

OFFICIAL RECORD

**SOUTHLAKE TOWN SQUARE
PHASE IV
THE GRAND AVENUE DISTRICT
COMMERCIAL DEVELOPER AGREEMENT**

An agreement between the City of Southlake, Texas, hereinafter referred to as the "City", and the undersigned Developer, hereinafter referred to as the "Developer", of Southlake Town Square Phase IV, The Grand Avenue District, hereinafter referred to as "Addition", to the City of Southlake, Tarrant County, Texas, and COOPER & STEBBINS, L.P. (for limited purposes set forth herein) for the installation of certain community facilities and improvements located therein, and to provide city services thereto. It is understood by and between the parties that this Agreement is applicable to the Addition (a commercial development) and to the off-site improvements necessary to support the Addition.

I. GENERAL REQUIREMENTS

- A. It is agreed and understood by the parties hereto that the Developer shall employ a civil engineer and other design professionals licensed to practice in the State of Texas as necessary for the design and preparation of the plans and specifications for the construction of all facilities and improvements covered by this Agreement.
- B. Developer and City have executed a Development Agreement, a copy of which is attached hereto as Exhibit C, for the financing of certain public facilities under this Agreement. This Agreement contains certain requirements for the design and construction of the public facilities and improvements covered by this Agreement and the two parking garage structures Developer proposes to construct. The requirements of the Development Agreement are in addition to, and not in lieu or substitution of the obligations imposed upon Developer by this Agreement.
- C. Developer agrees that the City's specifications for public and private improvements are minimum standards only and Developer shall retain an engineer for purposes of review of City specifications. If, in the engineer's opinion, additional technical design requirements, in addition to the City specifications, are required to design the Public Improvements sufficient for local conditions, Developer will include such design requirements in the specifications for the Public Improvements. The City shall be expressly named as an intended third party beneficiary in the contract between the Developer and the engineer.
- D. Prior to initiating any construction of the Facilities, the Developer or the construction contractor(s) for Developer, shall provide to the City two originals of the following:

1. A good and sufficient Performance Bond in an amount equal to one hundred percent (100%) of the total cost of the Improvements, guaranteeing the full and faithful execution of the work and performance of this Agreement and for the protection of the City against any improper construction of the work or the use of inferior materials. The Performance Board shall guarantee completion of the Improvements within two years of execution of this Agreement.
2. A good and sufficient Payment Bond in an amount equal to one hundred percent (100%) of the total cost of the Improvements, as guaranteeing payment for all labor, materials and equipment used in the construction of the Facilities, and
3. After construction and prior to acceptance of the facilities a good and sufficient Maintenance Bond in an amount equal to one hundred percent (100%) of the cost of the construction of underground public utilities and 100% of the paving Improvements, guaranteeing payment for all labor, materials and equipment used in the construction of the Facilities.

The maintenance bonds, letter of credit or cash escrow will be supplied to the City by the contractors performing the work, and the City will be named as the beneficiary if the contractors fail to perform any required maintenance.

- E. Developer may furnish the City one or more irrevocable letter of credits in lieu of the bonds required in Subsection D. In the event the Developer wishes to provide an irrevocable letter of credit, it shall be executed on the form provided by the City and the conditions in Exhibit "A" must be satisfied.
- F. Each of the bonds described in Subsection D shall be in a form acceptable to the City. The bonds must be issued by a Best-rated surety company that is duly authorized to transact business in the State of Texas; however, the City retains the right to reject any surety company regardless of such company's qualifications or authorization to do business in Texas if the company does not have a resident agent and/or the surety does not meet the requirements of Art. 7.19-1 of the Texas Insurance Code.
- G. The value of the performance bond, letters of credit or cash escrow will reduce at a rate consistent with the amount of work that has been completed by the Developer and accepted by the City. Each request for reduction or payment of escrow funds must be accompanied by lien release(s) executed by all subcontractors and/or suppliers prior to the release of escrow funds or reduction in value of the account.

- H. The City shall inspect and approve the construction of the Facilities and collect all applicable fees. The City will not issue a Letter of Acceptance for the Improvements until:
1. the Facilities are completely constructed (final completion) to the satisfaction of the City Engineer or his representative; and
 2. the Developer has delivered and the City has accepted:
 - a. General warranty deeds for any parks; and
 - b. general warranty deeds for streets, all in accordance with the provisions of the TIF Development Agreement.
- Developer must deliver to the City clear and unencumbered title to the Improvements; and
3. the City has approved a satisfactory maintenance bond, cash escrow or Letter of Credit pursuant to subsection E hereof.
- I. It is further agreed and understood by the parties hereto that upon acceptance by the City, title to all facilities and improvements mentioned herein above which are intended to be public facilities shall be vested in the City, and Developer hereby relinquishes any right, title, or interest in and to said facilities or any part thereof. It is further understood and agreed that until the City accepts such improvements, the City shall have no liability or responsibility in connection with any such facilities. Acceptance of the facilities for this provision and for the entire Agreement shall occur at such time that the City, through its City Manager or his duly appointed representative, provides Developer with a written acknowledgement that all facilities are complete, have been inspected and approved, and are being accepted by the City.
- J. On all public facilities included in this Agreement for which the Developer awards his own construction contract, Developer agrees to the following procedure:
1. Developer agrees to pay the following:
 - a. Inspection fees equal to three percent (3%) of the cost of the water, street, drainage and sanitary sewer facilities, on all facilities included in this agreement for which Developer awards his or her own construction contract, to be paid prior to construction of each phase and based on actual bid construction cost;

- b. Administrative Processing Fee equal to two percent (2%) of the cost of water, street, drainage and sanitary sewer facilities, on all facilities included in this Agreement for which Developer awards his or her own construction contract, to be paid prior to construction of each phase and based on actual bid construction cost;
 - c. Trench testing (95% Standard);
 - d. The additional charge for inspections during Saturday, Sunday, holidays, and after normal working hours;
 - e. Any charges for retesting as a result of failed tests;
 - f. All gradation tests required to insure proper cement and/or lime stabilization.
2. The City agrees to bear the expense of:
- a. All nuclear density tests on the roadway subgrade (95% Standard);
 - b. Technicians time for preparing concrete cylinders; and
 - c. Concrete cylinder tests and concrete coring samples.

The City can delay connection of buildings to service lines or water mains constructed under this Agreement until said water mains and service lines have been completed to the satisfaction of and acceptance by the City.

- K. The Developer will be responsible for mowing all grass and weeds and otherwise reasonably maintaining the aesthetics of all land and lots in said Addition which have not been sold to third parties. After fifteen (15) days written notice, should the Developer fail in this responsibility, the City may contract for this service and bill the Developer for reasonable costs. Such amount shall become a lien upon all real property of the Addition so maintained by the City, and not previously conveyed to other third parties, 120 days after Developer has notice of costs.
- L. Any guarantee of payment instrument (Performance Bond, Letter of Credit, etc.) submitted by the Developer or Contractor on a form other than the one which has been previously approved by the City as "acceptable" shall be submitted to the City Attorney and this Agreement shall not be considered in effect until such City Attorney has approved the

instrument. Approval by the City shall not be unreasonably withheld or delayed.

- M. The Developer agrees to fully comply with the terms and conditions of all other applicable development regulations and ordinances of the City.
- N. The Developer agrees that the completed project will be constructed in conformance with the Development Site Plan, Construction Plans and other permits or regulatory authorizations granted by the City during the development review process.

II. FACILITIES

A. GENERALLY

Developer shall submit, or cause to be submitted, plans and specifications for the public facilities to the City for review prior to the commencement of construction thereof. Such plans and specifications and construction shall be in conformance with the City of Southlake's design standards, any additional design requirements recommended by Developer's engineers pursuant to Section I.C. above and all applicable ordinances.

B. ON-SITE WATER

The Developer hereby agrees to install water facilities to service lots as shown on the final plat of the Addition. Water facilities will be installed in accordance with plans and specifications to be prepared by the Developer's engineer and released by the City. Further, the Developer agrees to complete this installation in accordance with Ordinance No. 170 and shall be responsible for all construction costs, materials and engineering. In the event that certain water lines are to be oversized because of City requirements, the City will reimburse the Developer for the oversize cost greater than the cost of an 8" line. Additionally, the City agrees to provide temporary water service at Developer's request and expense, for construction, testing and irrigation purposes only, to individual lots during the construction of buildings, even though sanitary sewer service may not be available to the buildings.

C. DRAINAGE

Developer hereby agrees to construct the necessary drainage facilities within the Addition. These facilities shall be in accordance with the plans and specifications to be prepared by Developer's engineers, released by the Director of Public Works, the City, and made part of the final plat as approved by the Planning and Zoning Commission. The Developer hereby agrees to fully comply with all EPA and TNRCC requirements

relating to the planning, permitting and management of storm water which may be in force at the time that development proposals are being presented for approval by the City.

D. STREETS

The street construction in the Addition will be installed in accordance with plans and specifications to be prepared by the Developer's engineer and released by the Director of Public Works.

1. The Developer will be responsible for:
 - a. Installation and two year operation of street lights, which is payable to the City prior to final acceptance of the Addition; or an agreement with utility provider stating that no charge will be made for street lights for the two-year duration.
 - b. Installation of all street signs designating the names of the streets inside the Addition, said signs to be of a type, size, color and design standard generally employed by the Developer and approved by the City in accordance with City ordinances;
 - c. Installation of all regulatory signs recommended based upon the Manual of Uniform Traffic Control Devices, as prepared by the Developer's engineer, by an engineering study or direction by the Director of Public Works. It is understood that Developer may install signs having unique architectural features. However, should the signs be moved or destroyed by any means, the City shall replace them with signs as identical as possible to those damaged.
2. All street improvements will be subject to inspection and approval by the City. No work will begin on any street included herein prior to complying with the requirements contained elsewhere in this Agreement. All water, sanitary sewer, and storm drainage utilities which are anticipated to be installed within the street or within the street right-of-way will be completed prior to the commencement of street construction on the specific section of street in which the utility improvements have been placed or for which they are programmed.
3. It is understood that in every construction project a decision later may be made to realign a line or service which may occur after construction has commenced. The Developer has agreed to advise the City Director of Public Works as quickly as possible when such

a need has been identified and to work cooperatively with the City to make such utility change in a manner that will be least disruptive to street construction or stability.

E. ON-SITE SANITARY SEWER FACILITIES

The Developer hereby agrees to install sanitary sewage collection facilities to service lots as shown on the final plat of the Addition. Sanitary sewer facilities will be installed in accordance with the plans and specifications to be prepared by the Developer's engineer and released by the City. Further, the Developer agrees to complete this installation in compliance with all applicable city ordinances, regulations and codes and shall be responsible for all construction costs, materials, engineering, permits and Impact Fees. In the event that certain sewer lines are to be oversized because of City requirements, the City will reimburse the Developer for the oversize cost greater than the cost of an 8" line.

F. EROSION CONTROL

1. During construction of the Addition and after the streets have been installed, the Developer agrees to keep the streets free from soil build-up. The Developer agrees to use soil control measures, such as those included in NCTCOG STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION, DIVISION 1000 EROSION AND SEDIMENT CONTROL, to prevent soil erosion. It will be the Developer's responsibility to present to the Director of Public Works a soil control development plan that will be implemented for this Addition.
 - a. When in the opinion of the Director of Public Works there is sufficient soil build-up on the streets or other drainage areas and notification has been given to the Developer, the Developer will have seventy-two (72) hours to clear the soil from the affected areas. If the Developer does not remove the soil within 72 hours, the City may cause the soil to be removed either by contract or City forces and place the soil within the Addition at the contractor's expense. All fees owed to the City will be collected prior to acceptance of the Addition.
 - b. After construction of the Addition and prior to acceptance by the City, the Developer agrees to have a permanent erosion control plan prepared and approved by the Director of Public Works and have the plan installed and working, effectively, in the opinion of the Director of Public Works. This erosion control will prevent soil erosion from the newly created

lot/lots from washing into street rights of way, drainage ways or other private property.

G. AMENITIES

It is understood by and between the City and Developer that the Addition may incorporate a number of unique amenities and aesthetic improvements such as ponds, aesthetic lakes, unique landscaping, walls, and may incorporate specialty signage and accessory facilities. The Developer agrees to accept responsibility for the construction and maintenance of all such aesthetic or specialty items, including, but not limited to the street trees and landscaping and plantings within the right-of-way, walls, vegetation, signage, landscaping, street furniture, pond and lake improvements and ensure that such responsibility is turned over to a property owners' association or the City pursuant to Section H of this Agreement.

H. USE OF PUBLIC RIGHT-OF-WAY

It is understood by and between the City and Developer that the Developer may provide unique amenities within public right-of-way, such as landscaping, irrigation, lighting, etc., for the enhancement of the Addition. The Developer agrees to maintain these amenities until the right-of-way on which they are located is dedicated to and accepted by the City. The Developer understands that the City shall not be responsible for the replacement of amenities turned over to a homeowners association under any circumstances and further agrees to indemnify and hold harmless the City from any and all damages, loss or liability of any kind whatsoever by reason of injury to property or third person occasioned by its use of the public right-of-way with regard to improvements turned over to an association and for improvements to be turned over to the City, until the City accepts such improvements, and the Developer shall, at his own cost and expense, defend and protect the City against all such claims and demands.

I. START OF CONSTRUCTION

Before the construction of the water, sewer, streets or drainage facilities can begin, the Developer must comply with the following:

1. Approved payment and performance bonds must be submitted to the City in the name of the City prior to commencement of any work;

2. At least six (6) sets of construction plans to be stamped "Released for Construction" by the Director of Public Works must be submitted.
3. All fees required to be paid to the City.
4. The Developer Agreement and Parking Agreement between the Developer and the City must be executed.
5. The Developer, or Developer's Contractor, should the Developer desire, shall furnish to the City policies or proof of insurance, naming the City as co-insured, which must meet the Requirement of Contractor's Insurance, attached hereto as Exhibit B and incorporated herein.
6. A Pre-Construction Meeting to be held with all Contractors, major Sub-Contractors, Utilities and appropriate Government Agencies.
7. Before construction of the Parking Garages may commence, Developer must satisfy these conditions, together with the conditions in Section IV. hereof.

III. MISCELLANEOUS GENERAL PROVISIONS

A. INDEMNIFICATION

DEVELOPER COVENANTS AND AGREES TO INDEMNIFY AND DOES HEREBY INDEMNIFY, HOLD HARMLESS AND DEFEND CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS OR SUITS FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF WHATSOEVER KIND OR CHARACTER, WHETHER REAL OR ASSERTED, (INCLUDING, WITHOUT LIMITATION, REASONABLE FEES AND EXPENSES OF ATTORNEYS, EXPERT WITNESSES AND OTHER CONSULTANTS), ARISING OUT OF OR IN CONNECTION WITH, DIRECTLY OR INDIRECTLY, THE CONSTRUCTION, MAINTENANCE, OCCUPANCY, USE, EXISTENCE OR LOCATION OF SAID IMPROVEMENT OR IMPROVEMENTS, AND SHALL FURTHER BE LIABLE FOR INJURY OR DAMAGE TO CITY PROPERTY, ARISING OUT OF OR IN CONNECTION WITH ANY AND ALL ACTS OR OMISSIONS OF DEVELOPER, ITS OFFICERS, AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, LICENSEES, INVITEES OR TRESPASSERS.

DEVELOPER AGREES TO INDEMNIFY THE CITY, ITS OFFICERS AND EMPLOYEES FOR ANY DAMAGES, CLAIMS OR LIABILITIES ARISING FROM THE NEGLIGENT ACT OR OMISSION, OR OF THE CONCURRENT NEGLIGENT ACT OR OMISSION, OF THE CITY, ITS OFFICERS AND EMPLOYEES; provided that Developer's obligation under this subsection and subsection C below shall survive the term of this Agreement.

- B. Venue of any action brought hereunder shall be in Fort Worth, Tarrant County, Texas.
- C. Approval by the Director of Public Works or other City employee of any plans, designs or specifications submitted by the Developer pursuant to this Agreement shall not constitute or be deemed to be a release of the responsibility and liability of the Developer, his engineer, employees, officers or agents for the accuracy and competency of their design and specifications. Such approval shall not be deemed to be an assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by the consulting engineer, his officers, agents, servants or employees, it being the intent of the parties that approval by the Director of Public Works signifies the City's approval on only the general design concept of the improvements to be constructed. In this connection, the Developer shall for a period of ten years after the acceptance by the City of the completed construction project, indemnify and hold harmless the City, its officers, agents, servants and employees, from any loss, damage, liability or expense on account of damage to property and injuries, including death, to any and all persons which may arise out of any defect, deficiency or negligence of the engineer's designs and specifications incorporated into any improvements constructed in accordance therewith, and the Developer shall defend at his own expense any suits or other proceedings brought against the City, its officers, agents, servants or employees, or any of them, on account thereof, to pay all expenses and satisfy all judgments which may be incurred by or rendered against them or any of them in connection with herewith.
- D. This Developer may not assign this Agreement or any part herein, or any interest herein, without the express written consent of the City Manager. No assignment shall be effective unless the City Manager executes an assignment which provides that the Developer shall continue to be responsible for the covenants herein and the assignee also accepts responsibility for complying with the Agreement.
- E. On all facilities included in this Agreement for which the Developer awards his or her own construction contract, the Developer agrees to employ a construction contractor who is approved by the City, and whose approval shall not be unreasonably withheld or delayed, said contractor to meet

City and statutory requirements for being insured, licensed and bonded to do work in public projects and to be qualified in all respects to bid on public projects and to be qualified in all respects to bid on public projects of a similar nature.

- F. Work performed under the Agreement shall be completed within two (2) years from the date thereof. In the event the work is not completed within the two (2) year period, the City may, at its election, draw down on the performance bond, letter of credit or other security provided by Developer and complete such work at Developer's expense; provided, however, that if the construction under this Agreement shall have started within the two (2) year period, the City may agree to renew the Agreement with such renewed Agreement to be in compliance with the City policies in effect at that time.
- G. Prior to final acceptance of the Addition, the Developer shall provide to the City three (3) copies of Record Drawings of the Addition, showing the facilities as actually constructed. Such drawings will be stamped and signed by a registered professional civil engineer. In addition, the Developer shall provide electronic files showing the grading plan and drainage area map; the plan and profile of the sanitary sewer, storm drain, roadway and waterline; all lot lines, and tie in to the state Plane Coordinate System.

IV. OTHER ISSUES

A. OFF-SITE DRAINAGE

Developer shall design on-site storm water systems within the capacity of the downstream drainage facilities, and consistent with the approved Development Site Plan, Ordinance No. 605 and no adverse impact on fully developed receiving stream. Developer shall assume full responsibility for providing engineering calculations and modeling to satisfy all inquiries. All detention structure(s) must be constructed to serve the portion of facility in this agreement.

B. OFF-SITE SEWER AND WATER

Due to the drainage improvements, Developer intends to make on-site drainage. There are no off-site drainage or off-site water structures required for Phase IV, The Grand Avenue District, except as shown on the approved Development Site Plan and/or plans and specifications approved by the City. Requirement for off-site improvement may be necessitated by impact of quantity and level of storm water on receiving fully developed streams.

C. PARK FEES

1. Park dedication requirements applicable to Phase IV, The Grand Avenue District, are 0.6359 acres, based upon the development of 31.798 acres of additional land (district is 41.35 acres total, which includes 9.552 acres of existing development). Cooper and Stebbins, the developer of adjacent Town Square improvements, has a credit of 1.8466 acres from prior development. Cooper and Stebbins, by execution of this Agreement, agrees to apply 0.6359 acres of this credit to satisfy Developer's requirements for dedication for this Addition. The City agrees that Cooper and Stebbins may carry the remaining 1.2107 acres and the 3.5430 acres of park development within Grand Avenue, for a total of 4.7537 acres, forward to future Town Square developments as a credit.
2. Developer agrees that no construction will commence on the parks until the Parks Board and the City Council have approved the proposed park design and proposed improvements. The design and construction costs of any improvements required to be constructed to satisfy requirements for on-site and off-site drainage shall not be permitted to be considered, for any purpose, including the TIF Development Agreement, as Project Costs for the parks.

D. PARKING GARAGES

1. On or before the date the City executes this Agreement, Developer shall submit design plans, including architectural and engineering plans and specifications, for the two parking garages Developer intends to construct.
2. The City shall at Developer's expense contract with a registered professional engineer (the "Project Design Engineer") to peer review the plans at 25% and 95% completion milestones. All comments or recommendations concerning the plans shall be implemented to the satisfaction of the City Director of Public Works or his designee. No construction shall commence until City has released the final contract plans and specifications.
3. Once the City has released the plans and has approved a plan for temporary parking for the other phases of the Town Square Addition, and the City has retained a project design engineer, at Developer's expense, Developer may commence construction of one or both garages.

4. The Project Design Engineer shall make visits to the project site frequent enough to certify at completion, that the parking garage structures were constructed in full compliance with the contract documents. At Developer's cost, the City shall hire the services of a Construction Inspection Team approved by the City to manage and inspect the construction on a daily basis.
5. After project completion, the Project Design Engineer shall submit a written operational phase study to the City Director of Public Works, to address proper use of the facility in connection with matters like operating speed, ingress and egress, safety issues and any other recommendations for successful use of the parking garages.
6. City shall not accept the improvements or issue a certificate of occupancy until the Developer has paid the cost of the peer review, inspection and design and construction management services.

E. FINANCIAL CONSIDERATIONS

This City's participation in the funding of public improvements for the Addition is governed by the TIF Development Agreement, approved by the City Council under separate TIF agreement by Resolution No. 04-074 on November 16, 2004. A copy of this Agreement is attached hereto as Exhibit C and incorporated by reference herein.

F. TREE PRESERVATION ORDINANCE

1. All construction activities shall comply with the current Tree Preservation Ordinance requirements and as may be amended by the City Council. Such conditions include, but are not limited to, proper posting of tree protection warning signs and tree protective fencing to be maintained throughout the duration of the project.
2. The Developer acknowledges and agrees that:
 - a. protected trees removed from the site shall be mitigated as required in the Tree Preservation Ordinance;
 - b. the final mitigation requirements shall be determined by the Landscape Administrator based upon actual removal;
 - c. Developer shall be allowed to mitigate the trees through tree replacement to the extent possible; provided, however, such replacement of trees shall be located within Town Square as approved by the City's Landscape Administrator, and shall not include credit for any trees otherwise required or

previously planned to be planted as part of the City's landscape requirements, bufferyard requirements, street tree plantings, or similar regulations, including the approved site plan;

- d. Developer shall plant the mitigation trees prior to the issuance of the first certificate of occupancy, or to post a bond as provided by the Tree Preservation Ordinance 585-B, to have all of the plantings completed within 180 days of the issuance of the first certificate of occupancy or to pay the designated amount of mitigation fees into the Reforestation Fund, as outlined by the Tree Preservation Ordinance, within the same time period.
3. Nothing contained herein is intended to conflict with Site Plan for Southlake Town Square, Phase IV, Grand Avenue District, Case No. ZA04-067, as previously approved by City Council, incorporating Tree Preservation Analysis dated September 23, 2004.

SIGNED AND EFFECTIVE on the date last set forth below.

CITY OF SOUTHLAKE, TEXAS

SLTS GRAND AVENUE, L.P.,
a Texas limited partnership

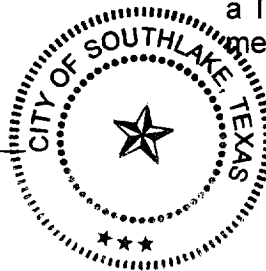
By: [Signature]
Andy Wambsganss, Mayor

By: SLTS Grand Avenue Genpar, L.L.C.,
a Texas limited liability company, its
general partner

ATTEST:

By: Cooper & Stebbins, L.P.,
a Texas limited partnership, its
member

By: Lori A. Farwell
Lori Farwell, City Secretary



By: CS Town Centers, LLC,
a Texas limited liability
company, its general
partner

By: [Signature]
Brian R. Stebbins,
Managing Member (fub)

STATE OF Texas
COUNTY OF Tarrant

On March 18, 2006, before me, Tara A. Brooks, Notary Public, personally
appeared **Brian R. Stebbins**, personally known to me (or proved to me on the basis of satisfactory
evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me
that he executed the same in his authorized capacity, and that by his signature on the instrument, the
person, or the entity upon behalf of which the person acted, executed the instrument.

[Signature]
WITNESS my hand and official seal.

Tara A. Brooks
Notary Public

My commission expires: 10-8-06

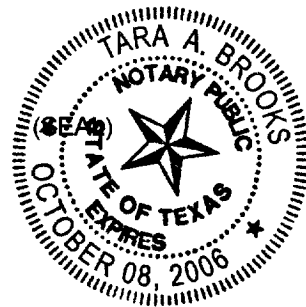


EXHIBIT A - REQUIREMENTS FOR IRREVOCABLE LETTER OF CREDIT

1. The Letter of Credit must have a duration of at least one year.
2. The Letter of Credit may be substituted for utility security deposits exceeding \$10,000.00. The City reserves the right to specify the face amount of the letter of credit.
3. The Letter of Credit must be issued by a FDIC insured bank in a form acceptable to the City of Southlake. The City reserves the right to approve/disapprove the bank issuing the Letter of Credit.
4. The Letter of Credit must be issued by a bank that has a minimum capital ratio of six (6%) percent, and has been profitable for each of the last two consecutive years.
5. The customer must provide the City with supporting financial information on the bank to allow the City to ascertain requirements are met. Suitable financial information would be the previous two (2) years December 31 Call Reports submitted to the FDIC and audited financial statements.
6. Partial drawings against Letters of Credit must be permitted.
7. The City must be able to draft on sight with proof of amount owed.
8. The customer pays any and all fees associated with obtaining Letter of Credit.
9. Expiring Letter of Credit must be replaced by substitute Letters of Credit at least 30 days prior to the expiration date on the Letter of Credit held by the City.

