of Creation of Assessment District” and “Imposition of Assessment” (the contents of which shall be consistent with the Assessment Ordinance for Improvement Area #2, the Service and Assessment Plan, and this Agreement as reasonably determined by the City) that evidence the lien and encumbrance created upon the Landowner’s Assessed Parcels in Improvement Area #2 by the Assessment Ordinance for Improvement Area #2.

D. Landowner hereby waives:

(i) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District, defining the Assessed Parcels in Improvement Area #2, adopting the Assessment Ordinance for Improvement Area #2, Service and Assessment Plan, and Improvement Area #2 Assessment Roll, levying of the Assessments, and determining the amount of the Improvement Area #2 Annual Installments of the Assessments;

(ii) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the approval of the Assessment Ordinance for Improvement Area #2, Service and Assessment Plan, and Improvement Area #2 Assessment Roll and regarding the levying of the Assessments and determining the amount of the annual installments of the Assessments;

(iii) any and all actions and defenses against the adoption or amendment of the Assessment Ordinance for Improvement Area #2, Service and Assessment Plan, and Improvement Area #2 Assessment Roll;

(iv) any and all actions and defenses against the City’s finding of “special benefit” pursuant to the PID Act and as set forth in the Service and Assessment Plan and the levying of the Assessments and determining the amount of the annual installments of the Assessments; and

(v) any right to object to the legality of the Assessment Ordinance for Improvement Area #2, Service and Assessment Plan, Improvement Area #2 Assessment Roll, or Assessments or to any proceedings connected therewith.

ARTICLE III

TEXAS PROPERTY CODE SECTION 5.014 NOTICE

The following notice is applicable if your property is “residential real property” as defined in Section 5.014 of the Texas Property Code:

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT
DISTRICT ASSESSMENT TO THE CITY OF AUSTIN, TRAVIS
COUNTY, TEXAS, CONCERNING ASSESSED PARCELS.

EXHIBIT C

As the purchaser of a parcel of residential real property located in a public improvement district, you are obligated to pay an Assessment to the City for improvement projects undertaken by the District under Chapter 372, Local Government Code. Information about the Assessment (such as its due date or how it is paid) may be obtained by contacting the City. The Assessment against your parcel may be paid in full at any time together with interest through the date of payment. If you do not elect to pay the Assessment in full, it will be due and payable in annual installments, including interest and collection costs. Your failure to pay the Assessment or any annual installment could result in a lien on and the foreclosure of your Parcel.

ARTICLE IV **DEDICATION OF PUBLIC IMPROVEMENTS**

Landowner acknowledges that the Improvement Area #2 Improvements, together with the land, easements, or other rights-of-way needed for the Improvement Area #2 Improvements, shall be dedicated to the City, County, or other applicable governmental authority (as applicable). Landowner will execute such conveyances and/or dedications as may be reasonably required to evidence the same.

ARTICLE V **MISCELLANEOUS**

A. Notices. Any notice or other communication (a “Notice”) required or contemplated by this Agreement shall be given at the addresses set forth below. Notices as to one or more Assessed Parcels in Improvement Area #2 shall only be given to the Landowner that owns the applicable Assessed Parcels in Improvement Area #2. Notices as to all of the Land shall be given to all Landowners. Notices shall be in writing and shall be deemed given: (i) five business days after being deposited in the United States Mail, Registered or Certified Mail, Return Receipt Requested; or (ii) when delivered by a nationally recognized private delivery service (e.g., FedEx or UPS) with evidence of delivery signed by any person at the delivery address. Each Party may change its address by written notice to the other Parties in accordance with this section.

Landowner
SLF III – Onion Creek, L.P.
Attn: Asset Manager
5949 Sherry Lane, Suite 800
Dallas, Texas 75225

City
CITY OF AUSTIN, TEXAS
Attn: City Treasurer
PO Box 1088

EXHIBIT C

Austin, Texas 78767

B. Parties in Interest. In the event of the sale or transfer of an Assessed Parcel in Improvement Area #2 or any portion thereof, the purchaser or transferee shall be deemed to have assumed the obligations of the Landowner with respect to such Assessed Parcel in Improvement Area #2 or such portion thereof, and the seller or transferor shall be released with respect to such Assessed Parcel in Improvement Area #2 or portion thereof. Notwithstanding the foregoing, the holders of Bonds are express beneficiaries of this Agreement and shall be entitled to pursue any and all remedies at law or in equity to enforce the obligations of the Parties.

C. Amendments. This Agreement may be amended only by a written instrument executed by all the Parties. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the Land and recorded in the Real Property Records of Travis County, Texas.

D. Estoppels. Within 10 days after written request from any Party, the other Parties shall provide a written certification indicating whether this Agreement remains in effect as to an Assessed Parcel in Improvement Area #2 and whether any Party is then in default hereunder.

E. Termination. This Agreement shall terminate as to each Assessed Parcel in Improvement Area #2 upon payment in full of the Assessment against the Assessed Parcel in Improvement Area #2.

[SIGNATURE PAGES TO FOLLOW]

EXHIBIT C

EXECUTED by the Parties on the dates stated below.

THE CITY OF AUSTIN, TEXAS

By: _____
Spencer Cronk, City Manager

STATE OF TEXAS §
COUNTY OF TRAVIS §

BEFORE ME, a Notary Public, on this day personally appeared, by Spencer Cronk, City Manager of the City of Austin, a Texas municipal corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed on behalf of that municipal corporation.

GIVEN UNDER MY HAND AND SEAL of office this _____ day of _____, 2018.

(SEAL)

Notary Public, State of Texas

EXHIBIT C

LANDOWNER:

SLF III – ONION CREEK, L.P.,

a Texas limited partnership

By: SLF III Property GP, LLC,
a Texas limited liability company,
its General Partner

By: Stratford Land Fund III, L.P.,
a Delaware limited partnership,
its Sole and Managing Member

By: Stratford Fund III GP, LLC,
a Texas limited liability company, its
General Partner

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS
COUNTY OF DALLAS

THIS INSTRUMENT is acknowledged before me on this ____ day of _____, 2018, by _____, as _____ of Stratford Fund III GP, LLC, general partner of Stratford Land Fund III, L.P., sole and managing member of SLF III Property GP, LLC, general partner of SLF III – Onion Creek, L.P.

[SEAL]

Notary Public, State of Texas

EXHIBIT C

EXHIBIT A to LANDOWNER AGREEMENT

Legal Description

DRAFT

EXHIBIT C

EXHIBIT B to LANDOWNER AGREEMENT Assessment Ordinance for Improvement Area #2

[See Attached]

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