EXHIBIT "B"
REQUIREMENTS FOR DEVELOPER'S CONTRACTOR'S INSURANCE

I. *Contractor's Insurance*

A. Without limiting any of the other obligations or liabilities of the Developer, the Developer, or the Developer's contractor, (hereinafter called "Contractor") during the term of the Agreement, shall purchase and maintain the following minimum insurance coverages with companies duly approved to do business in the State of Texas and satisfactory to the City. In this Agreement, "Project" shall mean the public improvements to be constructed, pursuant to the Developer's Agreement, by Developer or by a Contractor under Developer's contract with a Contractor. "Developer" shall mean Developer; if Developer has contract with a Contractor to construct the public improvements, the Contractor may submit the proof of insurance coverages required herein. Coverages shall be of the following types and not less than the specified amounts:

1. Workers' compensation as required by Texas law, with the policy endorsed to provide a waiver of subrogation as to the City; employer's liability insurance of not less than the minimum statutory amounts.

2. Commercial general liability insurance, including premises- operations; independent contractor's liability, completed operations and contractual liability covering, but not limited to, the liability assumed under the indemnification provisions of this Contract, fully insuring Contractor's (or subcontractor's) liability for injury to or death of City's employees and third parties, extended to include personal injury liability coverage with damage to property of third parties, broad form property damage, with minimum limits as set forth below:

General Aggregate	\$2,000,000
Bodily Injury \$1,000,000 Each Occurrence	
Property Damage \$1,000,000 Each Occurrence	
Products—Components/Operations Aggregate. \$1,000,000	
Personal and Advertising Injury	\$ 1,000,000
(With Employment Exclusion deleted)	
Each Occurrence	\$ 1,000,000
Contractual Liability:	
Bodily Injury	\$1,000,000 each occurrence
Property Damage	\$1,000,000 each occurrence

The policy shall include coverage extended to apply to completed operations, asbestos hazards (if this project involves work with asbestos) and ECU (explosion, collapse and underground) hazards. The completed operations coverage must be maintained for a minimum of one year after final completion and acceptance of the work, with evidence of same filed with City.

3. Comprehensive automobile and truck liability insurance, covering owned, hired and non-owned vehicles, with a combined bodily injury and property damage minimum limit of \$1,000,000 per occurrence; or separate limits of \$500,000 for bodily injury (per person), and \$500,000 for property damage. Such insurance shall include coverage for loading and unloading hazards.

4. **Property Insurance (Builder's All Risk)**

a. Developer shall purchase and maintain, or require its contractor to purchase and maintain, at all times during the term of its Contract with the Developer, property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial contract price, plus value of subsequent contract modifications and cost of materials supplied or installed by others, comprising total

value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made, or until no person or entity other than the City has an insurable interest in the property required by this paragraph to be covered, whichever is later. This insurance shall include interests of the City, the Contractor, subcontractors and sub-subcontractors in the Project.

b. Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Contractor's services and expenses required as a result of such insured loss.

c. If the insurance required by this paragraph requires deductibles, the Developer shall pay costs not covered because of such deductibles.

d. This property insurance shall cover portions of the work stored off the site, and also portions of the work in transit.

e. Owner's Protective Liability Insurance:

(i) Developer, or Developer's Contractor shall obtain, pay for and maintain at all times during the prosecution of the work under the contract between the Contractor and the Developer, an Owner's protective liability insurance policy naming the City as insured for property damage and bodily injury, which may arise in the prosecution of the work or Contractor's operations under the contract.

(ii) Coverage shall be on an "occurrence" basis, and the policy shall be issued by the same insurance company that carries the Developer or Contractor's liability insurance with a combined bodily injury and property damage minimum limit of \$1,000,000 per occurrence.

f. "Umbrella" Liability Insurance: Developer shall obtain, pay for and maintain umbrella liability insurance during the term of the Contract between the Contractor and the Developer, insuring Contractor for an amount of not less than **\$5,000,000 per occurrence combined** limit for bodily injury and property damage that follows form and applies in excess of the primary liability coverages required herein above. The policy shall provide "drop down" coverage where underlying primary insurance coverage limits are insufficient or exhausted.

II. *Policy Endorsements*

A. Each insurance policy to be furnished by Developer under this Agreement shall include the following conditions by endorsement to the policy:

1. name the City as an additional insured as to all applicable policies;
2. each policy shall require that 30 days prior to cancellation, non-renewal or any material change in coverage, a notice thereof shall be given to City by certified mail. If the policy is canceled for nonpayment of premium, only 10 days written notice to City is required;
3. the term "City" shall include all authorities, boards, bureaus, commissions, divisions, departments and offices of the City and individual members, employees and agents thereof in their official capacities, and/or while acting on behalf of the City;

4. the policy phrase "other insurance" shall not apply to the City where the City is an additional insured on the policy.

III. *Special Conditions*

A. Insurance furnished by the Developer shall be in accordance with the following requirements:

1. any policy submitted shall not be subject to limitations, conditions or restrictions deemed inconsistent with the intent of the insurance requirements to be fulfilled by Developer. The City's decision thereon shall be final;

2. all policies are to be written through companies duly licensed to transact that class of insurance in the State of Texas; and

3. all liability policies required herein shall be written with an "occurrence" basis coverage trigger.

B. Developer agrees to the following:

1. Developer waives subrogation rights for loss or damage against the City and agrees to include this provision in its contract with its contractors. Insurers shall have no right of recovery or subrogation against the City, it being the intention that the insurance policies shall protect all parties to the contract and be primary coverage for all losses covered by the policies;

2. Companies issuing the insurance policies and Developer shall have no recourse against the City for payment of any premiums or assessments for any deductibles, as all such premiums and deductibles are the sole responsibility and risk of the Developer;

3. Approval, disapproval or failure to act by the City regarding any insurance supplied by the Developer shall not relieve the Developer of full responsibility or liability for damages and accidents as set forth in this Agreement. Neither shall bankruptcy, insolvency or denial of liability by the insurance company exonerate the Developer from liability;

4. Deductible limits on insurance policies exceeding \$10,000 require approval of the City;

5. Any of such insurance policies required under this section may be written in combination with any of the others, where legally permitted, but none of the specified limits may be lowered thereby;

6. Developer shall require its Contractor to provide notice of any actual or potential claim or litigation that would affect required insurance coverages to the City in a timely manner;

7. Developer agrees to require its Contractor to either require its Subcontractors to maintain the same insurance coverage and limits as specified for the Developer or coverage of Subcontractors shall be provided by the Contractor; and

8. Prior to the effective date of cancellation of any policy, Developer shall deliver to the City a replacement certificate of insurance or proof of reinstatement.

EXHIBIT C – DEVELOPMENT AGREEMENT

**DEVELOPMENT AGREEMENT
WITH SLTS GRAND AVENUE, L.P. FOR PUBLIC IMPROVEMENTS TO PROPERTY
WITHIN REINVESTMENT ZONE NUMBER ONE, CITY OF SOUTHLAKE**

THIS DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between the City of Southlake, a Texas municipal corporation of Tarrant County and Denton County, Texas (hereinafter called "City"), the Board of Directors of the Reinvestment Zone Number One, City of Southlake, Texas (hereinafter called "Board"), and SLTS Grand Avenue, L.P., a Texas Limited Partnership (hereinafter called "Partnership").

WITNESSETH:

WHEREAS, City recognizes the importance of its continued role in local economic development; and

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, V.T.C.A. Tax Code, Chapter 311 (the "Act"), on September 23, 1997, the Southlake City Council approved Ordinance No. 682, creating, establishing and designating "Reinvestment Zone Number One, City of Southlake" (hereinafter called the "TIF District"); and

WHEREAS, Partnership has acquired certain real property situated within the TIF District and intends to develop the property for use as "high quality, first class" retail and office buildings, a hotel and a movie theatre, together with ancillary areas and improvements; and

WHEREAS, the Act authorizes the expenditure of funds derived within a reinvestment zone, whether from bond proceeds or other funds, for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by a municipality consistent with the project plan of the reinvestment zone, which expenditures and monetary obligations constitute project costs, as defined in the Act; and

WHEREAS, on August 17, 1999, after approval of the Board, the Southlake City Council approved Ordinance No. 752 approving the Amended Tax Increment Reinvestment Zone Project Plan (herein so called), and the Financing Plan (herein so called); and

WHEREAS, pursuant to resolution adopted 05-001-TIF, 2005, the Board authorized the execution of this Agreement for the construction of public improvements in accordance with the approved Project Plan and Financing Plan, and authorizing reimbursement to Partnership from ad valorem taxes collected for the Grand Avenue Property for the taxing units participating in the TIF and deposited into the Tax Increment Fund, and for Southlake ad valorem taxes collected for business personal property within the Grand Avenue Property Improvements, for the construction of the Public Improvements under the conditions set forth herein; and

WHEREAS, pursuant to Resolution No. 05-013, the City Council authorized the execution of this Agreement for the construction of public improvements in accordance with the approved Project Plan and Financing Plan, and authorizing reimbursement to Partnership from the Tax Increment Fund for the construction of the public improvements under the conditions set forth herein; and

WHEREAS, the Public Improvements to be constructed within the Grand Avenue Property, as defined in Section 1 below, which is situated within the TIF District boundaries, as set forth in this Agreement, are consistent with encouraging development of the TIF District and Reinvestment Zone in accordance with the purposes for its creation and are in compliance with the ordinance creating such reinvestment zone adopted by the City and all applicable laws; and

WHEREAS, Partnership and City have agreed that following completion of the Public Improvements, and upon Partnership's compliance with the provisions of this Agreement, the City shall acquire, and the Partnership shall convey the Public Improvements to the City, and City shall reimburse the Partnership in the manner contemplated by the Act; and

WHEREAS, the reimbursement of funds advanced by Partnership for the cost of making Public Improvements as contemplated herein is consistent with and described in the Project Plan and Financing Plan;

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein, the parties agree as follows:

SECTION 1. DEFINITIONS

In this Agreement, the following words shall have the following meanings ascribed to them:

AFFILIATED ENTITY – any person, firm, corporation, partnership or other entity owned, controlled or managed in whole or in part, by any person, firm, corporation, partnership or other entity, or any principal or shareholder in any such entity, excluding a taxing entity, with an interest in any of the real property located in the Reinvestment Zone.

APPROVED PROJECT COSTS – the following costs incurred by Partnership in the design and construction of the Public Improvements: architectural and engineering fees, surveying fees, construction labor, construction materials and building materials and supplies. It does not include any cost incurred from goods or services provided by an Affiliated Entity, legal fees, or construction management fees or project management fees.

ECONOMIC DEVELOPMENT AGREEMENT – the Economic Development Program Agreement entered between Partnership and City pursuant to §380.001 of the Texas Local Gov't Code executed on even date herewith, and attached as Exhibit "A."

EVENT OF BANKRUPTCY OR INSOLVENCY – the dissolution or termination of Partnership's existence as a going business, insolvency, appointment of receiver for any part of Partnership's property and such appointment is not terminated within 60 days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Partnership and such proceeding is not dismissed within 60 days after the filing thereof.

GRAND AVENUE PROPERTY – the property, consisting of 41.350 acres, upon which the Real and Personal Property Improvements will be constructed, as described in Exhibit "B", attached hereto and incorporated herein.

GRAND AVENUE PROPERTY IMPROVEMENTS – the real and personal property improvements, including retail and office buildings, hotel building and movie theater building to be constructed on the Grand Avenue Property. It does not include the Public Improvements.

HIGH QUALITY, FIRST CLASS – development which is in conformance with the site plan approved by, or to be approved by the City Council of City for the development and consistent with Town Square operations as of the date of execution of this Agreement.

PARKING GARAGE WEST PROPERTY – the property upon which Parking Garage West is to be constructed, as delineated on Exhibit "D", attached hereto and incorporated herein.

PARKING GARAGE EAST PROPERTY – the property upon which Parking Garage East is to be constructed, as delineated on Exhibit "E", attached hereto and incorporated herein.

PARKING GARAGE PROPERTY OPERATING AGREEMENT – the agreement between the Partnership and the City delineating the rights, responsibilities and restrictions regarding the operation of the Parking Garage Properties, as attached hereto as Exhibit "I".

PARKING GARAGE PROPERTY – the property upon which Parking Garage West and Parking Garage East are to be constructed, together with the Parking Garages, as delineated on Exhibits "D" and "E", attached hereto and incorporated herein.

PROJECT PLAN AND FINANCING PLAN or PROJECT PLAN – the project and financing plan approved by Ordinance No. 752 of the City of Southlake.

PUBLIC IMPROVEMENT PROPERTY - the property upon which the Public Improvements, including the Parking Garages, are to be constructed, as described in Exhibit "C".

PUBLIC IMPROVEMENTS – the parks and Parking Garages to be constructed on the Public Improvement Property as depicted and described on Exhibit “C” attached hereto and incorporated herein, as well as the streets, sidewalks, water, wastewater and stormwater improvements Partnership is required to construct for the development of the Grand Avenue Property.

REIMBURSABLE PROJECT COSTS – the total amount to be paid by the City for the Public Improvements acquired from the Partnership.

TAX INCREMENT FUND or TIF – the Tax Increment Fund of the Southlake Reinvestment Zone No. 1.

TIF DISTRICT – the property within Southlake Reinvestment Zone No. 1.

UNDER CONSTRUCTION – construction in which the following conditions have been met: building permits have been issued, the foundation has been poured and vertical construction is occurring, i.e., walls have been erected and construction is proceeding continuously.

SECTION 2. PARTNERSHIP’S OBLIGATIONS

A. In conjunction with the long-term development plan for the TIF District, as described in the Project Plan, Partnership agrees to design and construct certain Public Improvements, including streets, utility improvements and the Parking Garages and the parks within the Grand Avenue Property. A description of the Project is contained in the approved Project Plan and Financing Plan. The Project is located entirely within the limits of the City and within the TIF District and all Public Improvements shall be constructed within Public Improvement Property, existing or future public property, public rights-of-way, or easements.

B. Partnership shall submit to the City for its review and approval plans for the design of the following:

1. the Public Improvements to be constructed within the Public Improvements Property; and
2. the theater planned to be constructed within the Grand Avenue Property.

C. Partnership shall not be entitled to payment unless the City Council has approved the design and plans for the Public Improvements described in Subsection B. 1 and 2 above and the plat depicting the streets and sidewalks and the City has accepted the conveyance of the parks, streets, sidewalks, water, wastewater and stormwater improvements, and issued a certificate of occupancy for the Parking Garages, and the other requirements for payment are satisfied.

D. Before the final plat is recorded, Partnership shall:

1. construct and dedicate the infrastructure and right-of-way and easements required by the City's Ordinances, including but not limited to streets and sidewalks, water, wastewater and stormwater improvements and dedicate the streets to the City by general warranty deed in the form attached as Exhibit "H", and

2. construct the proposed parks in accordance with the design approved by the City and in compliance with all applicable ordinances, and dedicate the same to the City by general warranty deed in the form attached as Exhibit "G".

E. Partnership agrees that the City's specifications for public and private improvements are minimum standards only and Partnership shall retain an engineer for purposes of review of City specifications. If, in the engineer's opinion, additional technical design requirements, in addition to the City specifications, are required to design the Public Improvements sufficient for local conditions, Partnership will include such design requirements in the specifications for the Public Improvements. The City shall be expressly named as an intended third party beneficiary in the contract between the Partnership and the engineer.

F. Partnership shall design and construct all improvements on the Grand Avenue Property so as to comprise a high quality, first class retail and office development, including a high quality first class hotel and theater, and such other uses as City may approve over time. The hotel shall be constructed to include at a minimum, 250 rooms and the following amenities:

1. a full service restaurant;
2. a downtown service bar;
3. a swimming pool with jacuzzi;
4. a conference center of a size of at least 15,000 square feet;
5. a spa;
6. a workout facility; and
7. such other amenities as are required in order to obtain a franchise to operate a hotel under the "Hilton" Hotels brand.

G. Before City becomes obligated to make payment to Partnership as set forth herein:

1. Partnership shall:
 - a. be in compliance with the terms and conditions of this Agreement;
 - b. be in compliance with the Economic Development Agreement;

and

c. convey the:

(1) Parking Garage Properties to the City in accordance with the provisions of Section H. below;

(2) streets to the City by general warranty deed in the form as attached hereto as Exhibit "H";

(3) parks to the City by general warranty deed in the form as attached hereto as Exhibit "G"; and

d. have caused all necessary parties, save Tarrant County to have executed and recorded in the Real Property Records of Tarrant County the Parking Garage Property Operating Agreement;

2. the Southlake Town Square Association or its successor shall have executed and recorded deed restrictions regarding parking in the Parking Garages, with such consents as are required by any lenders or owners, as are contained in the Parking Garages Operating Agreement and which shall be binding upon the owners and occupants of each parcel of land located in any phase of the Town Square Addition; and

3. Tarrant County shall have executed and recorded its consent to the termination of its rights pursuant to the Irrevocable Parking License, Maintenance and Operation Agreement filed in Volume 17206, page 198 of the Tarrant County Real Property Records;

In the event Partnership is entitled to payment, City shall pay the Partnership an amount as determined in Section 3. In no event shall the City's payment hereunder exceed \$7,500,000.

H. Partnership shall convey the Parking Garage Property to the City by Special Warranty Deed, in the form as attached hereto as Exhibit "F", conveying good and marketable title in fee simple to the Parking Garage Property, free and clear of any and all liens, encumbrances, conditions, assessments, and restrictions other than as provided in this Section. At the time of the conveyance, Partnership shall deliver to City:

1. at Partnership's sole expense, a Texas Owner's Title Policy, issued by Rattikin Title Company, 201 Main Street, Suite 800, Fort Worth, Texas 76102 in the amount of \$13,000,000, insuring the City's fee simple title to the Parking Garage Property, subject only to those title exceptions listed in this Section, if any, such other exceptions as may be approved in writing by City, provided, however: (a) the boundary and survey exceptions shall be deleted; (b) the exception as to restrictive covenants shall be endorsed "None of Record"; and the exception as to the lien for taxes shall be limited to the year of closing and shall be endorsed "Not Yet Due and Payable";

2. releases from the contractors, subcontractors and suppliers of materials who have provided labor and materials for the Public Improvements showing that they have been paid for such labor and materials;

3. an assignment of all contractors' warranties, if any, and all performance and payment bonds; and

4. funds in an amount as determined by the City's Director of Finance sufficient to pay roll-back ad valorem taxes from all taxing units which will become due on the Grand Avenue Property, including the property upon which the Public Improvements are to be constructed, due to the change of use from agricultural to nonagricultural use. To the extent that all or a portion of such taxes have already been paid to the applicable taxing entities as of the date of City's payment made under this Agreement, Partnership shall be deemed to have satisfied this condition.

SECTION 3. CITY PARTICIPATION

A. Partnership shall:

1. submit, or cause to be submitted, plans and specifications for the Public Improvements to the City for review and approval prior to the commencement of construction thereof. Such plans and specifications and construction shall be in conformance with the City of Southlake's design standards, any additional design requirements recommended by Partnership's engineers and/or architects pursuant to Section 2.E. above and all applicable ordinances;

2. construct the Public Improvements and all other improvements and infrastructure required by City ordinances, and the Grand Avenue Property Improvements within the Grand Avenue Property;

3. submit to City evidence of Approved Project Costs of (i) at least \$1,000,000 for the construction of park and park improvements within the Grand Avenue Property; and (ii) at least \$6,500,000 for the streets, utility improvements and Parking Garage West.

4. comply with all other conditions and obligations in this Agreement.

B. To determine the Approved Project Costs, City shall have the right to inspect the site during construction, and to inspect, during the term of this Agreement, any and all records of Partnership, Partnership's agents, employees, contractors or subcontractors and shall have the right to require Partnership to submit any necessary information, documents, invoices, receipts or other records relating to costs of the Public Improvements.

C. Provided that:

1. Partnership is in compliance with all terms and conditions of this Agreement and

2. the Tarrant Appraisal District shall assess a value of at least \$37,050,000 for the Grand Avenue Property Improvements on or before July 25, 2006 (this date being subject to extension for a delay in receiving a certified assessment from Tarrant Appraisal District for reasons beyond the Partnership's control), and

3. at least 360,000 square feet of buildings in the Grand Avenue Property, are under construction on January 1, 2006, then Partnership shall be entitled to payment from the City an amount calculated as follows (but in any event not more than \$7,500,000):

$$\text{Payment due Partnership} = \frac{\text{assessed value}}{\$74,100,000} \times \$7,500,000$$

By way of example, if the assessed value for 2006 is \$37,050,000, City shall make payment to Partnership for Approved Project Costs in the amount of \$3,750,000. In the event that the Tarrant Appraisal District has not assessed a value of at least \$37,050,000 for the Grand Avenue Property Improvements by this date, or 360,000 square feet of buildings is not under construction, or Partnership is not in compliance with the terms of this Agreement, Partnership shall not be entitled to receive a payment in 2006.

D. In the event that:

1. Partnership is entitled to receive and receives a partial payment in 2006, pursuant to Subsection C above, and

2. Partnership is in compliance with the terms and conditions of this Agreement, and

3. the Tarrant Appraisal District shall assess a value of at least \$74,100,000 for the Grand Avenue Property Improvements on or before July 25, 2007 (this date being subject to extension for a delay in receiving a certified assessment from Tarrant Appraisal District for reasons beyond the Partnership's control), then City shall make payment to Partnership for Approved Project Costs in the amount of \$7,500,000 less the partial payment made in 2006. For example, if the assessed value in 2006 is \$66,690,000, pursuant to which City has made payment to Partnership in the amount of \$6,750,000, and the assessed value in 2007 is \$75,000,000, City shall make a final payment to Partnership for Approved Costs in the amount of \$750,000 in 2007.

E. In the event:

1. Partnership is:

- a. not entitled to receive a payment in 2006; and
- b. is in compliance with all terms and conditions of

this Agreement; and

2. the Tarrant Appraisal District shall assess a value of at least \$37,050,000 for the Grand Avenue Property Improvements on or before July 25, 2007 (this date being subject to extension for a delay in receipt of a certified assessment from Tarrant Appraisal District for reasons beyond the Partnership's control), and

3. at least 360,000 square feet of buildings in the Grand Avenue Property are under construction on January 1, 2007,

then Partnership shall be entitled to payment from the City of an amount calculated as follows (but in any event not more than \$6,520,000):

$$\text{Payment due Partnership} = \frac{\text{assessed value}}{\$74,100,000} \times \$6,520,000$$

F. In the event that:

1. Partnership:

a. did not qualify for payment in 2006 but qualified for and received a payment in 2007, and

b. is in compliance with the terms and conditions of this Agreement; and

2. the Tarrant Appraisal District shall assess a value of at least \$74,100,000 for the Grand Avenue Property Improvements on or before July 25, 2008 (this date being subject to extension for a delay in receipt of the certified assessment from Tarrant Appraisal District for reasons beyond the Partnership's control), then City shall make payment for Approved Project Costs to Partnership of \$6,520,000 less the amount of the City's payment in 2007.

G. In the event that:

1. Partnership did not qualify for payment in 2006 or 2007,
and:

2. Partnership is otherwise in compliance with the terms and conditions of this Agreement; and

3. the Tarrant Appraisal District shall assess a value of at least \$74,100,000 for the Grand Avenue Property Improvements on or before July 25, 2008 (this date being subject to extension for a delay in receipt of the certified assessment from Tarrant Appraisal District for reasons beyond the Partnership's control), then Partnership shall be entitled to payment from the City of \$5,570,000.

H. If the Tarrant Appraisal District does not assess a value of at least \$74,100,000 for the Grand Avenue Property Improvements on or before July 25, 2008 (this date being subject to extension for a delay in receipt of the assessment from Tarrant Appraisal District for reasons beyond the Partnership's control), Partnership shall not be entitled to receive a payment or, if payment was made in 2007, a further payment for Approved Project Costs, and this Agreement shall terminate without further action by either party and City shall have no obligation to make any payments to Partnership under this Agreement. Partnership shall not be required to repay the City for any payment made hereunder.

I. If Partnership shall satisfy the requirements for payment of the Approved Project Costs, City shall make payment to Partnership on or before October 31 of the year in which Partnership becomes entitled to such payment (this date being subject to extension for a delay in receipt of the assessment from Tarrant Appraisal District for reasons beyond the control of either party). Nothing in this Agreement shall require City to approve payment to Partnership from any source other than the Tax Increment Fund. This Agreement in no way obligates the General Fund or any other funds of the City.

J. City hereby declares that the reimbursement procedure outlined above is necessary to implement the Project Plan.

SECTION 4. TERM

The term of this Agreement shall begin on the effective date, as provided in Section 13 hereof and shall terminate upon the earlier of: (a) the complete performance of all obligations and conditions precedent by parties to this Agreement; or (b) the date of the City's receipt of the Tarrant County Appraisal District Tax Roll for 2008 which does not assess a value of at least \$74,100,000 for the Grand Avenue Property Improvements; or (c) upon the City's termination of this Agreement pursuant to Section 6 hereof.

SECTION 5. AUTHORITY; COMPLIANCE WITH LAW

A. Partnership hereby represents and warrants to the City that:

1. Partnership has full lawful right, power and authority to execute and deliver and perform the terms and obligations of this Agreement; and

2. that the execution and delivery of this Agreement has been duly authorized by all necessary action by the Partnership;

3. this Agreement constitutes the legal, valid and binding obligation of Partnership, and is enforceable in accordance with its terms and provisions;

4. it is the sole owner of the Public Improvement Property and Grand Avenue Property and any necessary consents of approval for it to enter into this Agreement and the related Agreements have been obtained; and

5. there are no leases, tenancies, rental agreements in effect which would be violated by the execution and performance of this Agreement, the Economic Development Program Agreement or the Parking Garage Property Operating Agreement.

B. Partnership represents and warrants that during Partnership's ownership of the Property (1) no excavation of the Public Improvement Property occurred; (2) no landfill was deposited on or taken from the Public Improvement Property; (3) no construction debris or other debris (including, without limitation, rocks, stumps, and concrete) was buried upon the Public Improvement Property; and (4) no toxic wastes or "hazardous substances" as that term is defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1988, or petroleum products and derivatives thereof, were deposited on the Public Improvement Property. Partnership further represents and warrants that none of the foregoing occurred on the Public Improvement Property prior to Partnership's ownership of the Public Improvement Property.

C. Notwithstanding any other provision of this Agreement, Partnership shall comply with all federal and state laws, and City ordinances in the development, construction and operation of the Property and Grand Avenue Property Improvements.

D. The foregoing representations and warranties shall survive the execution and Agreement and continue throughout the Term.

SECTION 6. DEFAULT AND REMEDIES

A. In the event: (1) Partnership fails to complete or cause the completion of the Public Improvements described in the Project Plan; (2) Partnership has delinquent ad valorem or sales taxes owed to the City (provided that Partnership retains the right to timely and properly protest and/or contest of any such taxes); (3) any Event of Bankruptcy or Insolvency by Partnership occurs; or (4) Partnership breaches any of the terms and conditions of this Agreement, then Partnership after the expiration of the notice and cure periods described herein, shall be in default of this Agreement. In the event of such a default, City shall give Partnership written notice of such breach and/or default.

B. If the Partnership has not cured such breach or default within 30 days after receipt of such notice, the City may terminate this Agreement by written notice to

Partnership, and the City shall have no further obligation to Partnership; provided however, that the City may, in its total discretion, grant Partnership an extension of 30 days to cure the default if Partnership demonstrates, to the satisfaction of the City Council, that: (1) the default cannot be cured by the payment of monies and (2) cannot be cured within 30 days, and (3) the Partnership is diligently pursuing cure. Partnership may not request more than three 30 day extensions.

C. If a default shall occur and continue, after 30 days written notice to cure default, the party not in default shall have the right to exercise any and all rights available to such party at law or in equity, including the right to seek such equitable relief such as injunction or mandamus as the non-defaulting party may be entitled.

D. No waiver or any breach of any term or condition of this Agreement shall be construed to waive any subsequent breach of the same or any other term or condition of this Agreement. Any waiver of any term or condition of this Agreement must be in writing and approved by the City Council of Southlake.

E. The termination of this Agreement shall not affect the transfer of property to City or otherwise relieve Partnership of its obligations hereunder or under the Development Agreement or Parking Garage Property Operating Agreement.

SECTION 7. RIGHT OF OFFSET

City may, at its option, offset any amounts due and payable to Partnership under this Agreement against any debt (including taxes) lawfully due to City, or any other taxing unit participating in the TIF District, from Partnership, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise and regardless of whether or not the debt in question has been reduced to judgment by a court.

SECTION 8. VENUE AND GOVERNING LAW

This Agreement is performable in Tarrant County, Texas and venue of any action arising out of this Agreement shall be exclusively in Tarrant County, Texas. This Agreement shall be governed and construed in accordance with the laws of the States of Texas.

SECTION 9. GIFT TO PUBLIC SERVANT OR TO PARTNERSHIP REPRESENTATIVE

A. Each party hereto represents to the other that it has not offered, conferred, or agreed to confer and that it will not offer, confer or agree to confer in the future any benefit upon an employee or official of the other party.

B. Notwithstanding any other legal remedies, City may obtain reimbursement for any expenditures made to Partnership as a result of the improper offer, agreement to

confer, or conferring of a benefit to a City employee or official.

SECTION 10. BINDING AGREEMENT; ASSIGNMENT

A. The terms and conditions of this Agreement are binding upon the successors and assigns of the parties hereto. The provisions of this Agreement are hereby declared covenants running with the Grand Avenue Property and are fully binding on the Partnership and each and every subsequent owner of all or any portion of the Property and shall be binding on all successors, heirs, and assigns of the Partnership which acquire any right, title, or interest in or to the Grand Avenue Property, or any part thereof.

B. Any person who acquires any right, title, or interest in or to the Grand Avenue Property, or any part hereof, thereby agrees and covenants to abide by and fully perform the provision of this Agreement with respect to the right, title or interest in such Property. A copy of this Agreement shall be recorded in the deed records of Tarrant County.

C. City agrees that Partnership may, upon written notice to the City, assign its rights to receive Program Payments under this Agreement to any third party. The Partnership may not assign other rights and obligations hereunder, which shall be at the discretion of the City. This Agreement may not be assigned without the express written consent of the City. Any assignment shall be contingent upon the assignee's agreement to comply with the provisions of this Agreement and the Economic Development Agreement. The City agrees to execute such documentation as reasonably necessary to evidence the consent of the City to such assignment in such form as is acceptable to the City or, at the request of a third-party lender, to enter into a tri-party agreement among the City, such third-party lender and Partnership, evidencing their agreement with respect to their respective rights and obligations under this Agreement. Any such agreement shall not become effective unless the City has received reimbursement for any legal or other professional fees incurred in the review of any such agreement(s).

SECTION 11. INDEMNIFICATION

A. PARTNERSHIP EXPRESSLY AGREES TO FULLY AND COMPLETELY DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, AND ITS OFFICERS, AND EMPLOYEES, AGAINST ANY AND ALL CLAIMS, LAWSUITS, LIABILITIES, JUDGMENTS, COSTS, AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM, DAMAGES OR LIABILITY FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY ANY NEGLIGENT, GROSSLY NEGLIGENT, WRONGFUL, OR STRICTLY LIABLE ACT OR OMISSION OF THE PARTNERSHIP OR ITS AGENTS, EMPLOYEES, OR CONTRACTORS, ARISING OUT IN THE PERFORMANCE OF THIS CONTRACT, REGARDLESS OF WHETHER OR NOT THE NEGLIGENCE, GROSS NEGLIGENCE, WRONGFUL ACT, OR FAULT OF THE CITY OR ITS OFFICERS, AGENTS, OR EMPLOYEES, CONTRIBUTES IN ANY WAY TO THE DAMAGE, INJURY, OR OTHER HARM. THE REQUIREMENT OF THE

PARTNERSHIP TO DEFEND THE CITY ALSO UNCONDITIONALLY APPLIES REGARDLESS OF WHETHER OR NOT THE NEGLIGENCE, GROSS NEGLIGENCE, OR FAULT OF THE CITY OR ITS OFFICERS, AGENTS, OR EMPLOYEES CONTRIBUTES IN ANY WAY TO THE DAMAGE, INJURY, OR OTHER HARM. Nothing in this paragraph may be construed as waiving any governmental immunity available to the City under state law. This provision is solely for the benefit of the Partnership and the City and is not intended to create or grant any rights, contractual or otherwise, in or to any other person.

B. It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties. The City, their past, present and future officers, elected officials, directors, employees and agents of the City do not assume any responsibility to any third party in connection with the Partnership's construction of the Public Improvements or other infrastructure Partnership shall construct in connection with the Grand Avenue Property.

SECTION 12. MISCELLANEOUS MATTERS

A. Time is of the essence of this Agreement. The parties hereto will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

B. This Agreement is made subject to the provisions of the Charter and ordinances of City, as amended, and all applicable state and federal laws.

C. This Agreement shall not be construed against the drafting party.

D. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

E. The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

F. This Agreement, together with the Agreements designated as Exhibits hereto, embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached and made a part of this Agreement.

G. Any notice to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be (1) delivered personally, with a receipt request therefore; or (2) sent by a nationally recognized overnight courier service; or (3) delivered by United States certified mail, return receipt requested, postage prepaid. All notices shall be addressed to the respective party at its address set forth below, and shall be effective (a) upon receipt or refusal if delivered personally; (b) one

business day after depositing, with such an overnight courier service or (c) two business days after deposit in the United States mail, if mailed. Any party hereto may change its address for receipt of notices by service of a notice of such change in accordance with this subsection.

If intended for Board, to: Chair, Board of Directors
Reinvestment Zone No. One
1400 Main Street, Suite 460
Southlake, Texas 76092

If intended for City, to: City Manager
City of Southlake
1400 Main Street, Suite 460
Southlake, Texas 76092

If intended for Partnership, to: SLTS Grand Avenue, L.P.
1256 Main Street, Suite 240
Southlake, Texas 76092
Attn: Brian R. Stebbins

H. Partnership hereby agrees that all property dedicated to the City and all public facilities constructed pursuant to this Agreement are reasonably necessary to serve the subdivision and are roughly proportional to the need generated by the subdivision for such land and facilities. Partnership hereby acknowledges its right to seek a waiver or variance to the dedication and/or construction requirements and that it has voluntarily chosen not to pursue such remedies; and Partnership waives any claim for taking of property to be dedicated or transferred to the City pursuant to this Agreement, or any other constitutional or statutory claim, that it may have under either the Texas or United States Constitutions or statutes.

I. This Agreement is for the benefit of the parties hereto and there are no intended third party beneficiaries to this Agreement, the Economic Development Program Agreement, or the Parking Garage Property Operating Agreement.

SECTION 13. EFFECTIVE DATE

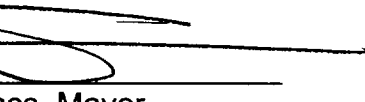
This Agreement shall become effective upon the last to occur of the following: the execution of this Agreement by all parties and the recordation in the Tarrant County Real Property Records of the Parking Garage Property Operating Agreement executed by all parties.

EXECUTED and effective as of the 3rd day of May, 2005 by Board signing by and through its Chairman, duly authorized to execute same by Resolution No. 05-001-TIF, by City, signing by and through its Mayor, duly authorized to execute same by Resolution No. 05-013, and by Partnership, acting through its duly authorized officials.

BOARD OF DIRECTORS OF THE
REINVESTMENT ZONING NO. ONE,
CITY OF SOUTHLAKE, TEXAS

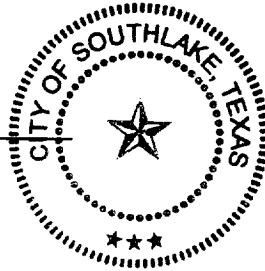
By: 
Keith Shankland, Board Chairman

CITY OF SOUTHLAKE, TEXAS

By: 
Andy Wambsganss, Mayor

ATTEST:

By: 
Lori Farwell, City Secretary



SLTS GRAND AVENUE, L.P., A TEXAS
LIMITED PARTNERSHIP

By: SLTS Grand Avenue Genpar, L.L.C.,
a Texas limited liability company, its
general partner

By: Cooper & Stebbins, L.P., a Texas
limited partnership, its member

By: CS Town Centers, LLC, a Texas
limited liability company, its general
partner

By: CS Town Centers, LLC, a
Texas limited liability company,
its general partner

By:  (FB)
Brian R. Stebbins,
Managing Member

EXHIBIT "A"
**ECONOMIC DEVELOPMENT PROGRAM AGREEMENT BETWEEN THE CITY AND
PARTNERSHIP**

ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This Economic Development Program Agreement ("Agreement") is made and entered into by and between the City of Southlake, Texas (the "City"), and SLTS Grand Avenue, L.P., a limited partnership, (the "Partnership").

WITNESSETH:

WHEREAS, on March 1, 2005, the City adopted an Economic Development Incentives Program with Resolution No. 05-013 establishing an Economic Development Program pursuant to Section 380.001 of the Texas Local Government Code ("Section 380.001"), the "Program"; and

WHEREAS, the Partnership desires to participate in the Program by entering into this Agreement and constructing a new business enterprise; and

WHEREAS, the City Council finds and determines that this Agreement will effectuate the purposes set forth in the Program, and that Partnership's performance of its obligations herein and that the expenditure of the monies provided for herein will promote local economic development and stimulate business and commercial activity in the City;

NOW, THEREFORE, in consideration of the mutual benefits and premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Authorization.** The City has concluded that this Agreement is authorized by Section 380.001, and is authorized by the City's Economic Development Incentives Program.

2. **Definitions.**

"Business Day" - any day other than a Saturday, Sunday, or City holiday, or any day on which national banks in Southlake, Texas are authorized to close.

"Commencement Date" - means the date the City determines that 360,000 square feet of buildings, excluding the Parking Garage Improvements, and including the theater and hotel, are under construction in the Grand Avenue Property.

"Development Agreement" - the Development Agreement between the City, the Board of Directors of Reinvestment Zone No. One, City of Southlake, and SLTS Grand Avenue, L.P. for Public Improvements to Property within Reinvestment Zone Number One, City of Southlake, executed on even date herewith and attached hereto as Exhibit "C".

"Effective Date" - the date that all parties have executed this Agreement and the Development Agreement between the Partnership, the City and the Board of Directors of Reinvestment Zone No. One becomes effective.

“Event of Bankruptcy or Insolvency” - the dissolution or termination of Partnership’s existence as a going business, insolvency, appointment of receiver for any part of Partnership’s property and such appointment is not terminated within 60 days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Partnership and such proceeding is not dismissed within 60 days after the filing thereof.

“Grand Avenue Property” or “Premises” - the property upon which the Grand Avenue Property Improvements will be constructed, as described in Exhibit “A”, attached hereto and incorporated herein.

“Grand Avenue Property Improvements” - the real and personal property improvements, excluding the Public Improvements, as that term is defined in the Development Agreement, to be constructed on the Grand Avenue Property.

“High quality, first class” - has the same meaning as defined in the Development Agreement.

“Initial Payment Calculation Date” - the date upon which the City receives from Tarrant Appraisal District the certified assessment for the Grand Avenue Property which reflects an assessed value of at least \$74,100,000.

“Parking Garage Improvements” - Parking Garage West and Parking Garage East.

“Parking Garage Property Operating Agreement” - has the same meaning as defined in the Development Agreement, more specifically described in Exhibit “I” to the Development Agreement.

“Parking Garage West” - a parking garage of approximately 248,000 square feet to be constructed on the Grand Avenue Property designed for approximately 800 parking spaces, more specifically described on Exhibit “D” to the Development Agreement.

“Parking Garage East” - a parking garage of approximately 315,000 square feet to be constructed on the Grand Avenue Property designed for approximately 900 parking spaces, more specifically described on Exhibit “E” to the Development Agreement.

“Parking Garage Property” - the property upon which Parking Garage West and Parking Garage East are to be constructed, together with the East and West Parking Garages, as more specifically described in Exhibit “D” and “E” to the Development Agreement.

“Person” - an individual or a corporation, partnership, trust, estate, unincorporated organization, association, or other entity.

“Program” - the meaning set forth in the recitals to this Agreement.

"Program Payment" - the payment by the City calculated as set forth in Section 5 of this Agreement.

"Project" - the acquisition and development of first class, high quality retail and office buildings, hotel building and movie theater building constructed on the Grand Avenue Property.

"Public Improvements"- the parks and Parking Garage Improvements to be constructed on the Public Improvement Property as described in the Development Agreement, as well as the streets, sidewalks, water, wastewater, and stormwater improvements Partnership is required to construct for the development of the Grand Avenue Property and dedicate to the City.

"Public Improvement Debt" - is the debt issued by the City to pay Partnership pursuant to Section 3 of the Development Agreement.

"Retailer" - any "retailer" within the meaning of Section 151.008 of the Texas Tax Code, as amended, to the extent said Retailer is located within the corporate limits of Southlake.

"Sale" - the meaning set forth in Section 151.005 of the Texas Tax Code, as amended.

"Sales Tax Report" - the report from the office of the Texas Comptroller which shows the amount of tax paid during the preceding calendar quarter by each person doing business on the Premises.

"Sales Tax Revenues" - gross revenues of the City from the sales and use taxes imposed by the City as a result of Taxable Sales. For this purpose, "gross revenues of the City" shall include all sales and use taxes imposed and received by the City under Chapter 321 of the Texas Tax Code, or its successor statute, excluding sales and use taxes imposed for the benefit of a corporation created under Section 4B, Article 5190.6 of the Texas Revised Civil Statutes, hotel occupancy taxes imposed pursuant to Chapter 156 of the Tax Code, or sales taxes imposed pursuant to Chapter 363 of the Texas Local Government Code. It does not include any sales and use tax collected pursuant to a tax adopted under a statute or ordinance enacted by the State or the City after the effective date of this Agreement.

"Sales Tax Schedule" - a schedule detailing the Sales Tax Revenues from Sales occurring during a Subject Quarter.

"Section 380.001" - the meaning set forth in the recitals to the Agreement.

"Shortfall Amount" - means the total of the following:

(a) the dollar amount equal to the City's annual debt service payment to finance the Public Improvement Debt, on a calendar year basis, less the amount of ad valorem tax revenues collected for Tarrant County, the City, the Hospital District and the College District attributable to the Grand Avenue Property, also on a calendar year basis, (By way of example, if in 2010, the ad valorem tax revenues attributable to the Grand Avenue Property collected for Tarrant County, the City, the Hospital District and the College District are \$725,000, and the annual debt service payment is \$775,000, the Shortfall Amount under this subsection (1) is \$50,000);

plus

(b) the total of the following:

(1) the dollar amount equal to any hotel occupancy taxes levied upon the hotel located on the Grand Avenue Property and which are not paid before the delinquency date (by way of example, if hotel occupancy taxes of \$100,000.00 are due on February 1, 2009 and are not paid by said date, the Shortfall Amount under this subsection (2)(i) is \$100,000.00);

plus

(2) if the hotel is not open for business during any portion of any calendar quarter, an amount equal to the hotel occupancy tax levied for the same calendar quarter of the most recent year the hotel was open for business, or if the hotel was not open for that entire calendar quarter, the most recent calendar quarter during which the hotel was open for the entire quarter, pro rated for the period the hotel is not open for business by multiplying the number of days the hotel was not open for business and dividing by ninety days (by way of example, if the hotel is not open for business from January 1 through March 1, 2009, and the hotel occupancy tax for the same Quarter during 2008 was \$24,000.00, the Shortfall Amount under this subsection (2)(ii) is \$24,000.00 multiplied by 60 (the number of days the hotel is not open for business) and divided by 90 (the approximate number of days in the quarter), or \$16,000.00).

In calculating the Shortfall Amount, all annual amounts shall be based on the calendar year.

"Subject Quarter" - calendar quarter representing January 1 through March 31, April 1 through June 30, July 1 through September 30, or October 1 through December 31.

"Taxable Sales" - any Sale by a Retailer located, or to be located, on the Premises.

"Term" - has the meaning set forth in Section 3 of this Agreement.

"Under Construction" - has the meaning set forth in the Development Agreement.

3. Term. This Agreement shall be effective as of the Effective Date, and unless terminated earlier pursuant to Section 4(c), 4(d) or Section 7, shall remain in full force and effect until December 31, 2018; provided however, if Partnership is in compliance with this Agreement, it shall be entitled to receive the final Program Payment for the Subject Quarter ending December 31, 2018.

4. Covenants of Partnership.

(a) In consideration of City agreeing to pay Partnership monies in accordance with the terms and conditions of this Agreement, Partnership agrees to:

(1) design and construct the Public Improvements in accordance with the specifications approved by the City, and as approved under the Development Agreement, and ordinances of the City; and

(2) dedicate the Public Improvements to the City;

(3) execute or cause to be executed by the appropriate parties the Parking Garage Property Operating Agreement, a copy of which is attached hereto as Exhibit "D";

(4) construct or cause to be constructed real property improvements and place personal property on the Grand Avenue Property in the amount so as to receive from the Tarrant Appraisal District:

a. a minimum assessed value of at least \$74,100,000 on the Grand Avenue Property Improvements for 2008.

(5) occupy and operate or cause to be occupied and operated the Grand Avenue Property Improvements for high quality, first class retail, office, entertainment uses, and such other uses as the City may approve, for at least twelve years after the Commencement Date; and

(6) cause to be occupied and operated the hotel on the Grand Avenue Property for at least twelve years after the Commencement Date, provided however, a default in this obligation shall not be deemed to have occurred if the hotel is closed, Partnership is actively seeking a new hotel for the site and the hotel is not closed for more than 24 months;

(7) comply with:

a. all applicable federal and state laws and local ordinances in the construction, operation and maintenance of the Grand Avenue Property; and

b. the provisions of the Development Agreement; and

c. and not be in default of the provisions of the Parking Garages Operating Agreement, including payment of the Annual Maintenance Fee.

(b) Partnership agrees to render, or cause to be rendered, the Property to the Tarrant County Appraisal District and remain current on all ad valorem taxes assessed by all governmental entities for the Grand Avenue Property and Grand Avenue Property Improvements for the term of this Agreement.

(c) Partnership agrees that if Tarrant Appraisal District does not assess a value of at least \$74,100,000 for the Grand Avenue Property Improvements on or before July 25, 2008, said date being subject to extension for a delay in receipt of the certified assessment from Tarrant County Appraisal District for reasons beyond Partnership's control, City shall have no further obligation to Partnership hereunder.

(d) The Partnership agrees that this Agreement shall terminate and be null and void and City shall have no obligation to Partnership if:

(1) beginning in January 2009, if the assessed value of the Grand Avenue Property Improvements is less than \$74,100,000 for any three consecutive years of the Term; or

(2) there is a Shortfall Amount for 12 consecutive Subject Quarters, notwithstanding the Partnership's payment to the City an amount equal to any Shortfall Amounts resulting from delinquent taxes owed the City as provided in Section 5 (i) hereof.

5. Program Payments.

(a) The first Subject Quarter of this Agreement will commence November 1 after the Commencement Date. As soon as practical after the end of each Subject Quarter following the Commencement Date, the City shall obtain, from the State of Texas, the Sales Tax Revenues for the previous Subject Quarter pursuant to the information received from the Texas Comptroller, or if necessary, Waivers described in Section 5(d) hereof.

(b) Provided that Partnership is in compliance with its obligations hereunder, on or before 90 days after the end of the first Subject Quarter following the Initial Payment Calculation Date, and thereafter, on or before the first business day 90 days after the end of each Subject Quarter of the Term, the City shall pay Partnership a Program Payment, which shall be calculated as eighty percent (80%) of the Sales Tax Revenues received the previous Subject Quarter less the Shortfall Amount, if any. The initial Program Payment shall be an amount equal to eighty percent of the Sales Tax Revenues received since the Commencement Date, less the Shortfall Amount, if any. Provided, however, in the event that City does not receive from the Texas Comptroller the Sales Tax Revenues collected by a Retailer, the City shall not include the amount of the Sales Tax collected by such Retailer in the total Sales Tax Revenues upon which the Program Payment is calculated.

(c) The City shall not be obligated to make a Program Payment to Partnership unless:

(1) the Partnership is in compliance with the conditions of this Agreement;

(2) the Partnership is in compliance with the conditions of the Development Agreement;

(3) the Partnership is in compliance with the conditions of the Parking Garages Operating Agreement;

(4) a Declaration of Covenants, Restrictions and Easements for the Grand Avenue Property relating to parking in the Garages in a form satisfactory to the City has been recorded; and

(5) the City has received the Quarterly Sales Tax Report for the Premises;

(6) subject to subsection (d) below, the Tarrant Appraisal District assesses a value for the Grand Avenue Property Improvements of at least \$74,100,000 for 2008 and each year thereafter; and

(7) the City's receipt of verification that the hotel constructed on the Grand Avenue property is not delinquent in the payment of any ad valorem, sales tax or hotel tax due any governmental entity, provided however, that the hotel shall have the right to exercise administrative appeals.

(8) Partnership's, and Partnership's successors, assigns, and lessees, acceptance of the values for the Grand Avenue Property and Grand Avenue Property Improvements assessed by the Tarrant Appraisal District.

(d) Notwithstanding the City's obligation in Subsection (b), the City shall deduct from any Program Payments otherwise due to the Partnership an amount equal to the Shortfall Amount or any offset amount pursuant to Section 17 hereof.

(e) If there is a Shortfall Amount, the City shall retain the Sales Tax Revenues that would otherwise be due Partnership until such time as the Sales Tax Revenues shall equal (1) the debt service payment for Public Improvement Debt for that year and (2) any Shortfall Amount from hotel occupancy taxes owed the City is satisfied.

(f) Partnership shall not be entitled to "recoup" any amounts withheld from Program Payments pursuant to this subsection. In the event there is a Shortfall Amount which reduces the amount of any Program Payment hereunder, the parties agree that City shall not include the Shortfall Amount in any future Program payments. By way of example, if 80% of the Sales Tax Revenues equals \$100,000, and there is a Shortfall Amount of

\$50,000, the Partnership shall receive a Program Payment of \$50,000. If in the next quarter, 80% of the Sales Tax Revenues equals \$100,000, and Partnership is entitled to receive a Program Payment, the Program Payment shall be \$80,000.

(g) City may adjust payments due hereunder for errors caused by over and under reporting and refunds of sales tax.

(h) In the event that the City is unable to obtain sales tax revenues for a Retailer within the Premises, Partnership may obtain a Waiver of Sales Tax Confidentiality in the form attached hereto as Exhibit "B" from each Retailer located within the Premises, and submit the same to City. In the event that City does not receive from the Texas Comptroller the Sales Tax information collected by a Retailer, and such waiver is not provided to City, the City shall not include the amount of the Sales Tax collected by such Retailer in the total Sales Tax Revenues upon which the Program Payment is calculated.

(i) If a Shortfall Amount resulting from a delinquent ad valorem or hotel occupancy tax exists at the time a Program Payment is due, to the extent permitted by law, Partnership may pay to the City an amount equal to the delinquent tax so as to reduce or eliminate the Shortfall Amount. In the event that the City later receives payment of the delinquent tax, applicable interest, penalty and attorney's fees from the entity responsible for payment of the tax, City shall issue a credit against any future Shortfall Amounts in the amount of the delinquent tax paid, excluding any interest, penalties or attorneys' fees.

(j) All Program Payments to be paid pursuant to this Agreement shall be made from Sales Tax Revenues received from the Grand Avenue Property, to the extent such funds are legally available. Partnership shall have no recourse against any other funds of the City.

6. Verification.

If requested by the City, an independent certified public accounting firm acceptable to the City (the "Auditor") shall audit the calculations of Sales Tax Revenues. If the Auditor determines that Sales Tax Revenues have been understated, then the City shall pay to the Partnership the appropriate amount owed pursuant to this Agreement, based on the Auditor's conclusion, and shall pay for the audit. If the Auditor determines that Sales Tax Revenues have been overstated, then the Partnership shall promptly pay to the City such amount owed pursuant to this Agreement and shall pay for the Audit.

7. Default.

(a) Should Partnership fail to comply with any term of this Agreement, or have an event of bankruptcy or insolvency, Partnership shall have thirty (30) days after written notice from City to come into compliance.

(b) If the noncompliance is not cured within that period, City may terminate this Agreement by written notice, and shall have no further obligation to Partnership; provided however, that the City may, in its total discretion, grant Partnership an extension of 30 days to cure the default if Partnership demonstrates, to the satisfaction of the City Council, that: (1) the default cannot be cured by the payment of monies and (2) cannot be cured within 30 days, and (3) the Partnership is diligently pursuing cure. Partnership may not request more than three 30 day extensions.

(c) The termination of this Agreement shall not affect the transfer of property to City or otherwise relieve Partnership of its obligations hereunder or under the Development Agreement or Parking Agreement.

8. Mutual Assistance.

The Partnership hereby consents to and agrees to cooperate with the City to obtain copies of sales/use tax returns from the State which contains information pertinent to the calculation of the Sales Tax Revenues.

9. Representations and Warranties.

The Partnership represents and warrants to the City that it has the requisite authority to enter into this Agreement.

10. Section or Other Headings.

Section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

11. Entire Agreement.

This Agreement, together with the Parking Garage Property Operating Agreement and the Development Agreement, contain the entire agreement between the parties with respect to the transactions contemplated herein.

12. Amendment.

This Agreement may only be amended, altered, or revoked by written instrument signed by the Partnership and the City.

13. Successors and Assigns.

This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns. City agrees that Partnership may, upon written notice to the City, assign its rights to receive Program Payments under this Agreement to any third party. The Partnership may not assign other rights and obligations hereunder without the prior written approval of the City, which shall be at the discretion of the City. Any

assignment shall be contingent upon the assignee's agreement to comply with the provisions of this Agreement and the Development Agreement. The City agrees to execute such documentation as reasonably necessary to evidence the consent of the City to such assignment in such form as is acceptable to the City or, at the request of a third-party lender, to enter into a tri-party agreement among the City, such third-party lender and Partnership, evidencing their agreement with respect to their respective rights and obligations under this Agreement. Any such agreement shall not become effective unless the City has received reimbursement for any legal or other professional fees incurred in the review and execution of the agreement.

14. Notice.

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States Mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing:

Partnership:	SLTS Grand Avenue, L.P. 1256 Main Street, Suite 240 Southlake, Texas 76092 Attn: Brian R. Stebbins
--------------	---

City:	City of Southlake Attn: City Manager 1400 Main Street Southlake, Texas 76092
-------	---

A party may change its address to which notices or demands may be given, by written notice to the other party.

15. Interpretation.

Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any party.

16. Applicable Law.

This Agreement is made and shall be construed and interpreted under the laws of the State of Texas and venue shall lie in Tarrant County, Texas.

17. Right to Offset.

City may, at its option, offset any amounts due and payable to Partnership under this Agreement against any debt (including taxes) lawfully due to City from Partnership, regardless of whether the amount due arises pursuant to the terms of this Agreement or

otherwise and regardless of whether or not the debt due to City has been reduced to judgment by a court.

18. Indemnification.

(a) **PARTNERSHIP EXPRESSLY AGREES TO FULLY AND COMPLETELY DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, AND ITS OFFICERS, AND EMPLOYEES, AGAINST ANY AND ALL CLAIMS, LAWSUITS, LIABILITIES, JUDGMENTS, COSTS, AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM, DAMAGES OR LIABILITY FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY ANY NEGLIGENT, GROSSLY NEGLIGENT, WRONGFUL, OR STRICTLY LIABLE ACT OR OMISSION OF THE PARTNERSHIP OR ITS AGENTS, EMPLOYEES, OR CONTRACTORS, ARISING OUT IN THE PERFORMANCE OF THIS CONTRACT, REGARDLESS OF WHETHER OR NOT THE NEGLIGENCE, GROSS NEGLIGENCE, WRONGFUL ACT, OR FAULT OF THE CITY OR ITS OFFICERS, AGENTS, OR EMPLOYEES, CONTRIBUTES IN ANY WAY TO THE DAMAGE, INJURY, OR OTHER HARM. THE REQUIREMENT OF THE PARTNERSHIP TO DEFEND THE CITY ALSO UNCONDITIONALLY APPLIES REGARDLESS OF WHETHER OR NOT THE NEGLIGENCE, GROSS NEGLIGENCE, OR FAULT OF THE CITY OR ITS OFFICERS, AGENTS, OR EMPLOYEES CONTRIBUTES IN ANY WAY TO THE DAMAGE, INJURY, OR OTHER HARM.** Nothing in this paragraph may be construed as waiving any immunity available to the City under state law. This provision is solely for the benefit of the Partnership and the City and is not intended to create or grant any rights, contractual or otherwise, in or to any other person.

(b) It is agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties. The City, its elected officials, directors, employees and agents do not assume any responsibility to any third party in connection with the Partnership's construction or operation of the improvements constructed on the Grand Avenue Property.

(c) City may withhold any payment to Partnership if partnership has entered into a tax abatement agreement with Carroll Independent School District or if the District approves an economic development incentive, whether monetary or nonmonetary, or in the form of a credit, for Partnership or any Affiliated Entity, as that term is defined in the Development Agreement. After the City Manager reviews the specific incentives authorized by the District, the City shall determine the dollar value of the incentive and shall deduct the value from all Program Payments due Partnership.

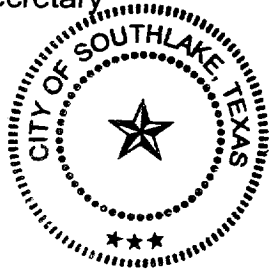
This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

Attest:

THE CITY OF SOUTHLAKE

Lori A Farwell
Lori Farwell, City Secretary

By: [Signature]
Andy Wambsganss, Mayor



SLTS GRAND AVENUE, L.P.,
A TEXAS LIMITED PARTNERSHIP

By: SLTS Grand Avenue Genpar, L.L.C., a
Texas limited liability company, its general
partner

By: Cooper & Stebbins, L.P., a Texas limited
partnership, its member

By: CS Town Centers, LLC, a Texas
limited liability company, its general
partner

By: CS Town Centers, LLC, a Texas
limited liability company, its
general partner

By: [Signature]
Brian R. Stebbins, Managing Member (FR)

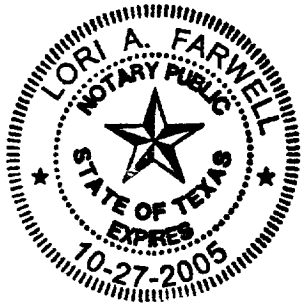
STATE OF TEXAS
COUNTY OF TARRANT

§
§
§

Before me Lori A. Farwell on this day personally appeared Andy Wambsganss, 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.

Given under my hand and seal of office this 29 day of March, A.D. 2005.

(SEAL)



Lori A. Farwell
Notary Public in and for the State of Texas
My Commission Expires: 10/27/05
Type or Print Notary's Name:
Lori A. Farwell

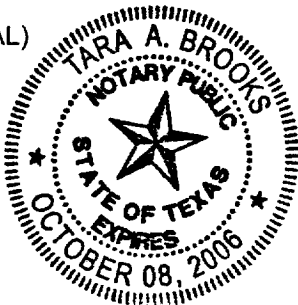
STATE OF TEXAS
COUNTY OF TARRANT

§
§
§

Before me Tara A. Brooks on this day personally appeared Brian R. Stebbins, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in his capacity as managing member of CS Town Centers, LLC, a Texas limited liability company, the general partner of Cooper & Stebbins, L.P., a Texas limited partnership, the member of SLTS Grand Avenue Genpar, L.L.C., a Texas limited liability company, the general partner of SLTS Grand Avenue, L.P., a Texas limited partnership, on behalf of such limited liability companies and limited partnerships.

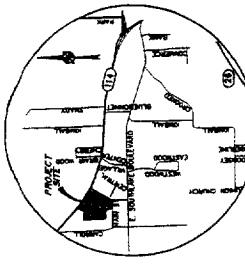
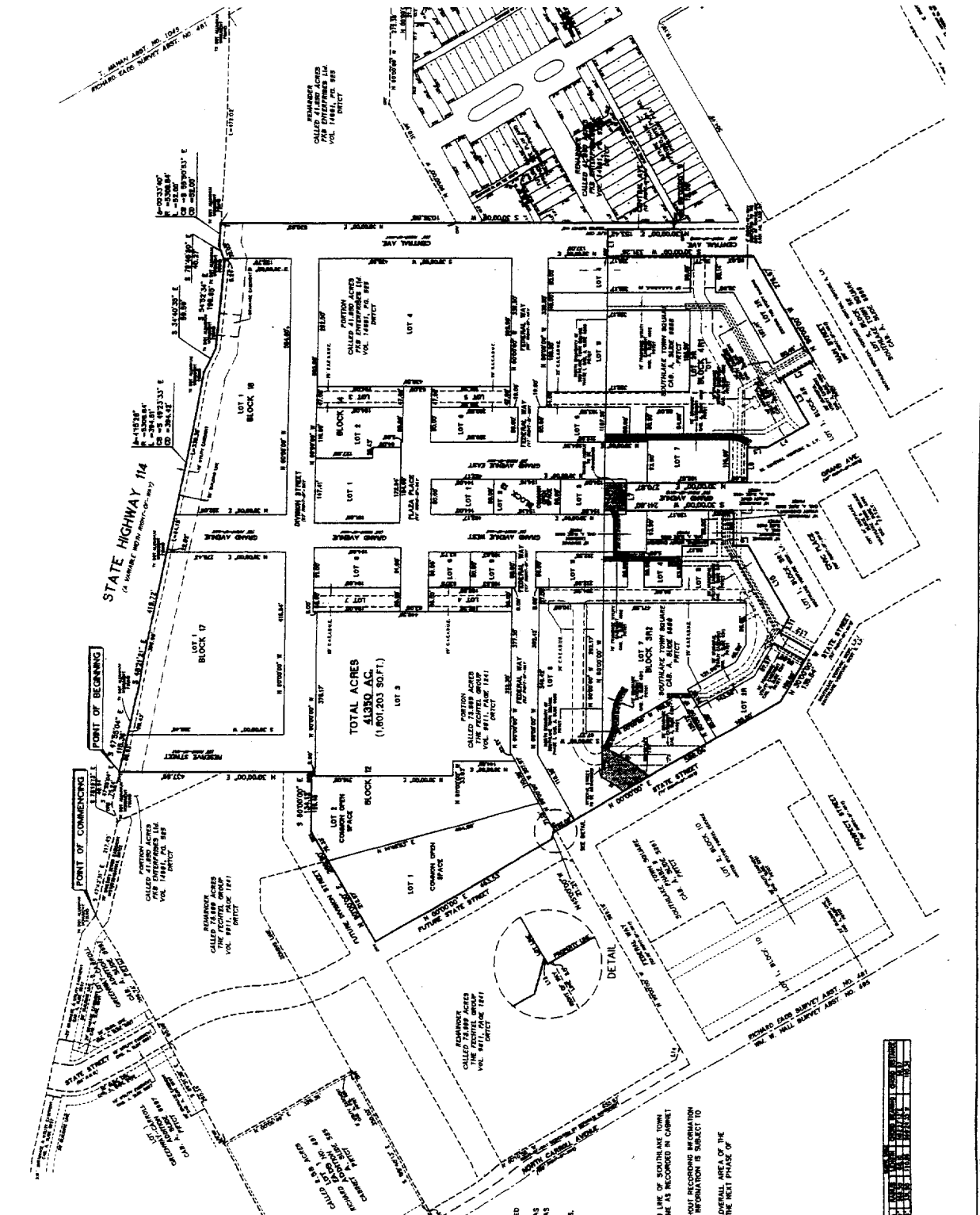
Given under my hand and seal of office this 18th day of March, A.D. 2005.

(SEAL)



Tara A. Brooks
Notary Public in and for the State of Texas
My Commission Expires: 10-8-06
Type or Print Notary's Name:
Tara A. Brooks

EXHIBIT "A"
DESCRIPTION OF PROPERTY
BOUNDARY SURVEY



LEGEND

- IRON ROD FOUND
- 5/8-INCH IRON ROD WITH CAP STAMPED
- CONCRETE MONUMENT
- WOODEN MONUMENT
- WOODEN MONUMENT WITH FOUND
- CONCRETE MONUMENT WITH FOUND
- PLAT RECORDS TARRANT COUNTY TEXAS
- (CM) CONTROL MONUMENT
- COMMON ACCESS, EMERGENCY ACCESS,
- DRAINAGE AND UTILITY EASEMENT
- EASEMENT TO BE ADJACENT WITH
- THE FUTURE OF THIS PROPERTY

NOTES

1. BEARINGS SHOWN HEREON ARE BASED ON THE NORTH LINE OF SOUTHLAKE TOWN SQUARE PHASE I, BEING NORTH 00°00'00" WEST THE SAME AS RECORDED IN CACKET A, SILEE 1986, PAGE 1.
2. THE SURVEY AREA IS PART OF THE RICHARD EADS SURVEY, ABSTRACT NO. 481, CITY OF SOUTHLAKE, TARRANT COUNTY, TEXAS. THE PROPERTY IS SUBJECT TO CHANGE AND IS INFORMATIONAL PURPOSE ONLY.
3. THE PURPOSE OF THIS SURVEY IS TO DESCRIBE THE OVERALL AREA OF THE PROPERTY TO BE PLATTED WITHIN A SUBDIVISION.
4. THE SURVEY AREA IS PART OF THE RICHARD EADS SURVEY, ABSTRACT NO. 481, CITY OF SOUTHLAKE, TARRANT COUNTY, TEXAS.

NO.	DESCRIPTION	DATE	BY
1	AS BUILT	12/10/23	HOB
2	AS BUILT	12/10/23	HOB
3	AS BUILT	12/10/23	HOB
4	AS BUILT	12/10/23	HOB
5	AS BUILT	12/10/23	HOB
6	AS BUILT	12/10/23	HOB
7	AS BUILT	12/10/23	HOB
8	AS BUILT	12/10/23	HOB
9	AS BUILT	12/10/23	HOB
10	AS BUILT	12/10/23	HOB
11	AS BUILT	12/10/23	HOB
12	AS BUILT	12/10/23	HOB
13	AS BUILT	12/10/23	HOB
14	AS BUILT	12/10/23	HOB
15	AS BUILT	12/10/23	HOB
16	AS BUILT	12/10/23	HOB
17	AS BUILT	12/10/23	HOB
18	AS BUILT	12/10/23	HOB
19	AS BUILT	12/10/23	HOB
20	AS BUILT	12/10/23	HOB

EXHIBIT "B"
WAIVER FORM

EXHIBIT "C"
DEVELOPMENT AGREEMENT

**DEVELOPMENT AGREEMENT
WITH SLTS GRAND AVENUE, L.P. FOR PUBLIC IMPROVEMENTS TO PROPERTY
WITHIN REINVESTMENT ZONE NUMBER ONE, CITY OF SOUTHLAKE**

THIS DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between the City of Southlake, a Texas municipal corporation of Tarrant County and Denton County, Texas (hereinafter called "City"), the Board of Directors of the Reinvestment Zone Number One, City of Southlake, Texas (hereinafter called "Board"), and SLTS Grand Avenue, L.P., a Texas Limited Partnership (hereinafter called "Partnership").

WITNESSETH:

WHEREAS, City recognizes the importance of its continued role in local economic development; and

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, V.T.C.A. Tax Code, Chapter 311 (the "Act"), on September 23, 1997, the Southlake City Council approved Ordinance No. 682, creating, establishing and designating "Reinvestment Zone Number One, City of Southlake" (hereinafter called the "TIF District"); and

WHEREAS, Partnership has acquired certain real property situated within the TIF District and intends to develop the property for use as "high quality, first class" retail and office buildings, a hotel and a movie theatre, together with ancillary areas and improvements; and

WHEREAS, the Act authorizes the expenditure of funds derived within a reinvestment zone, whether from bond proceeds or other funds, for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by a municipality consistent with the project plan of the reinvestment zone, which expenditures and monetary obligations constitute project costs, as defined in the Act; and

WHEREAS, on August 17, 1999, after approval of the Board, the Southlake City Council approved Ordinance No. 752 approving the Amended Tax Increment Reinvestment Zone Project Plan (herein so called), and the Financing Plan (herein so called); and

WHEREAS, pursuant to resolution adopted 05-001-TIF, 2005, the Board authorized the execution of this Agreement for the construction of public improvements in accordance with the approved Project Plan and Financing Plan, and authorizing reimbursement to Partnership from ad valorem taxes collected for the Grand Avenue Property for the taxing units participating in the TIF and deposited into the Tax Increment Fund, and for Southlake ad valorem taxes collected for business personal property within the Grand Avenue Property Improvements, for the construction of the Public Improvements under the conditions set forth herein; and

WHEREAS, pursuant to Resolution No. 05-013, the City Council authorized the execution of this Agreement for the construction of public improvements in accordance with the approved Project Plan and Financing Plan, and authorizing reimbursement to Partnership from the Tax Increment Fund for the construction of the public improvements under the conditions set forth herein; and

WHEREAS, the Public Improvements to be constructed within the Grand Avenue Property, as defined in Section 1 below, which is situated within the TIF District boundaries, as set forth in this Agreement, are consistent with encouraging development of the TIF District and Reinvestment Zone in accordance with the purposes for its creation and are in compliance with the ordinance creating such reinvestment zone adopted by the City and all applicable laws; and

WHEREAS, Partnership and City have agreed that following completion of the Public Improvements, and upon Partnership's compliance with the provisions of this Agreement, the City shall acquire, and the Partnership shall convey the Public Improvements to the City, and City shall reimburse the Partnership in the manner contemplated by the Act; and

WHEREAS, the reimbursement of funds advanced by Partnership for the cost of making Public Improvements as contemplated herein is consistent with and described in the Project Plan and Financing Plan;

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein, the parties agree as follows:

SECTION 1. DEFINITIONS

In this Agreement, the following words shall have the following meanings ascribed to them:

AFFILIATED ENTITY – any person, firm, corporation, partnership or other entity owned, controlled or managed in whole or in part, by any person, firm, corporation, partnership or other entity, or any principal or shareholder in any such entity, excluding a taxing entity, with an interest in any of the real property located in the Reinvestment Zone.

APPROVED PROJECT COSTS – the following costs incurred by Partnership in the design and construction of the Public Improvements: architectural and engineering fees, surveying fees, construction labor, construction materials and building materials and supplies. It does not include any cost incurred from goods or services provided by an Affiliated Entity, legal fees, or construction management fees or project management fees.

ECONOMIC DEVELOPMENT AGREEMENT – the Economic Development Program Agreement entered between Partnership and City pursuant to §380.001 of the Texas Local Gov't Code executed on even date herewith, and attached as Exhibit "A."

EVENT OF BANKRUPTCY OR INSOLVENCY – the dissolution or termination of Partnership’s existence as a going business, insolvency, appointment of receiver for any part of Partnership’s property and such appointment is not terminated within 60 days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Partnership and such proceeding is not dismissed within 60 days after the filing thereof.

GRAND AVENUE PROPERTY – the property, consisting of 41.350 acres, upon which the Real and Personal Property Improvements will be constructed, as described in Exhibit “B”, attached hereto and incorporated herein.

GRAND AVENUE PROPERTY IMPROVEMENTS – the real and personal property improvements, including retail and office buildings, hotel building and movie theater building to be constructed on the Grand Avenue Property. It does not include the Public Improvements.

HIGH QUALITY, FIRST CLASS – development which is in conformance with the site plan approved by, or to be approved by the City Council of City for the development and consistent with Town Square operations as of the date of execution of this Agreement.

PARKING GARAGE WEST PROPERTY – the property upon which Parking Garage West is to be constructed, as delineated on Exhibit “D”, attached hereto and incorporated herein.

PARKING GARAGE EAST PROPERTY – the property upon which Parking Garage East is to be constructed, as delineated on Exhibit “E”, attached hereto and incorporated herein.

PARKING GARAGE PROPERTY OPERATING AGREEMENT – the agreement between the Partnership and the City delineating the rights, responsibilities and restrictions regarding the operation of the Parking Garage Properties, as attached hereto as Exhibit “I”.

PARKING GARAGE PROPERTY – the property upon which Parking Garage West and Parking Garage East are to be constructed, together with the Parking Garages, as delineated on Exhibits “D” and “E”, attached hereto and incorporated herein.

PROJECT PLAN AND FINANCING PLAN or PROJECT PLAN – the project and financing plan approved by Ordinance No. 752 of the City of Southlake.

PUBLIC IMPROVEMENT PROPERTY - the property upon which the Public Improvements, including the Parking Garages, are to be constructed, as described in Exhibit “C”.

PUBLIC IMPROVEMENTS – the parks and Parking Garages to be constructed on the Public Improvement Property as depicted and described on Exhibit “C” attached hereto and incorporated herein, as well as the streets, sidewalks, water, wastewater and stormwater improvements Partnership is required to construct for the development of the Grand Avenue Property.

REIMBURSABLE PROJECT COSTS – the total amount to be paid by the City for the Public Improvements acquired from the Partnership.

TAX INCREMENT FUND or TIF – the Tax Increment Fund of the Southlake Reinvestment Zone No. 1.

TIF DISTRICT – the property within Southlake Reinvestment Zone No. 1.

UNDER CONSTRUCTION – construction in which the following conditions have been met: building permits have been issued, the foundation has been poured and vertical construction is occurring, i.e., walls have been erected and construction is proceeding continuously.

SECTION 2. PARTNERSHIP’S OBLIGATIONS

A. In conjunction with the long-term development plan for the TIF District, as described in the Project Plan, Partnership agrees to design and construct certain Public Improvements, including streets, utility improvements and the Parking Garages and the parks within the Grand Avenue Property. A description of the Project is contained in the approved Project Plan and Financing Plan. The Project is located entirely within the limits of the City and within the TIF District and all Public Improvements shall be constructed within Public Improvement Property, existing or future public property, public rights-of-way, or easements.

B. Partnership shall submit to the City for its review and approval plans for the design of the following:

1. the Public Improvements to be constructed within the Public Improvements Property; and
2. the theater planned to be constructed within the Grand Avenue Property.

C. Partnership shall not be entitled to payment unless the City Council has approved the design and plans for the Public Improvements described in Subsection B. 1 and 2 above and the plat depicting the streets and sidewalks and the City has accepted the conveyance of the parks, streets, sidewalks, water, wastewater and stormwater improvements, and issued a certificate of occupancy for the Parking Garages, and the other requirements for payment are satisfied.

D. Before the final plat is recorded, Partnership shall:

1. construct and dedicate the infrastructure and right-of-way and easements required by the City's Ordinances, including but not limited to streets and sidewalks, water, wastewater and stormwater improvements and dedicate the streets to the City by general warranty deed in the form attached as Exhibit "H", and

2. construct the proposed parks in accordance with the design approved by the City and in compliance with all applicable ordinances, and dedicate the same to the City by general warranty deed in the form attached as Exhibit "G".

E. Partnership agrees that the City's specifications for public and private improvements are minimum standards only and Partnership shall retain an engineer for purposes of review of City specifications. If, in the engineer's opinion, additional technical design requirements, in addition to the City specifications, are required to design the Public Improvements sufficient for local conditions, Partnership will include such design requirements in the specifications for the Public Improvements. The City shall be expressly named as an intended third party beneficiary in the contract between the Partnership and the engineer.

F. Partnership shall design and construct all improvements on the Grand Avenue Property so as to comprise a high quality, first class retail and office development, including a high quality first class hotel and theater, and such other uses as City may approve over time. The hotel shall be constructed to include at a minimum, 250 rooms and the following amenities:

1. a full service restaurant;
2. a downtown service bar;
3. a swimming pool with jacuzzi;
4. a conference center of a size of at least 15,000 square feet;
5. a spa;
6. a workout facility; and
7. such other amenities as are required in order to obtain a franchise to operate a hotel under the "Hilton" Hotels brand.

G. Before City becomes obligated to make payment to Partnership as set forth herein:

1. Partnership shall:
 - a. be in compliance with the terms and conditions of this Agreement;
 - b. be in compliance with the Economic Development Agreement;
- and

c. convey the:

(1) Parking Garage Properties to the City in accordance with the provisions of Section H. below;

(2) streets to the City by general warranty deed in the form as attached hereto as Exhibit "H";

(3) parks to the City by general warranty deed in the form as attached hereto as Exhibit "G"; and

d. have caused all necessary parties, save Tarrant County to have executed and recorded in the Real Property Records of Tarrant County the Parking Garage Property Operating Agreement;

2. the Southlake Town Square Association or its successor shall have executed and recorded deed restrictions regarding parking in the Parking Garages, with such consents as are required by any lenders or owners, as are contained in the Parking Garages Operating Agreement and which shall be binding upon the owners and occupants of each parcel of land located in any phase of the Town Square Addition; and

3. Tarrant County shall have executed and recorded its consent to the termination of its rights pursuant to the Irrevocable Parking License, Maintenance and Operation Agreement filed in Volume 17206, page 198 of the Tarrant County Real Property Records;

In the event Partnership is entitled to payment, City shall pay the Partnership an amount as determined in Section 3. In no event shall the City's payment hereunder exceed \$7,500,000.

H. Partnership shall convey the Parking Garage Property to the City by Special Warranty Deed, in the form as attached hereto as Exhibit "F", conveying good and marketable title in fee simple to the Parking Garage Property, free and clear of any and all liens, encumbrances, conditions, assessments, and restrictions other than as provided in this Section. At the time of the conveyance, Partnership shall deliver to City:

1. at Partnership's sole expense, a Texas Owner's Title Policy, issued by Rattikin Title Company, 201 Main Street, Suite 800, Fort Worth, Texas 76102 in the amount of \$13,000,000, insuring the City's fee simple title to the Parking Garage Property, subject only to those title exceptions listed in this Section, if any, such other exceptions as may be approved in writing by City, provided, however: (a) the boundary and survey exceptions shall be deleted; (b) the exception as to restrictive covenants shall be endorsed "None of Record"; and the exception as to the lien for taxes shall be limited to the year of closing and shall be endorsed "Not Yet Due and Payable";

2. releases from the contractors, subcontractors and suppliers of materials who have provided labor and materials for the Public Improvements showing that they have been paid for such labor and materials;

3. an assignment of all contractors' warranties, if any, and all performance and payment bonds; and

4. funds in an amount as determined by the City's Director of Finance sufficient to pay roll-back ad valorem taxes from all taxing units which will become due on the Grand Avenue Property, including the property upon which the Public Improvements are to be constructed, due to the change of use from agricultural to nonagricultural use. To the extent that all or a portion of such taxes have already been paid to the applicable taxing entities as of the date of City's payment made under this Agreement, Partnership shall be deemed to have satisfied this condition.

SECTION 3. CITY PARTICIPATION

A. Partnership shall:

1. submit, or cause to be submitted, plans and specifications for the Public Improvements to the City for review and approval prior to the commencement of construction thereof. Such plans and specifications and construction shall be in conformance with the City of Southlake's design standards, any additional design requirements recommended by Partnership's engineers and/or architects pursuant to Section 2.E. above and all applicable ordinances;

2. construct the Public Improvements and all other improvements and infrastructure required by City ordinances, and the Grand Avenue Property Improvements within the Grand Avenue Property;

3. submit to City evidence of Approved Project Costs of (i) at least \$1,000,000 for the construction of park and park improvements within the Grand Avenue Property; and (ii) at least \$6,500,000 for the streets, utility improvements and Parking Garage West.

4. comply with all other conditions and obligations in this Agreement.

B. To determine the Approved Project Costs, City shall have the right to inspect the site during construction, and to inspect, during the term of this Agreement, any and all records of Partnership, Partnership's agents, employees, contractors or subcontractors and shall have the right to require Partnership to submit any necessary information, documents, invoices, receipts or other records relating to costs of the Public Improvements.

C. Provided that:

1. Partnership is in compliance with all terms and conditions of this Agreement and

2. the Tarrant Appraisal District shall assess a value of at least \$37,050,000 for the Grand Avenue Property Improvements on or before July 25, 2006 (this date being subject to extension for a delay in receiving a certified assessment from Tarrant Appraisal District for reasons beyond the Partnership's control), and

3. at least 360,000 square feet of buildings in the Grand Avenue Property, are under construction on January 1, 2006, then Partnership shall be entitled to payment from the City an amount calculated as follows (but in any event not more than \$7,500,000):

$$\text{Payment due Partnership} = \frac{\text{assessed value}}{\$74,100,000} \times \$7,500,000$$

By way of example, if the assessed value for 2006 is \$37,050,000, City shall make payment to Partnership for Approved Project Costs in the amount of \$3,750,000. In the event that the Tarrant Appraisal District has not assessed a value of at least \$37,050,000 for the Grand Avenue Property Improvements by this date, or 360,000 square feet of buildings is not under construction, or Partnership is not in compliance with the terms of this Agreement, Partnership shall not be entitled to receive a payment in 2006.

D. In the event that:

1. Partnership is entitled to receive and receives a partial payment in 2006, pursuant to Subsection C above, and

2. Partnership is in compliance with the terms and conditions of this Agreement, and

3. the Tarrant Appraisal District shall assess a value of at least \$74,100,000 for the Grand Avenue Property Improvements on or before July 25, 2007 (this date being subject to extension for a delay in receiving a certified assessment from Tarrant Appraisal District for reasons beyond the Partnership's control), then City shall make payment to Partnership for Approved Project Costs in the amount of \$7,500,000 less the partial payment made in 2006. For example, if the assessed value in 2006 is \$66,690,000, pursuant to which City has made payment to Partnership in the amount of \$6,750,000, and the assessed value in 2007 is \$75,000,000, City shall make a final payment to Partnership for Approved Costs in the amount of \$750,000 in 2007.

E. In the event:

1. Partnership is:

- a. not entitled to receive a payment in 2006; and
- b. is in compliance with all terms and conditions of

this Agreement; and

2. the Tarrant Appraisal District shall assess a value of at least \$37,050,000 for the Grand Avenue Property Improvements on or before July 25, 2007 (this date being subject to extension for a delay in receipt of a certified assessment from Tarrant Appraisal District for reasons beyond the Partnership's control), and

3. at least 360,000 square feet of buildings in the Grand Avenue Property are under construction on January 1, 2007,

then Partnership shall be entitled to payment from the City of an amount calculated as follows (but in any event not more than \$6,520,000):

$$\text{Payment due Partnership} = \frac{\text{assessed value}}{\$74,100,000} \times \$6,520,000$$

F. In the event that:

1. Partnership:

a. did not qualify for payment in 2006 but qualified for and received a payment in 2007, and

b. is in compliance with the terms and conditions of this Agreement; and

2. the Tarrant Appraisal District shall assess a value of at least \$74,100,000 for the Grand Avenue Property Improvements on or before July 25, 2008 (this date being subject to extension for a delay in receipt of the certified assessment from Tarrant Appraisal District for reasons beyond the Partnership's control), then City shall make payment for Approved Project Costs to Partnership of \$6,520,000 less the amount of the City's payment in 2007.

G. In the event that:

1. Partnership did not qualify for payment in 2006 or 2007,
and:

2. Partnership is otherwise in compliance with the terms and conditions of this Agreement; and

3. the Tarrant Appraisal District shall assess a value of at least \$74,100,000 for the Grand Avenue Property Improvements on or before July 25, 2008 (this date being subject to extension for a delay in receipt of the certified assessment from Tarrant Appraisal District for reasons beyond the Partnership's control), then Partnership shall be entitled to payment from the City of \$5,570,000.

H. If the Tarrant Appraisal District does not assess a value of at least \$74,100,000 for the Grand Avenue Property Improvements on or before July 25, 2008 (this date being subject to extension for a delay in receipt of the assessment from Tarrant Appraisal District for reasons beyond the Partnership's control), Partnership shall not be entitled to receive a payment or, if payment was made in 2007, a further payment for Approved Project Costs, and this Agreement shall terminate without further action by either party and City shall have no obligation to make any payments to Partnership under this Agreement. Partnership shall not be required to repay the City for any payment made hereunder.

I. If Partnership shall satisfy the requirements for payment of the Approved Project Costs, City shall make payment to Partnership on or before October 31 of the year in which Partnership becomes entitled to such payment (this date being subject to extension for a delay in receipt of the assessment from Tarrant Appraisal District for reasons beyond the control of either party). Nothing in this Agreement shall require City to approve payment to Partnership from any source other than the Tax Increment Fund. This Agreement in no way obligates the General Fund or any other funds of the City.

J. City hereby declares that the reimbursement procedure outlined above is necessary to implement the Project Plan.

SECTION 4. TERM

The term of this Agreement shall begin on the effective date, as provided in Section 13 hereof and shall terminate upon the earlier of: (a) the complete performance of all obligations and conditions precedent by parties to this Agreement; or (b) the date of the City's receipt of the Tarrant County Appraisal District Tax Roll for 2008 which does not assess a value of at least \$74,100,000 for the Grand Avenue Property Improvements; or (c) upon the City's termination of this Agreement pursuant to Section 6 hereof.

SECTION 5. AUTHORITY; COMPLIANCE WITH LAW

A. Partnership hereby represents and warrants to the City that:

1. Partnership has full lawful right, power and authority to execute and deliver and perform the terms and obligations of this Agreement; and

2. that the execution and delivery of this Agreement has been duly authorized by all necessary action by the Partnership;

3. this Agreement constitutes the legal, valid and binding obligation of Partnership, and is enforceable in accordance with its terms and provisions;

4. it is the sole owner of the Public Improvement Property and Grand Avenue Property and any necessary consents of approval for it to enter into this Agreement and the related Agreements have been obtained; and

5. there are no leases, tenancies, rental agreements in effect which would be violated by the execution and performance of this Agreement, the Economic Development Program Agreement or the Parking Garage Property Operating Agreement.

B. Partnership represents and warrants that during Partnership's ownership of the Property (1) no excavation of the Public Improvement Property occurred; (2) no landfill was deposited on or taken from the Public Improvement Property; (3) no construction debris or other debris (including, without limitation, rocks, stumps, and concrete) was buried upon the Public Improvement Property; and (4) no toxic wastes or "hazardous substances" as that term is defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1988, or petroleum products and derivatives thereof, were deposited on the Public Improvement Property. Partnership further represents and warrants that none of the foregoing occurred on the Public Improvement Property prior to Partnership's ownership of the Public Improvement Property.

C. Notwithstanding any other provision of this Agreement, Partnership shall comply with all federal and state laws, and City ordinances in the development, construction and operation of the Property and Grand Avenue Property Improvements.

D. The foregoing representations and warranties shall survive the execution and Agreement and continue throughout the Term.

SECTION 6. DEFAULT AND REMEDIES

A. In the event: (1) Partnership fails to complete or cause the completion of the Public Improvements described in the Project Plan; (2) Partnership has delinquent ad valorem or sales taxes owed to the City (provided that Partnership retains the right to timely and properly protest and/or contest of any such taxes); (3) any Event of Bankruptcy or Insolvency by Partnership occurs; or (4) Partnership breaches any of the terms and conditions of this Agreement, then Partnership after the expiration of the notice and cure periods described herein, shall be in default of this Agreement. In the event of such a default, City shall give Partnership written notice of such breach and/or default.

B. If the Partnership has not cured such breach or default within 30 days after receipt of such notice, the City may terminate this Agreement by written notice to

Partnership, and the City shall have no further obligation to Partnership; provided however, that the City may, in its total discretion, grant Partnership an extension of 30 days to cure the default if Partnership demonstrates, to the satisfaction of the City Council, that: (1) the default cannot be cured by the payment of monies and (2) cannot be cured within 30 days, and (3) the Partnership is diligently pursuing cure. Partnership may not request more than three 30 day extensions.

C. If a default shall occur and continue, after 30 days written notice to cure default, the party not in default shall have the right to exercise any and all rights available to such party at law or in equity, including the right to seek such equitable relief such as injunction or mandamus as the non-defaulting party may be entitled.

D. No waiver or any breach of any term or condition of this Agreement shall be construed to waive any subsequent breach of the same or any other term or condition of this Agreement. Any waiver of any term or condition of this Agreement must be in writing and approved by the City Council of Southlake.

E. The termination of this Agreement shall not affect the transfer of property to City or otherwise relieve Partnership of its obligations hereunder or under the Development Agreement or Parking Garage Property Operating Agreement.

SECTION 7. RIGHT OF OFFSET

City may, at its option, offset any amounts due and payable to Partnership under this Agreement against any debt (including taxes) lawfully due to City, or any other taxing unit participating in the TIF District, from Partnership, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise and regardless of whether or not the debt in question has been reduced to judgment by a court.

SECTION 8. VENUE AND GOVERNING LAW

This Agreement is performable in Tarrant County, Texas and venue of any action arising out of this Agreement shall be exclusively in Tarrant County, Texas. This Agreement shall be governed and construed in accordance with the laws of the States of Texas.

SECTION 9. GIFT TO PUBLIC SERVANT OR TO PARTNERSHIP REPRESENTATIVE

A. Each party hereto represents to the other that it has not offered, conferred, or agreed to confer and that it will not offer, confer or agree to confer in the future any benefit upon an employee or official of the other party.

B. Notwithstanding any other legal remedies, City may obtain reimbursement for any expenditures made to Partnership as a result of the improper offer, agreement to

confer, or conferring of a benefit to a City employee or official.

SECTION 10. BINDING AGREEMENT; ASSIGNMENT

A. The terms and conditions of this Agreement are binding upon the successors and assigns of the parties hereto. The provisions of this Agreement are hereby declared covenants running with the Grand Avenue Property and are fully binding on the Partnership and each and every subsequent owner of all or any portion of the Property and shall be binding on all successors, heirs, and assigns of the Partnership which acquire any right, title, or interest in or to the Grand Avenue Property, or any part thereof.

B. Any person who acquires any right, title, or interest in or to the Grand Avenue Property, or any part hereof, thereby agrees and covenants to abide by and fully perform the provision of this Agreement with respect to the right, title or interest in such Property. A copy of this Agreement shall be recorded in the deed records of Tarrant County.

C. City agrees that Partnership may, upon written notice to the City, assign its rights to receive Program Payments under this Agreement to any third party. The Partnership may not assign other rights and obligations hereunder, which shall be at the discretion of the City. This Agreement may not be assigned without the express written consent of the City. Any assignment shall be contingent upon the assignee's agreement to comply with the provisions of this Agreement and the Economic Development Agreement. The City agrees to execute such documentation as reasonably necessary to evidence the consent of the City to such assignment in such form as is acceptable to the City or, at the request of a third-party lender, to enter into a tri-party agreement among the City, such third-party lender and Partnership, evidencing their agreement with respect to their respective rights and obligations under this Agreement. Any such agreement shall not become effective unless the City has received reimbursement for any legal or other professional fees incurred in the review of any such agreement(s).

SECTION 11. INDEMNIFICATION

A. PARTNERSHIP EXPRESSLY AGREES TO FULLY AND COMPLETELY DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, AND ITS OFFICERS, AND EMPLOYEES, AGAINST ANY AND ALL CLAIMS, LAWSUITS, LIABILITIES, JUDGMENTS, COSTS, AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM, DAMAGES OR LIABILITY FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY ANY NEGLIGENT, GROSSLY NEGLIGENT, WRONGFUL, OR STRICTLY LIABLE ACT OR OMISSION OF THE PARTNERSHIP OR ITS AGENTS, EMPLOYEES, OR CONTRACTORS, ARISING OUT IN THE PERFORMANCE OF THIS CONTRACT, REGARDLESS OF WHETHER OR NOT THE NEGLIGENCE, GROSS NEGLIGENCE, WRONGFUL ACT, OR FAULT OF THE CITY OR ITS OFFICERS, AGENTS, OR EMPLOYEES, CONTRIBUTES IN ANY WAY TO THE DAMAGE, INJURY, OR OTHER HARM. THE REQUIREMENT OF THE

PARTNERSHIP TO DEFEND THE CITY ALSO UNCONDITIONALLY APPLIES REGARDLESS OF WHETHER OR NOT THE NEGLIGENCE, GROSS NEGLIGENCE, OR FAULT OF THE CITY OR ITS OFFICERS, AGENTS, OR EMPLOYEES CONTRIBUTES IN ANY WAY TO THE DAMAGE, INJURY, OR OTHER HARM. Nothing in this paragraph may be construed as waiving any governmental immunity available to the City under state law. This provision is solely for the benefit of the Partnership and the City and is not intended to create or grant any rights, contractual or otherwise, in or to any other person.

B. It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties. The City, their past, present and future officers, elected officials, directors, employees and agents of the City do not assume any responsibility to any third party in connection with the Partnership's construction of the Public Improvements or other infrastructure Partnership shall construct in connection with the Grand Avenue Property.

SECTION 12. MISCELLANEOUS MATTERS

A. Time is of the essence of this Agreement. The parties hereto will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

B. This Agreement is made subject to the provisions of the Charter and ordinances of City, as amended, and all applicable state and federal laws.

C. This Agreement shall not be construed against the drafting party.

D. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

E. The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

F. This Agreement, together with the Agreements designated as Exhibits hereto, embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached and made a part of this Agreement.

G. Any notice to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be (1) delivered personally, with a receipt request therefore; or (2) sent by a nationally recognized overnight courier service; or (3) delivered by United States certified mail, return receipt requested, postage prepaid. All notices shall be addressed to the respective party at its address set forth below, and shall be effective (a) upon receipt or refusal if delivered personally; (b) one

business day after depositing, with such an overnight courier service or (c) two business days after deposit in the United States mail, if mailed. Any party hereto may change its address for receipt of notices by service of a notice of such change in accordance with this subsection.

If intended for Board, to: Chair, Board of Directors
Reinvestment Zone No. One
1400 Main Street, Suite 460
Southlake, Texas 76092

If intended for City, to: City Manager
City of Southlake
1400 Main Street, Suite 460
Southlake, Texas 76092

If intended for Partnership, to: SLTS Grand Avenue, L.P.
1256 Main Street, Suite 240
Southlake, Texas 76092
Attn: Brian R. Stebbins

H. Partnership hereby agrees that all property dedicated to the City and all public facilities constructed pursuant to this Agreement are reasonably necessary to serve the subdivision and are roughly proportional to the need generated by the subdivision for such land and facilities. Partnership hereby acknowledges its right to seek a waiver or variance to the dedication and/or construction requirements and that it has voluntarily chosen not to pursue such remedies; and Partnership waives any claim for taking of property to be dedicated or transferred to the City pursuant to this Agreement, or any other constitutional or statutory claim, that it may have under either the Texas or United States Constitutions or statutes.

I. This Agreement is for the benefit of the parties hereto and there are no intended third party beneficiaries to this Agreement, the Economic Development Program Agreement, or the Parking Garage Property Operating Agreement.

SECTION 13. EFFECTIVE DATE

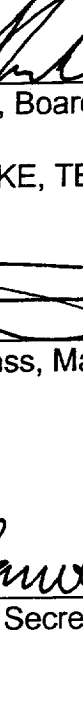
This Agreement shall become effective upon the last to occur of the following: the execution of this Agreement by all parties and the recordation in the Tarrant County Real Property Records of the Parking Garage Property Operating Agreement executed by all parties.

EXECUTED and effective as of the 3rd day of May, 2005 by Board signing by and through its Chairman, duly authorized to execute same by Resolution No. 05-001-TIF, by City, signing by and through its Mayor, duly authorized to execute same by Resolution No. 05-013, and by Partnership, acting through its duly authorized officials.


BOARD OF DIRECTORS OF THE
REINVESTMENT ZONING NO. ONE,
CITY OF SOUTHLAKE, TEXAS

By: 
Keith Shankland, Board Chairman

CITY OF SOUTHLAKE, TEXAS

By: 
Andy Wambsganss, Mayor

ATTEST:

By: 
Lori Farwell, City Secretary



SLTS GRAND AVENUE, L.P., A TEXAS
LIMITED PARTNERSHIP

By: SLTS Grand Avenue Genpar, L.L.C.,
a Texas limited liability company, its
general partner

By: Cooper & Stebbins, L.P., a Texas
limited partnership, its member

By: CS Town Centers, LLC, a Texas
limited liability company, its general
partner

By: CS Town Centers, LLC, a
Texas limited liability company,
its general partner

By:  (FB)
Brian R. Stebbins,
Managing Member

EXHIBIT "A"
**ECONOMIC DEVELOPMENT PROGRAM AGREEMENT BETWEEN THE CITY AND
PARTNERSHIP**

EXHIBIT "B"
PROPERTY UPON WHICH THE GRAND AVENUE PROPERTY IMPROVEMENTS
ARE TO BE CONSTRUCTED

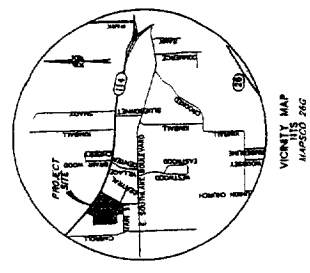
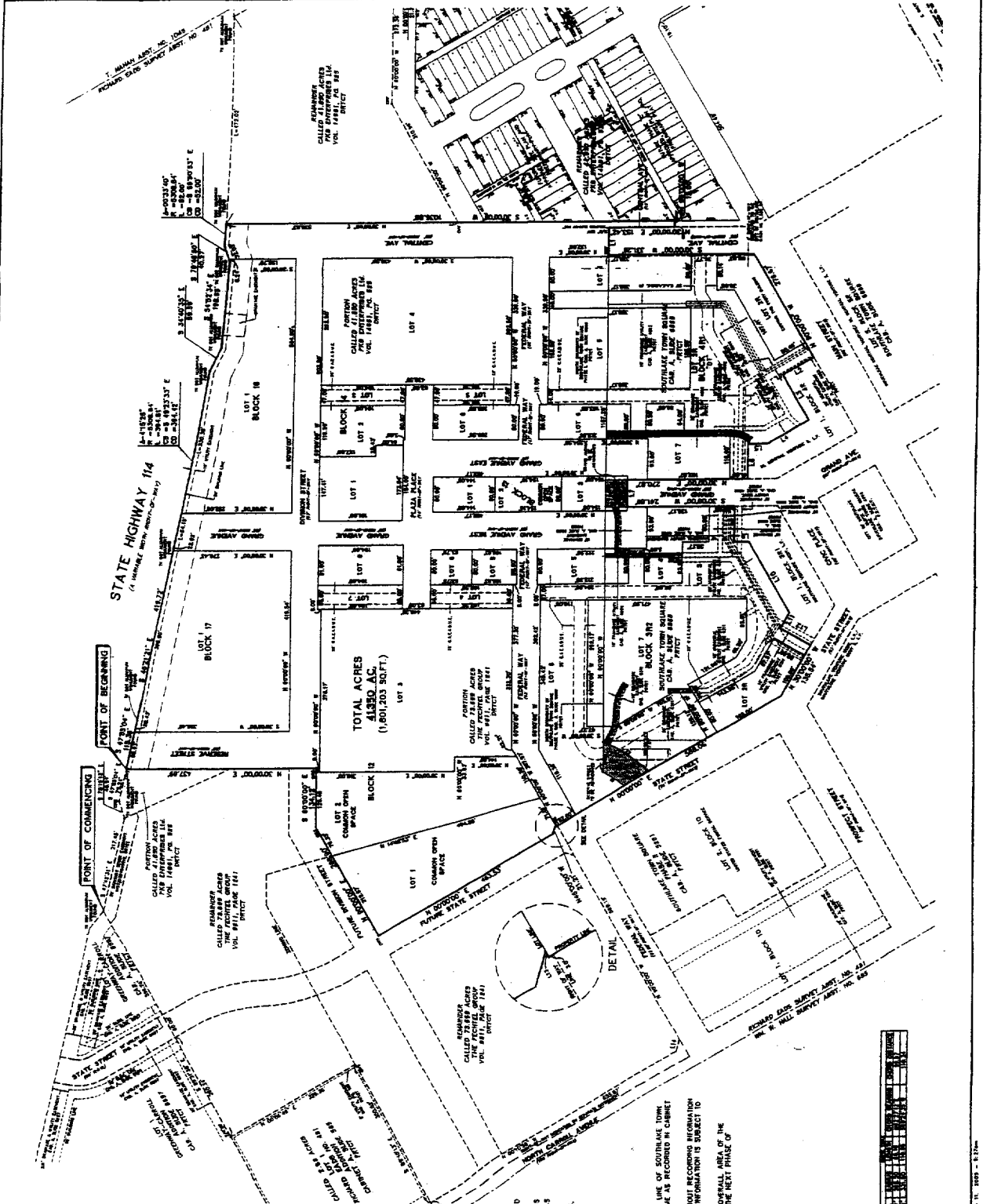
Buy+Partners
ENGINEERING SOLUTIONS
1500 Avenue B, Suite 200
Dallas, Texas 75201
Phone: (214) 420-2200
Fax: (214) 420-2201
www.buypartners.com

BOUNDARY SURVEY
BEING A 41.350 ACRES TRACT OF LAND SITUATED IN THE
RICHARD EADS SURVEY, ABSTRACT NO. 481
CITY OF SOUTHLAKE, TARRANT COUNTY, TEXAS

COOPER & STEBBINS, LP
SEA STATE HIGHWAY 114 AND NORTH
CARROLL AVENUE

Scale: 1"=100' Date: 2-10-05
Drawn By: JLB
Checked By: JLB
Project No.: 2004-04-214
Drawing No.: 2004-04-214

SHEET
1
OF 2



LEGEND

- 1/4" IRON ROD FOUND
- CRS/7 2 1/2"-NCH IRON ROD WITH CAP STAMPED
- ORICE IRON ROD RECORDS TARRANT COUNTY TEXAS
- ORICE PLAT RECORDS TARRANT COUNTY TEXAS
- (CM) COMMON MONUMENT
- C.A.E.A.D.U.E. - COMMON ACCESS, EMERGENCY, ACCESS, DRAINAGE AND UTILITY EASEMENT WITH
- EASEMENT TO BE ADJUDICATED WITH
- IN PLANTING OF THIS PROPERTY

NOTES:

1. BEARINGS SHOWN HEREON ARE BASED ON THE NORTH LINE OF SOUTHLAKE TOWN SQUARE PHASE 2, BEING NORTH 89°00'00" WEST THE SAME AS RECORDED IN CABINET A, BOOK 266, PAGE 1.
2. THIS SURVEY IS A PART OF THE OVERALL SURVEY BETWEEN SECTIONS 10 AND 11, TOWNSHIP 10N, RANGE 14E, COUNTY OF TARRANT, TEXAS. THIS SURVEY IS PROPOSED WITH THE UNDERSTANDING OF HIS PROPERTY INFORMATION IS SUBJECT TO CHANGE AND IS INFORMATIONAL PURPOSE ONLY.
3. THE PURPOSE OF THIS SURVEY IS TO DESCRIBE THE OVERALL AREA OF THE SOUTHLAKE TOWN SQUARE COMMON ACCESS EASEMENT.

PROJECT NO. 2004-04-214
DRAWING NO. 2004-04-214
DATE: 2-10-05

EXHIBIT "C"
**DESCRIPTION OF PUBLIC IMPROVEMENT PROPERTY AND PARKS AND
PARKING GARAGES TO BE CONSTRUCTED ON THE PUBLIC IMPROVEMENT
PROPERTY**

**DESCRIPTION OF PUBLIC IMPROVEMENT PROPERTY AND PARKS AND
PARKING GARAGES TO BE CONSTRUCTED ON THE PUBLIC
IMPROVEMENT PROPERTY**

Public Right of Way:

The Grand Avenue District includes 9.294 acres of ROW as nominated on the Concept Plan approved by the City of Southlake as Case No. ZA04-066 on October 5, 2005 and as illustrated on the Preliminary Plat approved by the City of Southlake as Case No. ZA04070 on October 5, 2004.

Parks:

The Plaza Park, consisting of .28 Acres is located on Block 13, Lot 3, SOUTHLAKE TOWN SQUARE - PHASE IV, and being a portion of land in the Richard Eads Survey, abstract No. 481 per Preliminary Plat approved by the City of Southlake as Case No. ZA04-070 on October 5, 2004.

The Westerly Park, consisting of 3.2 acres is located on Block 12, Lots 1 and 2, SOUTHLAKE TOWN SQUARE - PHASE IV, and being a portion of land in the Richard Eads Survey, abstract No. 481 per Preliminary Plat approved by the City of Southlake as Case No. ZA04-070 on October 5, 2004.

Parking Garages:

Parking Garage East is located on Block 4R1, Lot 5, SOUTHLAKE TOWN SQUARE - PHASE IV, and being a portion of land in the Richard Eads Survey, abstract No. 481 per Preliminary Plat approved by the City of Southlake as Case No. ZA04-070 on October 5, 2004, and a portion of the property described in Exhibit B to this Agreement.

Parking Garage West is located on Block 3R2, Lot 7, SOUTHLAKE TOWN SQUARE - PHASE IV, and being a portion of land in the Richard Eads Survey, abstract No. 481 per Preliminary Plat approved by the City of Southlake as Case No. ZA04-070 on October 5, 2004, and a portion of the property described in Exhibit B to this Agreement.

EXHIBIT "D"
DESCRIPTION OF PARKING GARAGE WEST

EXHIBIT "D"

DESCRIPTION OF PARKING GARAGE WEST

Location: Block 4R1, Lot 5, SOUTHLAKE TOWN SQUARE - PHASE IV, and being a portion of land in the Richard Eads Survey, Abstract No. 481 per Plat Revision approved by the City of Southlake as Case No. ZA04-070 on October 5, 2004, and the land described in Exhibit "A" to the Development Agreement.

Spaces: 726 spaces

Levels: Grade +3 elevated floors

Details: As approved by City of Southlake by SUP Application, Case No. ZA04-069, with final site plan approved by the City Council on October 5, 2004 and elevation approved November 16, 2004.

EXHIBIT "E"
DESCRIPTION OF PARKING GARAGE EAST

EXHIBIT "E"

DESCRIPTION OF PARKING GARAGE EAST

Location: Block 3R2, Lot 7, SOUTHLAKE TOWN SQUARE - PHASE IV, and being a portion of land in the Richard Eads Survey, Abstract No. 481 per plat Revision approved by the City of Southlake as Case No. ZA04-070 on October 5, 2004 and the land described in Exhibit "A" to the Development Agreement.

Square footage: 315,592

Spaces: 877 spaces

Levels: Grade +3 elevated floors

Details: As approved by City of Southlake by SUP Application, Case No. ZA04-069, and in accordance with the final site plan as approved by the City Council on October 5, 2004 and elevation approved November 16, 2004.

City: _____ Partnership: _____

EXHIBIT "F"
SPECIAL WARRANTY DEED

SPECIAL WARRANTY DEED

Date: _____, 200__

Grantor: SLTS Grand Avenue, L.P.
1256 Main Street, Suite 240
Southlake,
Tarrant County, Texas 76092

Grantee: The City of Southlake, Texas,
A municipal corporation
1400 Main Street
Southlake,
Tarrant County, Texas 76028

Consideration: Ten dollars and no/100 and other valuable consideration

Property (including any improvements):

Being Block 4R1, Lot 5, and Block 3R2, Lot 7, Southlake Town Square -
Phase IV, an addition to the City constituting the Plat Revision approved by
the City of Southlake for Case No. ZA04-070, on October 5, 2004
[Note: description to be conformed at time of conveyance if necessary]

Reservations from and Exceptions to Conveyance and Warranty:

NONE

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and to hold it to Grantee, Grantee's heirs, executors, administrators, and to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from the exception to conveyance and warranty, when the claim is by, through or under Grantor, but not otherwise.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR:

SLTS Grand Avenue, L.P.

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he is the _____, and that he is authorized to execute the foregoing instrument as the act of such of such Partnership for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 200____.

Notary Public in and for the State of Texas

Type or Print Notary's Name

My Commission Expires:

AFTER RECORDING RETURN TO:

Ms. Lori Farwell
City Secretary
City of Southlake
1400 Main Street, Suite 270
Southlake, Texas 76092

EXHIBIT "G"
GENERAL WARRANTY DEED FOR PARKS

GENERAL WARRANTY DEED FOR PARKS

Date: _____, 200__

Grantor: SLTS Grand Avenue, L.P.
1256 Main Street, Suite 240
Southlake,
Tarrant County, Texas 76092

Grantee: The City of Southlake, Texas,
A municipal corporation
1400 Main Street
Southlake,
Tarrant County, Texas 76028

Consideration: Ten dollars and no/100 and other valuable consideration

Property (including any improvements):

Being Block 13, Lot 3, and Block 12, Lots 1 and 2, Southlake Town Square
-Phase IV, an addition to the City, pursuant to the Plat Revision approved by
the City of Southlake for Case No. ZA04-070, on October 5, 2004
[NOTE: Description to be any owned at time of conveyance, if necessary]

Reservations from and Exceptions to Conveyance and Warranty:

NONE

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and to hold it to Grantee, Grantee's heirs, executors, administrators, and to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from the exception to conveyance and warranty, when the claim is by, through or under Grantor, but not otherwise.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR:

SLTS Grand Avenue, L.P.

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he is the _____, and that he is authorized to execute the foregoing instrument as the act of such of such Partnership for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 200__.

Notary Public in and for the State of Texas

Type or Print Notary's Name

My Commission Expires:

AFTER RECORDING RETURN TO:

Ms. Lori Farwell
City Secretary
City of Southlake
1400 Main Street, Suite 270
Southlake, Texas 76092

EXHIBIT "H"
GENERAL WARRANTY DEED FOR STREETS

GENERAL WARRANTY DEED FOR STREETS

Date: _____, 200__

Grantor: SLTS Grand Avenue, L.P.

Grantors' Mailing Address (including county): Attn: Frank Bliss
1256 Main Street, Suite 240
Southlake, Tarrant County, TX 76092

Grantee: The City of Southlake, Texas

Grantee's Mailing Address (including county): 1400 Main Street
Southlake, Tarrant County, Texas 76092

Consideration:

Ten Dollars (\$10.00) and other good and valuable consideration.

Property (including any improvements):

All of Grantor's interest in the streets, rights of way, and alleys dedicated to the public's use pursuant to the Plat Revision approving - Phase IV of Southlake Town Square Addition to the City of Southlake, as recorded in Cabinet _____, Slide _____ of the Plat Records of Tarrant County, Texas ("Plat").

Exceptions To Conveyance And Warranty:

All governmental zoning laws, regulations and ordinances affecting the Property, an undivided one-fourth interest in all oil, gas and other minerals as reserved in deed recorded in Volume 2091, Page 608, Deed Records of Tarrant County, and conditions of the Plat but only to the extent such items are validly existing and affect the Property.

Grantors, for the Consideration and subject to the Exceptions to Conveyance and Warranty, GRANT, SELL, and CONVEY to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's successors and assigns forever.

Grantors bind Grantors and their respective successors and assigns to warrant and forever defend all and singular the Property to Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Exceptions to Conveyance and Warranty.

Grantors, their successors and assigns, to the extent each shall own the property abutting the Property conveyed by this deed, hereby reserve a right of first refusal with respect to the Property, as described in this paragraph. In the event that Grantee determines to sell all or a portion of the Property to a non-governmental entity, the owners of the land abutting the Property (the "Abutting Owners") shall have the exclusive right of first refusal to purchase the Property, at fair market value as determined by an appraisal of the Property to be sold obtained by the Grantee. For purposes of this right of first refusal, the term "Property" is defined as that portion of the Property conveyed to Grantee which Grantee intends to offer for sale. In such event, Grantee agrees to notify the owners which abut the Property intended to be sold of the fair market value of the Property to be sold and the terms and conditions of the sale (the "Notice of Offer"). Grantee shall notify the Abutting Owners at the addresses as shown on the Tarrant Appraisal District rolls. The Abutting Owners shall have the exclusive right, at their option, for a period of thirty (30) days (the "Exercise Period") from its receipt of the Notice of Offer to notify Grantee in writing that the Abutting Owners shall purchase the Property intended to be sold upon the terms and conditions and at the price specified in the Notice of Offer. If the Abutting Owners do not give notice to Grantee of their exercise of its rights hereunder within the Exercise Period, the Abutting Owners' right of first refusal shall automatically terminate. If the Abutting Owners exercise such right to purchase by giving written notice to Grantee at any time within the Exercise Period, the closing of the resulting sale and purchase of the Property shall take place upon the terms and conditions of the Notice of Offer. This right of first refusal does not apply, however, to any sale of the Property to a governmental entity.

The foregoing right of first refusal runs with the land making up the Property, is binding on Grantee and Grantee's successors and assigns forever, and inures to the benefit of Grantors, Grantee and the Abutting Owners.

When the context requires singular nouns and pronouns include the plural.

GRANTOR:

SLTS Grand Avenue, L.P.

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Before me _____ on this day personally appeared Brian R. Stebbins, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in his capacity as managing member of CS Town Centers, LLC, a Texas limited liability company, the general partner of Cooper & Stebbins, L.P., a Texas limited partnership, the member of SLTS Grand Avenue Genpar, L.L.C., a Texas limited liability company, the general partner of SLTS Grand Avenue, L.P., a Texas limited partnership, on behalf of such limited liability companies and limited partnerships.

Given under my hand and seal of office this _____ day of _____, A.D.
_____.

(SEAL)

Notary Public in and for the State of Texas

My Commission Expires:

Type or Print Notary's Name:

EXHIBIT "I"
PARKING GARAGE PROPERTY OPERATING AGREEMENT

EXHIBIT "D"
PARKING GARAGE PROPERTY OPERATING AGREEMENT

PARKING GARAGE PROPERTY OPERATING AGREEMENT

This Parking Garage Property Operating Agreement ("Agreement") is entered into as of the 29 day of March, 2005 by and between the City of Southlake, a Texas municipal corporation of Tarrant County and Denton County, Texas (hereinafter called "City"), Town Square Ventures, L. P., an Illinois limited partnership ("TSV"); Town Square Ventures II, L. P., a Texas limited partnership ("TSVII"; TSV and TSVII collectively referred to herein as the "Phase I Owner") and SLTS Grand Avenue, L.P., a Texas limited partnership (hereinafter called "Phase IV Owner"), (the Phase I Owner and the Phase IV Owner are hereinafter collectively referred to as the "Project Owner") and Southlake Town Square Association, a non-profit corporation of Texas (hereinafter called "Association").

RECITALS

A. City and the County of Tarrant, Texas have an irrevocable license (the "Existing License") in certain real property and parking improvements located on Block 4R, Lot 3, Block 2R1, Lot 4, and Block 3R1, Lot 2 in Southlake Town Square, Southlake, Texas, which currently serves the employees of the City and the County and visitors to Southlake Town Hall.

B. Project Owner collectively owns the land consisting of Phase I (being that certain real property described on Exhibit A-1, attached hereto, and herein so called) and Phase IV (being that certain real property described on Exhibit A-2 attached hereto and herein so called) of Southlake Town Square, a development in the Downtown District, Southlake Town Square Addition, Southlake, Texas. Phase I and Phase IV constitute the "Project" and are depicted and shown on Exhibit B.

C. City has approved the Site Plan for Phase IV of the Project, a copy of which is attached hereto as Exhibit C. City agrees that the Site Plan, as approved, meets the requirements for parking in the City's zoning ordinance. City intends that the parking garages be for the use of the general public and to the extent permitted by law, agrees it will not charge for parking at least until the expiration of the Reinvestment Zone Number One, City of Southlake (the "TIF District"), established by Ordinance No. 682, adopted on September 23, 1997.

D. Phase IV Owner and City have entered into a Development Agreement (the "Development Agreement") and an Economic Development Program Agreement related to Phase IV, (the "Economic Development Agreement") for the funding, construction and conveyance of certain community facilities and improvements, including two parking garages to be located on Block 4R1, Lot 5, and Block 3R2, Lot 7 of Phase IV.

E. The reimbursement of funds to Phase IV Owner under the Development Agreement for the construction of public improvements within the TIF District constitutes a portion of the consideration for the conveyance of the two parking garages to City in accordance with the terms thereof; the remainder of the consideration for the conveyance

of the two parking garages to City is to be paid to the Phase IV Owner in accordance with the terms of the Economic Development Agreement.

F. As partial consideration for the funds to be paid to Phase IV Owner under the Development Agreement and the Economic Development Agreement, Project Owner and Association have agreed to impose restrictions upon the tenants, successors, and assigns within the Project, and to pay for a proportionate share of the expenses of maintenance for the parking garages, as more fully set forth herein.

G. Association is organized to enforce the Declaration of Covenants, Restrictions and Easements on the Town Square Addition, as it exists as of the date of execution of this Agreement. Association is authorized, pursuant to the Declaration, to impose rules and regulations regarding parking and to enforce the regulations.

H. Phase I Owner will benefit from the availability of parking resulting from the construction and operation of the Parking Garage West and Parking Garage East.

I. Project Owner and City now desire to enter into this Agreement to memorialize their agreement relative to the use of, and payment for the Operating Expenses associated with, the Parking Garages; NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. RECITALS ADOPTED. The recitals set forth above are hereby incorporated in this Agreement.

2. DEFINITIONS.

Agreement Year means each 12 month period during the Term, with the first Agreement Year commencing on the Commencement Date and ending on the day prior to the first annual anniversary thereof.

Annual Maintenance Fee means for each applicable Agreement Year, an amount equal to Project Owner's Proportionate Share of the annual Operating Expenses incurred by City with respect to the operation of the Parking Garages for that Agreement year.

Commencement Date means the date that the Parking Garage Properties are conveyed to and accepted by City in accordance with the Development Agreement.

City means the City of Southlake Texas.

County means the County of Tarrant, State of Texas.

Declaration of Covenants, Restrictions and Easements or CRE means the Restated and Amended Declaration of Covenants, Restrictions and Easements for Town Square, as recorded in Volume 15097, Page 457 of the Real Property Records of Tarrant County, Texas, as affected by instruments recorded in Volume 15097, Page 458, in Volume 16844, Page 91, in Volume 17262, Page 260, and in Volume 17263, Page 3 of the Real Property Records of Tarrant County, Texas.

Development Agreement means, as defined in Recital D, the Development Agreement, between the City and Phase IV Owner executed of even date herewith.

Economic Development Agreement means, as defined in Recital D, the Economic Development Program Agreement, between the City and the Phase IV Owner executed of even date herewith.

Operating Expenses means certain expenses actually paid by City pertaining to the City's operation and maintenance of the Parking Garage Properties, and shall include, but not be limited to, the following expenses (including the actual cost of labor associated herewith): repairs and maintenance, cleaning, landscaping, lighting, irrigation and utility costs, property insurance and general liability insurance, workers' compensation insurance and other reasonable and customary expenses to maintain and operate the Parking Garage Properties, but shall not include the cost of taxes.

Parking Garage East means the parking garage located on Block 4R1, Lot 5 of Phase IV of the Southlake Town Square Addition to the City of Southlake, Texas.

Parking Garage West means the parking garage located on Block 3R2, Lot 7 of Phase IV of the Southlake Town Square Addition to the City of Southlake, Texas.

Parking Garage Properties means, collectively, the Parking Garage West and the Parking Garage East.

Proportionate Share means a fraction expressed as a percentage, the numerator of which is the total square footage of all buildings owned by the applicable party within the Phase I and Phase IV Property, and the denominator of which is the total square footage of all buildings within Phases I and IV of the Town Square Addition. It does not include the Parking Garage West and Parking Garage East.

3. **TERM.** This Agreement shall become effective as of the date of execution by the last party to sign this Agreement and shall continue until terminated as provided herein (the "Term").

4. **CONSIDERATION.** As a portion of the consideration for the conveyance to City of the Parking Garage West and Parking Garage East pursuant to the Development Agreement, the City agrees to the terms of the Development Agreement and Economic Development Agreement. As a portion of the consideration for such payment and reimbursement by City and to facilitate and promote economic development, Project Owner agrees to (i) include the applicable restrictions on parking described in Section 5.A.2 of this Agreement in all of its leases, contracts of sale and deeds conveying any interest in the Phase I and Phase IV Property, and (ii) pay for the Annual Maintenance Fee as provided below and (iii) amend the CRE to impose the restrictions in Section 5.A.2 on the Phase I Property and (iv) adopt and record these restrictions on the Phase IV Property.

5. PROJECT OWNER'S COVENANTS.

A. In consideration of City's agreement to reimburse Project Owner for a portion of the cost to construct Parking Garage West and Parking Garage East pursuant to the Development Agreement and Economic Development Agreement, Project Owner agrees to:

1. pay the Annual Maintenance Fee within 45 days after receipt from the City of the invoice for such Fee; and

2. include provisions in all of its leases executed after November 16, 2004, and contracts of sale of any property located within any phase of the Town Square Addition to the City that the tenants, owners and subsequent owners shall:

a. restrict their employees from parking in parking spaces located on the first and second floors of either Garage; and

b. comply with the City's rules and regulations governing the Parking Garages, as amended from time to time;

3. not impose a fee for parking in the Parking Garages;

4. not guarantee or reserve parking spaces in the Parking Garages; and

5. amend the CRE to include the provisions of this Section.

B. In consideration of the City's approval of the Site Plan, Association agrees to:

1. adopt the provisions of Section 5.A.2 therein as rules and regulations pursuant to Section 8.2 of the CRE; and

2. collect the Annual Maintenance Fee from the owners of property within Phase I and remit the same to the City.

C. Phase I Owner agrees to make available 221 parking spaces for the use of the City and County during construction of the Parking Garages in accordance with the terms of the Existing License. Upon the Commencement Date, City agrees that the Existing Irrevocable Parking License heretofore granted to City shall terminate. City agrees to use all reasonable efforts to obtain County's consent to the termination of the said License.

6. CITY'S RIGHTS AND COVENANTS. The City shall be and is entitled to all rights and privileges of ownership of the Parking Garages except to the extent otherwise provided in this Agreement and to shall be entitled to take all actions necessary or desirable to its rights and obligations as owner and operator of the Parking Garage Properties. The City agrees:

A. that City's invoice delivered to Project Owner for the Annual Maintenance Fee shall include reasonably sufficient detail regarding the amount and calculation of Operating Expenses (it being agreed that the standard for detail shall be the form of the invoice as delivered to City under the Existing License);

B. that City shall not use the Parking Garage Properties for a "bus barn" or vehicle maintenance area;

C. to restrict its employees, for the term of the Reinvestment Zone, from parking in parking spaces located on the first and second floors of either the Parking Garage West or Parking Garage East;

D. that the provisions of this Agreement do not alter the City's approval of the Site Plan and that City intends that the parking garages be for the use of the general public; and

E. to the extent permitted by law, it will not charge for parking at least until the expiration of the Reinvestment Zone Number One, City of Southlake (the "TIF District"), established by Ordinance No. 682, adopted on September 23, 1997.

7. INDEMNITY AND INSURANCE.

A. **TO THE EXTENT PERMITTED BY LAW, ASSOCIATION AND PROJECT OWNER SHALL INDEMNIFY, PROTECT, DEFEND AND HOLD HARMLESS CITY AND ALL OF ITS RESPECTIVE OFFICERS, EMPLOYEES, SERVANTS, AND AGENTS (COLLECTIVELY, "INDEMNITEES") FOR, FROM AND AGAINST ALL LIABILITIES, CLAIMS, FINES, PENALTIES, COSTS, DAMAGES OR DEATH OF OR PERSONAL INJURIES TO PERSONS, DAMAGES TO PROPERTY, LOSSES, LIENS, CAUSES OF ACTION, SUITS, AND JUDGMENTS (INCLUDING COURT COSTS, AND REASONABLE ATTORNEYS' FEES), OF ANY NATURE, KIND OR DESCRIPTION, DIRECTLY OR INDIRECTLY ARISING OUT OF, CAUSED BY, OR RESULTING FROM (IN WHOLE OR PART) ANY ACT, OMISSION, NEGLIGENCE OR WILLFUL MISCONDUCT OF ASSOCIATION AND PROJECT OWNER OR ANY OF ITS EMPLOYEES, OR ANY OF ITS TENANTS OR OWNERS; (3) DAMAGE TO ASSOCIATION AND PROJECT OWNER'S PROPERTY, OR THE PROPERTY OF ANY OF ITS EMPLOYEES, OWNERS, OR TENANTS LOCATED IN OR ABOUT THE PARKING GARAGES (COLLECTIVELY, "LIABILITIES").**

B. PROJECT OWNER AND ASSOCIATION AGREE THAT CITY SHALL NOT BE RESPONSIBLE FOR AND ASSOCIATION AND PROJECT OWNER HEREBY WAIVE ALL CLAIMS ARISING OR ALLEGED TO ARISE FROM THEFT OF OR DAMAGE TO ANY VEHICLES OCCUPYING THE PARKING IMPROVEMENTS OR THE CONTENTS OF SUCH VEHICLES.

8. DEFAULT.

A. Events of Default. In the event Project Owner shall fail to pay maintenance or sums payable by Project Owner hereunder when due or Project Owner shall fail to comply with or observe any other provision of this Agreement and such failure shall continue for 30 days after written notice to Project Owner; an event of default shall be deemed to have occurred.

B. Remedies. Upon the occurrence of any event of default and the expiration of any the notice and cure period, City shall have the option to pursue any remedy at law or in equity without any further notice or demand whatsoever, including termination and the imposition of a lien on the property of the Project Owners or their successors in the amount of any delinquent payment. Moreover, the parties agree that a default in the payment of the Annual Operating Expenses will result the delinquent amount being deducted from the Program Payments otherwise due Phase IV Project Owner under the Economic Development Agreement. All rights and remedies of City herein or existing at law or in equity are cumulative and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other.

C. Interest Payable. Any payment due under this Agreement that is not paid within 10 days after the date herein specified to be paid shall bear interest from the date of such payment is due to the date of actual payment at the rate of ten percent (10%) per annum or the highest lawful rate of interest permitted by Texas or federal law, whichever rate of interest is lower; provided however, that not more often than once every five years, the City shall have the right to adjust the interest rate to reflect prevailing market conditions.

9. AMENDMENT. Any agreement hereafter made between City, Association and Project Owner shall be ineffective to modify, release, or otherwise affect this Agreement, in whole or in part, unless such agreement is in writing and signed by all parties.

10. WAIVER. The failure of either party to this Agreement to complain of any action, non-action, or default of the other party shall not constitute a waiver of any such party's rights under this Agreement. Waiver by either party to this Agreement of any right for any default of the other party shall not constitute a waiver of any right for either a prior or subsequent default of the same obligation or for any prior or subsequent default of any other obligation.

11. PARTIES AND SUCCESSORS. Subject to the limitations and condition set forth elsewhere herein, this Agreement shall bind and inure to the benefit of the respective heirs, legal representatives, successors, and assigns of the parties hereto.

12. COVENANTS RUN WITH THE PROPERTY. The provisions, restrictions on parking and covenants regarding payment of the Annual Maintenance Fee set forth in this Agreement are hereby declared covenants running with the Property and are fully binding on the City, the Association and the Project Owner and each subsequent owner or assignee of all or any portion of the Property and shall be binding on all successors, heirs, and assigns of the Project Owner or Association which acquire any right, title or interest in

or to any property located within any phase of the Town Square Addition to the City. This Agreement shall be recorded in the Real Property Records of Tarrant County.

13. NOTICE.

If intended for City, to:	City Manager City of Southlake 1400 Main Street, Suite 460 Southlake, Texas 76092
If intended for Phase I Owner, to:	Town Square Ventures, L.P. 1700 Alma Road Plano, Texas 75075 Attn: Matt Tice
If intended for Phase IV Owner, to:	SLTS Grand Avenue, L.P. 1256 Main Street, Suite 240 Southlake, Texas 76092 Attn: Brian R. Stebbins
If intended for Association, to:	Southlake Town Square Assn. 1256 Main Street, Suite 240 Southlake, Texas 76092

Notices shall be deemed received upon the earlier of (1) actual receipt, (2) if mailed, three days after deposit by certified mail (return receipt requested) in an official depository of the United States Postal Service, (3) if sent by a nationally recognized overnight courier service, the first business day after delivery to such service.

14. GOVERNING LAW. VALIDITY, ENFORCEABILITY, INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS (WITHOUT REGARD TO CONFLICT OF LAW RULES) AND THE LAWS OF THE UNITED STATES APPLICABLE TO TRANSACTIONS IN TEXAS. ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE TO BE PERFORMED, AND EXCLUSIVE VENUE SHALL LIE, IN TARRANT COUNTY, TEXAS.

15. MISCELLANEOUS. This Agreement, including all exhibits which may be attached hereto (which exhibits are hereby incorporated herein and shall constitute a portion hereof, contains the entire agreement between Association, Project Owner and City with respect to the subject matter hereof). Further, the provisions of this Agreement shall not be construed against or in favor of a party hereto merely because such party is the "City" or the "Project Owner" hereunder or such party or its counsel is the drafter of this Agreement.

16. TIME OF ESSENCE. Time is of the essence of this Agreement and each and all of its provisions in which performance is a factor.

17. REPRESENTATIONS AND WARRANTIES.

A. Project Owner hereby represents and warrants to the City that:

1. Project Owner has full lawful right, power and authority to execute and deliver and perform the terms and obligations of this Agreement and that the execution and delivery of this Agreement has been duly authorized by all necessary action by the Project Owner;

2. this Agreement constitutes the legal, valid and binding obligations of Project Owner and is enforceable in accordance with its terms and provisions;

3. Project Owner is the sole owner of all property within the Project and there are no liens, encumbrances, leases, tenancies, rental agreements or concession agreements in effect regarding the Phase I or Phase IV Property except those listed in Exhibit D;

4. all action necessary to ensure that the lienholders and tenants identified in Exhibit D have consented to the provisions of this Agreement and agreed to be bound by the provisions hereof; and

5. the execution and performance of this Agreement will not violate Section 7.2 of the CRE.

B. The Association hereby represents and warrants to the City that:

1. Association has full power and authority to agree to this Agreement and full lawful right, power and authority to execute and deliver and perform the terms and obligations of this Agreement;

2. the execution and delivery of this Agreement has been duly authorized by all necessary action by the Association;

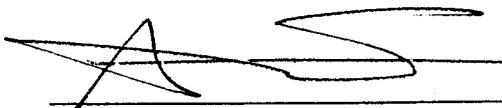
3. the Association's execution and performance under this Agreement will not violate the CRE or any other Agreement to which the Association is a party; and

4. Association is empowered and authorized pursuant to Section 8.2 of the CRE to impose the provisions of this Agreement in its rules and regulations for parking.

C. The foregoing representations and warranties shall survive the execution of this Agreement and continue throughout the Term.

CITY OF SOUTHLAKE, TEXAS

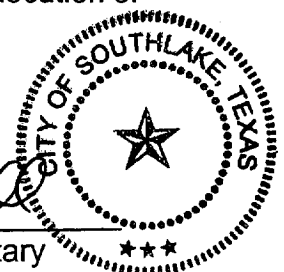
By:


Andy Wambsganss, Mayor

ATTEST:

By:


Lori Farwell, City Secretary



STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on March 29, 2005, by Andy Wambsganss, the Mayor of the City of Southlake, Texas, a Texas municipality on behalf of said municipality.

(Seal)

Lori A Farwell
Notary Public in and for the State of Texas

My Commission Expires:

10/27/05



TOWN SQUARE VENTURES, L.P.,
an Illinois limited partnership, Phase I Owner

By: WESTERN TOWN SQUARE VENTURES I GP, L.L.C.,
a Delaware limited liability company,
its general partner

By: INLAND WESTERN RETAIL REAL ESTATE TRUST, INC.,
a Maryland corporation,
its sole member

By: *Debra A. Palmer*
Name: *Debra A. Palmer*
Its: *Asst Secretary*
Date of Signature: *March 21, 2005*

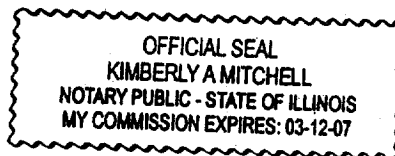
STATE OF ILLINOIS)
)
COUNTY OF DUPAGE)

This instrument was acknowledged before me on *March 21*, 2005, by *Debra A. Palmer*, the *Asst. Secretary* of Inland Western Retail Real Estate Trust, Inc., sole member of Western Town Square Ventures I GP, L.L.C., general partner of Town Square Ventures, L.P., on behalf of said corporation, limited liability companies and limited partnerships.

(Seal)

Kimberly A. Mitchell
Notary Public in and for the State of

My Commission Expires:



SLTS GRAND AVENUE, L.P.,
a Texas limited partnership, Phase I Owner

By: SLTS Grand Avenue Genpar, L.L.C.,
a Texas limited liability company,
General Partner

By: Cooper & Stebbins, L.P.,
a Texas limited partnership,
its member

By: CS Town Centers, LLC,
a Texas limited liability company,
its general partner

By: *Brian R. Stebbins*
Brian R. Stebbins,
Managing Member (F&B)

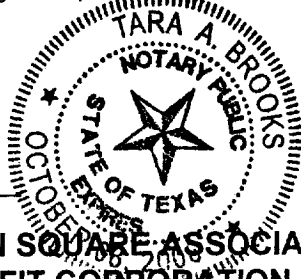
STATE OF TEXAS §
§
COUNTY OF TARRANT §

This instrument was acknowledged before me on March 18, 2005, by Brian R. Stebbins, the managing member of CS Town Centers, LLC, the general partner of Cooper & Stebbins, L.P., the member of SLTS Grand Avenue Genpar, L.L.C., the general partner of SLTS Grand Avenue, L.P., on behalf of said limited liability companies and limited partnerships.

(Seal)

My Commission Expires:

10-8-06



Tara A. Brooks
Notary Public in and for the State of Texas

SOUTHLAKE TOWN SQUARE ASSOCIATION,
A TEXAS NON PROFIT CORPORATION

By: *Brian R. Stebbins*
Brian R. Stebbins, President (F&B)

STATE OF TEXAS §
§
COUNTY OF TARRANT §

This instrument was acknowledged before me on March 18, 2005, by Brian R. Stebbins, the President of Southlake Town Square Association, Inc., a Texas non-profit corporation on behalf of said corporation.

(Seal)

My Commission Expires:

10-8-06



Tara A. Brooks
Notary Public in and for the State of Texas

EXHIBIT A-1

LEGAL DESCRIPTION OF PHASE I

Lots 3 and 4, Block 1R; Lots 2 and 4, Block 2R1; and Lots 1 and 2, Block 3R1, SOUTHLAKE TOWN SQUARE - PHASE I, an Addition to the City of Southlake, Tarrant County, Texas, according to plat recorded in Cabinet A, Slide 6888 and 6889, Plat Records of Tarrant County, Texas;

Lots 1 and 2, Block 1R; Lots 1 and 3, Block 2R1, SOUTHLAKE TOWN SQUARE - PHASE I, an Addition to the City of Southlake, Tarrant County, Texas, according to plat recorded in Cabinet A, Slide 6888 and 6889, Plat Records of Tarrant County, Texas; and

Lots 3, 4 and 5, Block 5R; and Lot 1, Block 4R, SOUTHLAKE TOWN SQUARE - PHASE I, an Addition to the City of Southlake, Tarrant County, Texas, according to plat recorded in Cabinet A, Slide 6888 and 6889, Plat Records of Tarrant County, Texas.

EXHIBIT A-2

LEGAL DESCRIPTION OF PHASE IV

Lots 4, 5, 6 and 7, Block 3R2; and Lots 4, 5, 6, and 7, Block 4R1; Blocks 12-14; Block 17; and Block 18, SOUTHLAKE TOWN SQUARE - PHASE IV, constituting the Plat Revision approved by the City of Southlake as Case No. ZA04-071 on October 5, 2004, described by metes and bounds on the boundary survey of February 10, 2005, and prepared by Brury and Partners attached as follows:

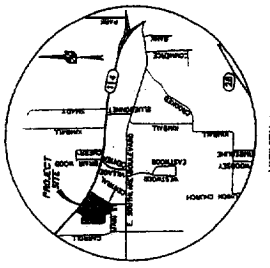
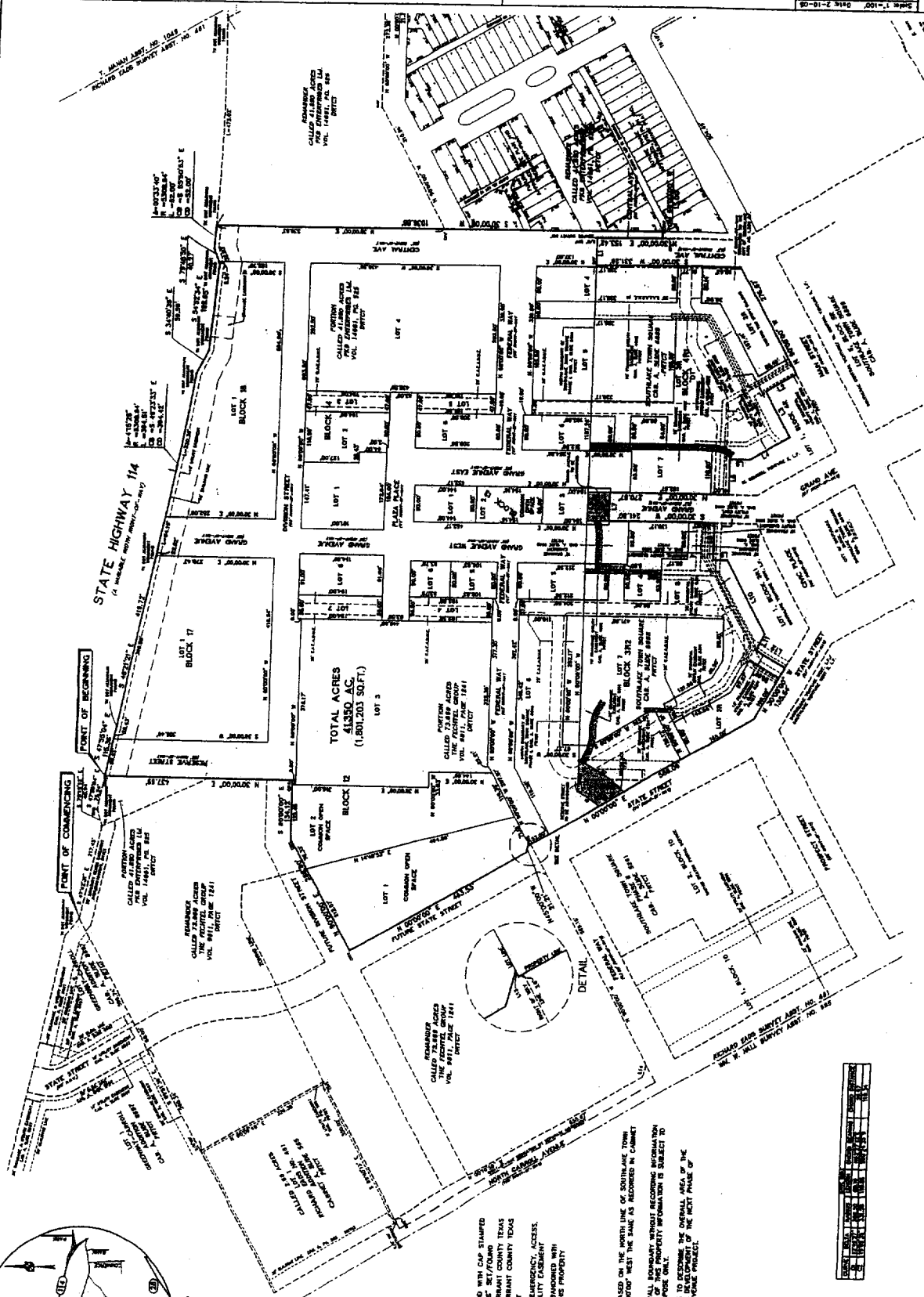
[Remainder of Page Intentionally Left Blank]

Scale: 1"=100' Date: 2-18-08
 Project No.: 2008-04.914
 Drawn By: JLD
 Checked By: JLD
 Reference No.: 2008-04.912

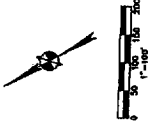
COOPER & STEBINS, L.P.
 SEQ. STATE HIGHWAY 114 AND NORTH
 CARROLL AVENUE

BEING A 41.350 ACRE TRACT OF LAND SITUATED IN THE
 RICHARD EADS SURVEY, ABSTRACT NO. 481
 CITY OF SOUTHLAKE, TARRANT COUNTY, TEXAS

BUY + PARTNERS
 2200 BURNING LIPS BLVD. SUITE 100
 FORT WORTH, TEXAS 76104
 BUY + PARTNERS - P.L.L.C. (FORMERLY BUY + PARTNERS - P.L.L.C.)
 BUY + PARTNERS - P.L.L.C. (FORMERLY BUY + PARTNERS - P.L.L.C.)



VICINITY MAP
 MAP 250 260



- LEGEND**
- 1/4" IRON ROD FOUND
 - 5/8" IRON ROD WITH CAP STAMPED
 - BUY + PARTNERS SET/BOUND
 - DEED RECORDS TARRANT COUNTY TEXAS
 - PLAT RECORDS TARRANT COUNTY TEXAS
 - (C) CONTROL MONUMENT
 - CALLABLE - COMMON ACCESS, EMERGENCY ACCESS, DRAINAGE AND UTILITY EASEMENT
 - ENDEAVOR TO BE AVOIDED WITH THE PLATING OF THIS PROPERTY

NOTES

1. RECORDS SHOWN HEREON ARE BASED ON THE NORTH LINE OF SOUTHLAKE TOWN SQUARE PHASE I, BEING NORTH SOUTHWEST WEST 1/4 SEC. 25, RECORDS IN COUNTY 2, DEED BOOK 1812.
2. THIS SURVEY IS BEING SUBMITTED WITH ALL NECESSARY RECORDING INFORMATION TO THE TARRANT COUNTY CLERK'S OFFICE FOR RECORDING AND TO THE TARRANT COUNTY RECORDS DEPARTMENT FOR INDEXING.
3. THE PURPOSE OF THIS SURVEY IS TO DESCRIBE THE OVERALL LOTS OF THE SOUTHLAKE TOWN SQUARE PHASE I PROJECT.

NO.	DESCRIPTION	DATE
1
2
3
4
5
6
7
8
9
10

NO.	DESCRIPTION	DATE
1
2
3
4
5
6
7
8
9
10

EXHIBIT "B"
DEPICTION OF PHASE I AND PHASE IV OF THE PROJECT

EXHIBIT B

DEPICTION OF PHASE I AND IV OF THE PROJECT

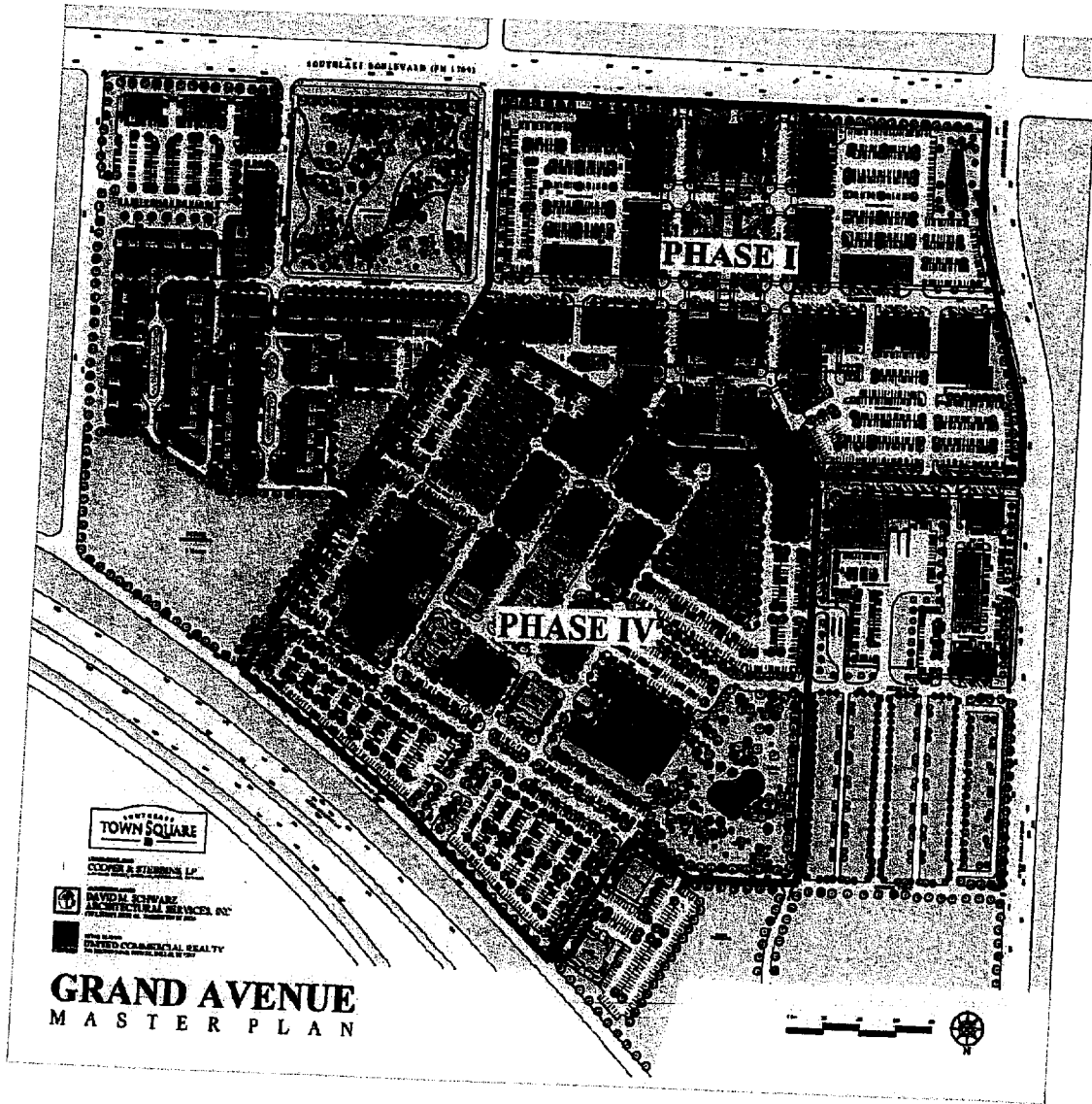
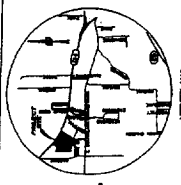
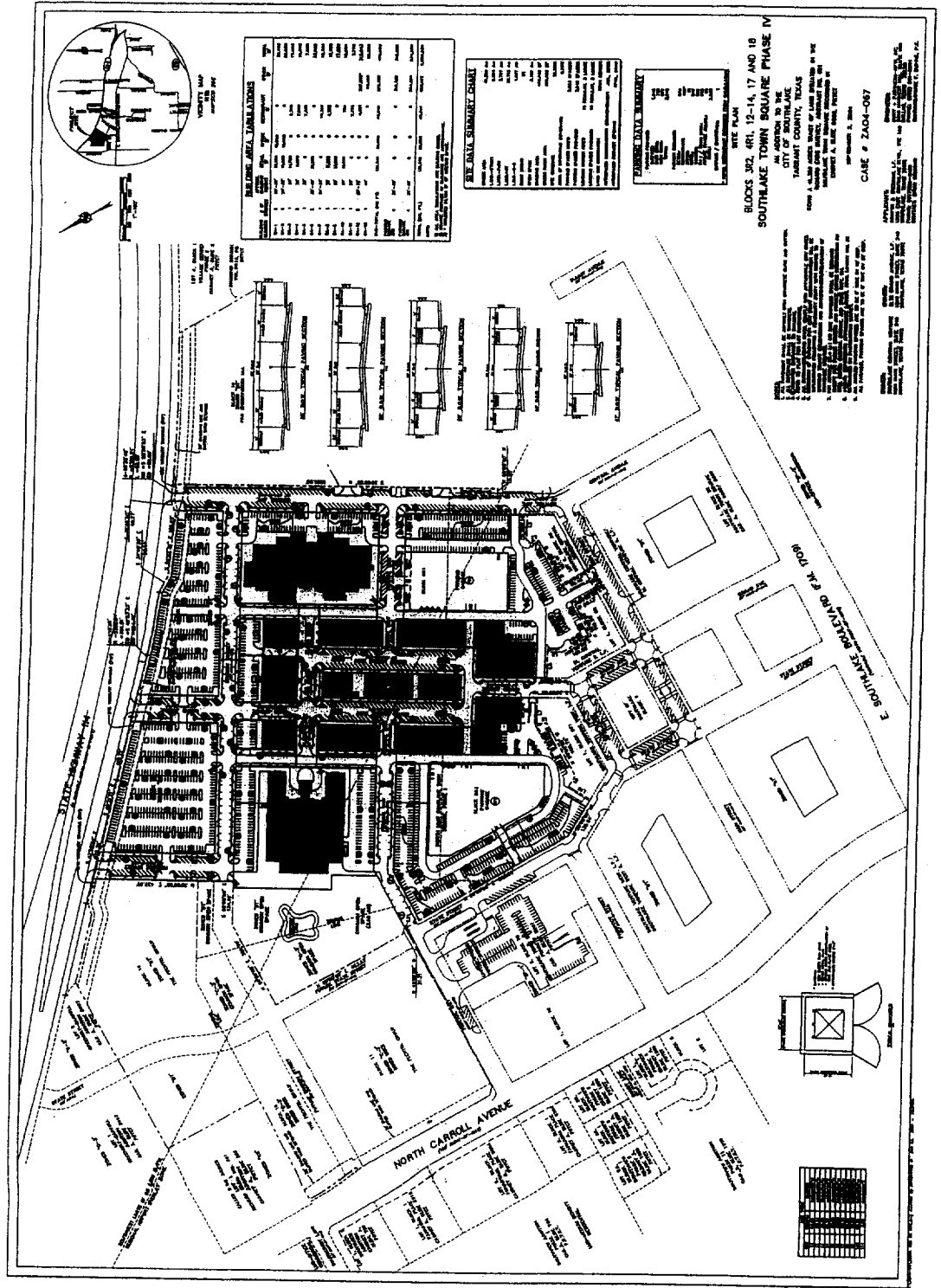


EXHIBIT "C"
APPROVED SITE PLAN FOR PHASE IV OF THE PROJECT



PERMITTED LABEL TABLE

Label	Area	Notes
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

SEE DAIL SUMMARY SHEET

Item	Description	Notes
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

PERMITTED LABEL SUMMARY

Label	Area	Notes
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

SITE PLAN
BLOCKS 302, 401, 12-14, 17 AND 18
SOUTHLAKE TOWN SQUARE PHASE IV
 PREPARED BY THE
CITY OF SOUTHLAKE
 TARRANT COUNTY, TEXAS
 FROM A PLAN SHOWING THE LOTS AND BLOCKS IN THE
 SOUTHLAKE TOWN SQUARE PHASE IV
 PREPARED BY THE
 ENGINEER, A. G. GIBSON, P.E.
 DATE: 11-15-87
 SHEET NO. 3
 CASE # ZACH-087

THIS PLAN IS THE PROPERTY OF THE CITY OF SOUTHLAKE, TEXAS. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREON. IT IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE CITY OF SOUTHLAKE, TEXAS. THE CITY OF SOUTHLAKE, TEXAS, DOES NOT WARRANT THE ACCURACY OF THIS PLAN OR THE RESULTS OF ANY CONSTRUCTION THEREFROM. THE CITY OF SOUTHLAKE, TEXAS, IS NOT RESPONSIBLE FOR ANY DAMAGE TO PERSONS OR PROPERTY, INCLUDING CONSEQUENTIAL DAMAGES, ARISING FROM THE USE OF THIS PLAN OR THE RESULTS OF ANY CONSTRUCTION THEREFROM. THE CITY OF SOUTHLAKE, TEXAS, IS NOT RESPONSIBLE FOR ANY COSTS OF DEFENSE OR ATTORNEY'S FEES INCURRED BY ANY PARTY IN CONNECTION WITH THIS PLAN OR THE RESULTS OF ANY CONSTRUCTION THEREFROM. THE CITY OF SOUTHLAKE, TEXAS, IS NOT RESPONSIBLE FOR ANY COSTS OF DEFENSE OR ATTORNEY'S FEES INCURRED BY ANY PARTY IN CONNECTION WITH THIS PLAN OR THE RESULTS OF ANY CONSTRUCTION THEREFROM.

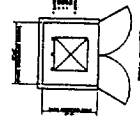


EXHIBIT "D"
LIST OF LIENS, LEASES, TENANCIES, ENCUMBRANCES,
AND CONCESSION AGREEMENTS

EXHIBIT D

**LIST OF LIENS, LEASES, TENANCIES, ENCUMBRANCES AND
CONCESSION AGREEMENTS**

PHASE 1:

Owner: Town Square Ventures, L.P.
Property: Blocks 1, 2, 4 (excluding Lot 3), and 5
Lienholder: Nomura Credit & Capital, Inc.
Encumbrances: Per Phase I Final Plat
Concession Agreements: None
Tenancies:

American Eagle	Ruby	General Mills
Animal Crackers	Sharper Image	Genentech
Ann Taylor	Sprint	Gregory Taylor
Any Occasion Gifts	Starbucks	Harken Energy Corporation
BA Frammer	Stylette dba Glass Slipper	Harold's (Office)
Banana Republic	Sweet & Sassy	Heinen & Associates
Barse Retail	Talbots	Hometrust Mortgage
Bath and Body Works	Terrace Day Spa & Salon	House of Representatives
Bless Your Heart	Thai Chili	Harken Energy Corporation
Boardroom	The Container Store	Johnson & Johnson
Bombay Company	The Mother's Place	Johnson Rooney Welch
Café Express	The Paper Closet	Just for Kids
Charmed by Melissa	Three Feet	Keller Williams Realty
Chico's	Victoria's Secret	Larry North Total Fitness
Circa Design	Village Jewelers (Block 2)	Larsen & King
Corner Bakery	Village Jewelers (Block 5)	Johnson & Johnson
D'Hierro	Villeroy & Boch	Lifeguard (Block 5)
Eddie Bauer	Williams-Sonoma	Lyons, Butler & Pesserillo
Eyes Nouveau	X's & O's	Main Street Financial (Tamer)
FNB of Wichita Falls	Yong Nim Cho	Micheal Bryan
Francesca's	Abernathy	Natural Healing Center
Gap	Audra D. Boxma, PA	Ortho-Alliance/Johnson & Collins
Gap Kids	Benefit Architects	Pearlstone Energy-M Young,
Harold's	Bradley, Luce & Bradley	Prizm Development
Jamba Juice	Brownstones	Rattikin Title Group
James Avery	Century 21	Southtrust Mortgage
Jos A. Bank	Charles Schwab	Stifel, Nicolas & Co
Just Add Water	Coldwell Banker	Swedish Match
Kobe Steakhouse	Collins Industries	Sylvan Learning Center
Lane Bryant	Cooper & Stebbins, L.P.	Terrace Day Spa (office)
LC Footwear	Countrywide Home Loans	Texas Nations
Lover's Eggroll	Dallas Morning News	The Langley Holding Co
Magic Moon	Dr Angela Bowers	Town Square Mortgage
Mi Cocina	Dr. Mary Wyatt	Vicki Truitt
Milwaukee Joe's	Dr. Scott Kasden	Viking Office Products
Oshkosh B'Gosh Retail	Dr. Steven J Fuqua	Villeroy & Boch
Paws and Claws/Sweet Shop	Dr. Todd White	Williams- Sonoma Storage
Riding High/Mole Hole	Educational Tech	Farmers Insurance
Rockfish	Edward Jones	Feet Feet
Exar		

Owner: Town Square Ventures II, L.P.
Property: Block 3, Lot 1
Lienholder: Nomura Credit & Capital, Inc.
Encumbrances: Per Phase I Final Plat
Concession Agreements: None

Tenancies:

Crate & Barrel	Insight Equity Holdings	Salomon Smith Barney
L'Occitane	Jennifer Grey/Henry S. Miller	Standerfer Law Firm
Talbots Petites and Kids	Lifeguard	Origins
Vignettes	Newell Rubbermaid	Pottery Barn
GSCS	Ops Technology	

Owner: SLTS Grand Avenue, L.P.
Property: Block 3, Lot 2 and Block 4, Lot 3
Lienholder: Cooper & Stebbins, L.P. (to be assigned)
Encumbrances: Per Phase I Preliminary Plat
Concession Agreements: None
Tenancies: None

PHASE IV:

Owner: SLTS Grand Avenue, L.P.
Lienholder: Cooper & Stebbins, L.P. (to be assigned to Chase/Bank of America/Comerica in conjunction with closing of the Grand Avenue construction loan)
Encumbrances: Per Phase IV Preliminary Plat (to be supplemented by franchise utility easements when civil drawings are complete)
Concession Agreements: None

Tenancies:

Signed Leases/Contracts:

Hobbs & Curry Family Limited Partnership (Hotel)
Harkins Theater
Barnes & Noble
Coldwater Creek
Snuffers
Express
Christopher & Banks
Anthropologie
Brighton
Claddagh Pubs of Southlake
Coldwater Creek

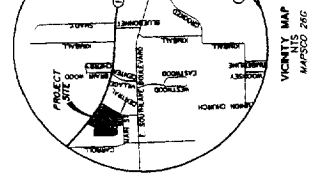
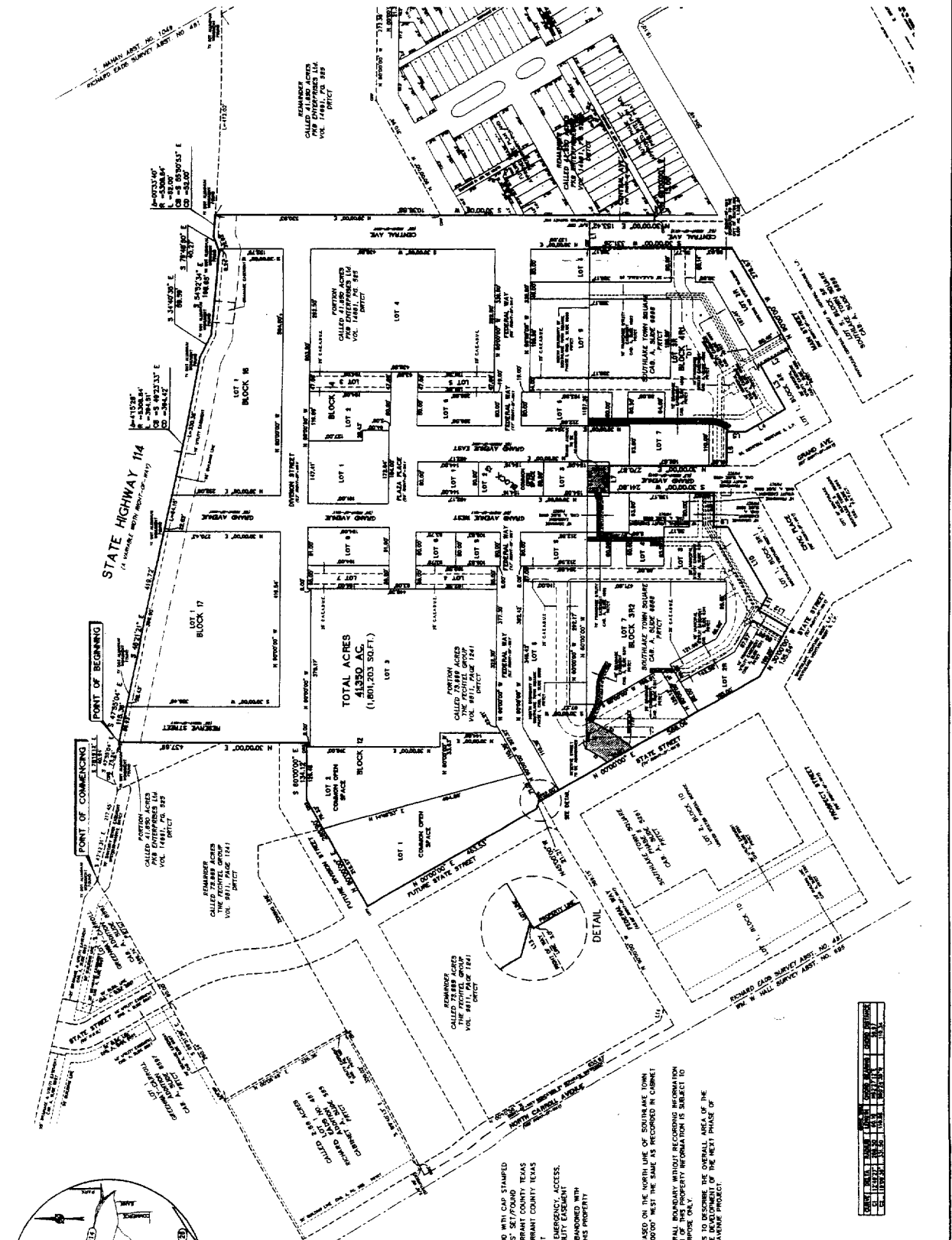
Lease in Final Negotiation:

Cheesecake Factory
Brio
Claire's
Chico's
Lucky Brand
White House/Black Market
New York & Co.
Potbelly Sandwich Works
Elisabeth
Sigrid Olsen
Robb & Stucky/Henredon
Apple
Damon & Drapers

EXHIBIT "B"
PROPERTY UPON WHICH THE GRAND AVENUE PROPERTY IMPROVEMENTS
ARE TO BE CONSTRUCTED

COOPER & STEBBINS, L.P.
 SEG STATE HIGHWAY 114 AND NORTH
 CARROLL AVENUE

BOUNDARY SURVEY
 BEING A 41.350 ACRE TRACT OF LAND SITUATED IN THE
 RICHARD EADS SURVEY, ABSTRACT NO. 481
 CITY OF SOUTHLAKE, TARRANT COUNTY, TEXAS
 Buy-Partners



- LEGEND**
- REF IRON ROD FOUND
 - CHS/P 3/8-INCH IRON ROD WITH CAP STAMPED
 - CONTRACT RECORD THIS SURVEY TEXAS
 - PRCT PLAT RECORDS TARRANT COUNTY TEXAS
 - (CM) COMMON MONUMENT
 - C.A.E.A.D.U.E. - COMMON ACCESS, EMERGENCY, ACCESS, DRAINAGE AND UTILITY EASEMENT
 - EASEMENT TO BE HANDLED WITH THE PLATTING OF THIS PROPERTY

NOTES:

1. BEARINGS SHOWN HEREON ARE BASED ON THE NORTH LINE OF SOUTHLAKE TOWN SQUARE PHASE I, BEING NORTH 80°00'00" WEST THE SAME AS RECORDED IN CARRANT A, SLIDE 8886, PRCT.
2. INFORMATION SHOWN WITHIN OVERALL BOUNDARY WITHOUT RECORDING INFORMATION IS FOR INFORMATIONAL PURPOSES ONLY. PROPERTY INFORMATION IS SUBJECT TO CHANGE AND IS INFORMATIONAL PURPOSES ONLY.
3. THE PURPOSE OF THIS SURVEY IS TO DESCRIBE THE OVERALL AREA OF THE PROPERTY TO BE PLATTED WITH THE DEVELOPMENT OF THE NEXT PHASE OF SOUTHLAKE TOWN SQUARE-CORRAL AVENUE PROJECT.

NO.	DESCRIPTION	DATE
1	IRON ROD FOUND	3/10/05
2	CHS/P 3/8-INCH IRON ROD WITH CAP STAMPED	3/10/05
3	CONTRACT RECORD THIS SURVEY TEXAS	3/10/05
4	PRCT PLAT RECORDS TARRANT COUNTY TEXAS	3/10/05
5	(CM) COMMON MONUMENT	3/10/05
6	C.A.E.A.D.U.E. - COMMON ACCESS, EMERGENCY, ACCESS, DRAINAGE AND UTILITY EASEMENT	3/10/05
7	EASEMENT TO BE HANDLED WITH THE PLATTING OF THIS PROPERTY	3/10/05

NO.	DESCRIPTION	DATE
1	IRON ROD FOUND	3/10/05
2	CHS/P 3/8-INCH IRON ROD WITH CAP STAMPED	3/10/05
3	CONTRACT RECORD THIS SURVEY TEXAS	3/10/05
4	PRCT PLAT RECORDS TARRANT COUNTY TEXAS	3/10/05
5	(CM) COMMON MONUMENT	3/10/05
6	C.A.E.A.D.U.E. - COMMON ACCESS, EMERGENCY, ACCESS, DRAINAGE AND UTILITY EASEMENT	3/10/05
7	EASEMENT TO BE HANDLED WITH THE PLATTING OF THIS PROPERTY	3/10/05

EXHIBIT "C"
**DESCRIPTION OF PUBLIC IMPROVEMENT PROPERTY AND PARKS AND
PARKING GARAGES TO BE CONSTRUCTED ON THE PUBLIC IMPROVEMENT
PROPERTY**

**DESCRIPTION OF PUBLIC IMPROVEMENT PROPERTY AND PARKS AND
PARKING GARAGES TO BE CONSTRUCTED ON THE PUBLIC
IMPROVEMENT PROPERTY**

Public Right of Way:

The Grand Avenue District includes 9.294 acres of ROW as nominated on the Concept Plan approved by the City of Southlake as Case No. ZA04-066 on October 5, 2005 and as illustrated on the Preliminary Plat approved by the City of Southlake as Case No. ZA04070 on October 5, 2004.

Parks:

The Plaza Park, consisting of .28 Acres is located on Block 13, Lot 3, SOUTHLAKE TOWN SQUARE - PHASE IV, and being a portion of land in the Richard Eads Survey, abstract No. 481 per Preliminary Plat approved by the City of Southlake as Case No. ZA04-070 on October 5, 2004.

The Westerly Park, consisting of 3.2 acres is located on Block 12, Lots 1 and 2, SOUTHLAKE TOWN SQUARE - PHASE IV, and being a portion of land in the Richard Eads Survey, abstract No. 481 per Preliminary Plat approved by the City of Southlake as Case No. ZA04-070 on October 5, 2004.

Parking Garages:

Parking Garage East is located on Block 4R1, Lot 5, SOUTHLAKE TOWN SQUARE - PHASE IV, and being a portion of land in the Richard Eads Survey, abstract No. 481 per Preliminary Plat approved by the City of Southlake as Case No. ZA04-070 on October 5, 2004, and a portion of the property described in Exhibit B to this Agreement.

Parking Garage West is located on Block 3R2, Lot 7, SOUTHLAKE TOWN SQUARE - PHASE IV, and being a portion of land in the Richard Eads Survey, abstract No. 481 per Preliminary Plat approved by the City of Southlake as Case No. ZA04-070 on October 5, 2004, and a portion of the property described in Exhibit B to this Agreement.

EXHIBIT "D"
DESCRIPTION OF PARKING GARAGE WEST

EXHIBIT "D"

DESCRIPTION OF PARKING GARAGE WEST

- Location:** Block 4R1, Lot 5, SOUTHLAKE TOWN SQUARE - PHASE IV, and being a portion of land in the Richard Eads Survey, Abstract No. 481 per Plat Revision approved by the City of Southlake as Case No. ZA04-070 on October 5, 2004, and the land described in Exhibit "A" to the Development Agreement.
- Spaces:** 726 spaces
- Levels:** Grade +3 elevated floors
- Details:** As approved by City of Southlake by SUP Application, Case No. ZA04-069, with final site plan approved by the City Council on October 5, 2004 and elevation approved November 16, 2004.

EXHIBIT "E"
DESCRIPTION OF PARKING GARAGE EAST

EXHIBIT "E"

DESCRIPTION OF PARKING GARAGE EAST

Location: Block 3R2, Lot 7, SOUTHLAKE TOWN SQUARE - PHASE IV, and being a portion of land in the Richard Eads Survey, Abstract No. 481 per plat Revision approved by the City of Southlake as Case No. ZA04-070 on October 5, 2004 and the land described in Exhibit "A" to the Development Agreement.

Square footage: 315,592

Spaces: 877 spaces

Levels: Grade +3 elevated floors

Details: As approved by City of Southlake by SUP Application, Case No. ZA04-069, and in accordance with the final site plan as approved by the City Council on October 5, 2004 and elevation approved November 16, 2004.

City: _____ Partnership: _____

EXHIBIT "F"
SPECIAL WARRANTY DEED

SPECIAL WARRANTY DEED

Date: _____, 200__

Grantor: SLTS Grand Avenue, L.P.
1256 Main Street, Suite 240
Southlake,
Tarrant County, Texas 76092

Grantee: The City of Southlake, Texas,
A municipal corporation
1400 Main Street
Southlake,
Tarrant County, Texas 76028

Consideration: Ten dollars and no/100 and other valuable consideration

Property (including any improvements):

Being Block 4R1, Lot 5, and Block 3R2, Lot 7, Southlake Town Square -
Phase IV, an addition to the City constituting the Plat Revision approved by
the City of Southlake for Case No. ZA04-070, on October 5, 2004
[Note: description to be conformed at time of conveyance if necessary]

Reservations from and Exceptions to Conveyance and Warranty:

NONE

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and to hold it to Grantee, Grantee's heirs, executors, administrators, and to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from the exception to conveyance and warranty, when the claim is by, through or under Grantor, but not otherwise.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR:

SLTS Grand Avenue, L.P.

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he is the _____, and that he is authorized to execute the foregoing instrument as the act of such of such Partnership for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 200____.

Notary Public in and for the State of Texas

Type or Print Notary's Name

My Commission Expires:

AFTER RECORDING RETURN TO:

Ms. Lori Farwell
City Secretary
City of Southlake
1400 Main Street, Suite 270
Southlake, Texas 76092

EXHIBIT "G"
GENERAL WARRANTY DEED FOR PARKS

GENERAL WARRANTY DEED FOR PARKS

Date: _____, 200__

Grantor: SLTS Grand Avenue, L.P.
1256 Main Street, Suite 240
Southlake,
Tarrant County, Texas 76092

Grantee: The City of Southlake, Texas,
A municipal corporation
1400 Main Street
Southlake,
Tarrant County, Texas 76028

Consideration: Ten dollars and no/100 and other valuable consideration

Property (including any improvements):

Being Block 13, Lot 3, and Block 12, Lots 1 and 2, Southlake Town Square
-Phase IV, an addition to the City, pursuant to the Plat Revision approved by
the City of Southlake for Case No. ZA04-070, on October 5, 2004
[NOTE: Description to be any owned at time of conveyance, if necessary]

Reservations from and Exceptions to Conveyance and Warranty:

NONE

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and to hold it to Grantee, Grantee's heirs, executors, administrators, and to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from the exception to conveyance and warranty, when the claim is by, through or under Grantor, but not otherwise.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR:

SLTS Grand Avenue, L.P.

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he is the _____, and that he is authorized to execute the foregoing instrument as the act of such of such Partnership for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 200____.

Notary Public in and for the State of Texas

Type or Print Notary's Name

My Commission Expires:

AFTER RECORDING RETURN TO:

Ms. Lori Farwell
City Secretary
City of Southlake
1400 Main Street, Suite 270
Southlake, Texas 76092

EXHIBIT "H"
GENERAL WARRANTY DEED FOR STREETS

GENERAL WARRANTY DEED FOR STREETS

Date: _____, 200__

Grantor: SLTS Grand Avenue, L.P.

Grantors' Mailing Address (including county): Attn: Frank Bliss
1256 Main Street, Suite 240
Southlake, Tarrant County, TX 76092

Grantee: The City of Southlake, Texas

Grantee's Mailing Address (including county): 1400 Main Street
Southlake, Tarrant County, Texas 76092

Consideration:

Ten Dollars (\$10.00) and other good and valuable consideration.

Property (including any improvements):

All of Grantor's interest in the streets, rights of way, and alleys dedicated to the public's use pursuant to the Plat Revision approving - Phase IV of Southlake Town Square Addition to the City of Southlake, as recorded in Cabinet _____, Slide _____ of the Plat Records of Tarrant County, Texas ("Plat").

Exceptions To Conveyance And Warranty:

All governmental zoning laws, regulations and ordinances affecting the Property, an undivided one-fourth interest in all oil, gas and other minerals as reserved in deed recorded in Volume 2091, Page 608, Deed Records of Tarrant County, and conditions of the Plat but only to the extent such items are validly existing and affect the Property.

Grantors, for the Consideration and subject to the Exceptions to Conveyance and Warranty, GRANT, SELL, and CONVEY to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's successors and assigns forever.

Grantors bind Grantors and their respective successors and assigns to warrant and forever defend all and singular the Property to Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Exceptions to Conveyance and Warranty.

Grantors, their successors and assigns, to the extent each shall own the property abutting the Property conveyed by this deed, hereby reserve a right of first refusal with respect to the Property, as described in this paragraph. In the event that Grantee determines to sell all or a portion of the Property to a non-governmental entity, the owners of the land abutting the Property (the "Abutting Owners") shall have the exclusive right of first refusal to purchase the Property, at fair market value as determined by an appraisal of the Property to be sold obtained by the Grantee. For purposes of this right of first refusal, the term "Property" is defined as that portion of the Property conveyed to Grantee which Grantee intends to offer for sale. In such event, Grantee agrees to notify the owners which abut the Property intended to be sold of the fair market value of the Property to be sold and the terms and conditions of the sale (the "Notice of Offer"). Grantee shall notify the Abutting Owners at the addresses as shown on the Tarrant Appraisal District rolls. The Abutting Owners shall have the exclusive right, at their option, for a period of thirty (30) days (the "Exercise Period") from its receipt of the Notice of Offer to notify Grantee in writing that the Abutting Owners shall purchase the Property intended to be sold upon the terms and conditions and at the price specified in the Notice of Offer. If the Abutting Owners do not give notice to Grantee of their exercise of its rights hereunder within the Exercise Period, the Abutting Owners' right of first refusal shall automatically terminate. If the Abutting Owners exercise such right to purchase by giving written notice to Grantee at any time within the Exercise Period, the closing of the resulting sale and purchase of the Property shall take place upon the terms and conditions of the Notice of Offer. This right of first refusal does not apply, however, to any sale of the Property to a governmental entity.

The foregoing right of first refusal runs with the land making up the Property, is binding on Grantee and Grantee's successors and assigns forever, and inures to the benefit of Grantors, Grantee and the Abutting Owners.

When the context requires singular nouns and pronouns include the plural.

GRANTOR:

SLTS Grand Avenue, L.P.

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Before me _____ on this day personally appeared Brian R. Stebbins, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in his capacity as managing member of CS Town Centers, LLC, a Texas limited liability company, the general partner of Cooper & Stebbins, L.P., a Texas limited partnership, the member of SLTS Grand Avenue Genpar, L.L.C., a Texas limited liability company, the general partner of SLTS Grand Avenue, L.P., a Texas limited partnership, on behalf of such limited liability companies and limited partnerships.

Given under my hand and seal of office this _____ day of _____, A.D.
_____.

(SEAL)

Notary Public in and for the State of Texas

My Commission Expires:

Type or Print Notary's Name:

EXHIBIT "I"
PARKING GARAGE PROPERTY OPERATING AGREEMENT

PARKING GARAGE PROPERTY OPERATING AGREEMENT

This Parking Garage Property Operating Agreement ("Agreement") is entered into as of the 29 day of March, 2005 by and between the City of Southlake, a Texas municipal corporation of Tarrant County and Denton County, Texas (hereinafter called "City"), Town Square Ventures, L. P., an Illinois limited partnership ("TSV"); Town Square Ventures II, L. P., a Texas limited partnership ("TSVII"; TSV and TSVII collectively referred to herein as the "Phase I Owner") and SLTS Grand Avenue, L.P., a Texas limited partnership (hereinafter called "Phase IV Owner"), (the Phase I Owner and the Phase IV Owner are hereinafter collectively referred to as the "Project Owner") and Southlake Town Square Association, a non-profit corporation of Texas (hereinafter called "Association").

RECITALS

A. City and the County of Tarrant, Texas have an irrevocable license (the "Existing License") in certain real property and parking improvements located on Block 4R, Lot 3, Block 2R1, Lot 4, and Block 3R1, Lot 2 in Southlake Town Square, Southlake, Texas, which currently serves the employees of the City and the County and visitors to Southlake Town Hall.

B. Project Owner collectively owns the land consisting of Phase I (being that certain real property described on Exhibit A-1, attached hereto, and herein so called) and Phase IV (being that certain real property described on Exhibit A-2 attached hereto and herein so called) of Southlake Town Square, a development in the Downtown District, Southlake Town Square Addition, Southlake, Texas. Phase I and Phase IV constitute the "Project" and are depicted and shown on Exhibit B.

C. City has approved the Site Plan for Phase IV of the Project, a copy of which is attached hereto as Exhibit C. City agrees that the Site Plan, as approved, meets the requirements for parking in the City's zoning ordinance. City intends that the parking garages be for the use of the general public and to the extent permitted by law, agrees it will not charge for parking at least until the expiration of the Reinvestment Zone Number One, City of Southlake (the "TIF District"), established by Ordinance No. 682, adopted on September 23, 1997.

D. Phase IV Owner and City have entered into a Development Agreement (the "Development Agreement") and an Economic Development Program Agreement related to Phase IV, (the "Economic Development Agreement") for the funding, construction and conveyance of certain community facilities and improvements, including two parking garages to be located on Block 4R1, Lot 5, and Block 3R2, Lot 7 of Phase IV.

E. The reimbursement of funds to Phase IV Owner under the Development Agreement for the construction of public improvements within the TIF District constitutes a portion of the consideration for the conveyance of the two parking garages to City in accordance with the terms thereof; the remainder of the consideration for the conveyance

of the two parking garages to City is to be paid to the Phase IV Owner in accordance with the terms of the Economic Development Agreement.

F. As partial consideration for the funds to be paid to Phase IV Owner under the Development Agreement and the Economic Development Agreement, Project Owner and Association have agreed to impose restrictions upon the tenants, successors, and assigns within the Project, and to pay for a proportionate share of the expenses of maintenance for the parking garages, as more fully set forth herein.

G. Association is organized to enforce the Declaration of Covenants, Restrictions and Easements on the Town Square Addition, as it exists as of the date of execution of this Agreement. Association is authorized, pursuant to the Declaration, to impose rules and regulations regarding parking and to enforce the regulations.

H. Phase I Owner will benefit from the availability of parking resulting from the construction and operation of the Parking Garage West and Parking Garage East.

I. Project Owner and City now desire to enter into this Agreement to memorialize their agreement relative to the use of, and payment for the Operating Expenses associated with, the Parking Garages; NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. RECITALS ADOPTED. The recitals set forth above are hereby incorporated in this Agreement.

2. DEFINITIONS.

Agreement Year means each 12 month period during the Term, with the first Agreement Year commencing on the Commencement Date and ending on the day prior to the first annual anniversary thereof.

Annual Maintenance Fee means for each applicable Agreement Year, an amount equal to Project Owner's Proportionate Share of the annual Operating Expenses incurred by City with respect to the operation of the Parking Garages for that Agreement year.

Commencement Date means the date that the Parking Garage Properties are conveyed to and accepted by City in accordance with the Development Agreement.

City means the City of Southlake Texas.

County means the County of Tarrant, State of Texas.

Declaration of Covenants, Restrictions and Easements or CRE means the Restated and Amended Declaration of Covenants, Restrictions and Easements for Town Square, as recorded in Volume 15097, Page 457 of the Real Property Records of Tarrant County, Texas, as affected by instruments recorded in Volume 15097, Page 458, in Volume 16844, Page 91, in Volume 17262, Page 260, and in Volume 17263, Page 3 of the Real Property Records of Tarrant County, Texas.

Development Agreement means, as defined in Recital D, the Development Agreement, between the City and Phase IV Owner executed of even date herewith.

Economic Development Agreement means, as defined in Recital D, the Economic Development Program Agreement, between the City and the Phase IV Owner executed of even date herewith.

Operating Expenses means certain expenses actually paid by City pertaining to the City's operation and maintenance of the Parking Garage Properties, and shall include, but not be limited to, the following expenses (including the actual cost of labor associated herewith): repairs and maintenance, cleaning, landscaping, lighting, irrigation and utility costs, property insurance and general liability insurance, workers' compensation insurance and other reasonable and customary expenses to maintain and operate the Parking Garage Properties, but shall not include the cost of taxes.

Parking Garage East means the parking garage located on Block 4R1, Lot 5 of Phase IV of the Southlake Town Square Addition to the City of Southlake, Texas.

Parking Garage West means the parking garage located on Block 3R2, Lot 7 of Phase IV of the Southlake Town Square Addition to the City of Southlake, Texas.

Parking Garage Properties means, collectively, the Parking Garage West and the Parking Garage East.

Proportionate Share means a fraction expressed as a percentage, the numerator of which is the total square footage of all buildings owned by the applicable party within the Phase I and Phase IV Property, and the denominator of which is the total square footage of all buildings within Phases I and IV of the Town Square Addition. It does not include the Parking Garage West and Parking Garage East.

3. **TERM.** This Agreement shall become effective as of the date of execution by the last party to sign this Agreement and shall continue until terminated as provided herein (the "Term").

4. **CONSIDERATION.** As a portion of the consideration for the conveyance to City of the Parking Garage West and Parking Garage East pursuant to the Development Agreement, the City agrees to the terms of the Development Agreement and Economic Development Agreement. As a portion of the consideration for such payment and reimbursement by City and to facilitate and promote economic development, Project Owner agrees to (i) include the applicable restrictions on parking described in Section 5.A.2 of this Agreement in all of its leases, contracts of sale and deeds conveying any interest in the Phase I and Phase IV Property, and (ii) pay for the Annual Maintenance Fee as provided below and (iii) amend the CRE to impose the restrictions in Section 5.A.2 on the Phase I Property and (iv) adopt and record these restrictions on the Phase IV Property.

5. PROJECT OWNER'S COVENANTS.

A. In consideration of City's agreement to reimburse Project Owner for a portion of the cost to construct Parking Garage West and Parking Garage East pursuant to the Development Agreement and Economic Development Agreement, Project Owner agrees to:

1. pay the Annual Maintenance Fee within 45 days after receipt from the City of the invoice for such Fee; and
2. include provisions in all of its leases executed after November 16, 2004, and contracts of sale of any property located within any phase of the Town Square Addition to the City that the tenants, owners and subsequent owners shall:
 - a. restrict their employees from parking in parking spaces located on the first and second floors of either Garage; and
 - b. comply with the City's rules and regulations governing the Parking Garages, as amended from time to time;
3. not impose a fee for parking in the Parking Garages;
4. not guarantee or reserve parking spaces in the Parking Garages; and
5. amend the CRE to include the provisions of this Section.

B. In consideration of the City's approval of the Site Plan, Association agrees to:

1. adopt the provisions of Section 5.A.2 therein as rules and regulations pursuant to Section 8.2 of the CRE; and
2. collect the Annual Maintenance Fee from the owners of property within Phase I and remit the same to the City.

C. Phase I Owner agrees to make available 221 parking spaces for the use of the City and County during construction of the Parking Garages in accordance with the terms of the Existing License. Upon the Commencement Date, City agrees that the Existing Irrevocable Parking License heretofore granted to City shall terminate. City agrees to use all reasonable efforts to obtain County's consent to the termination of the said License.

6. CITY'S RIGHTS AND COVENANTS. The City shall be and is entitled to all rights and privileges of ownership of the Parking Garages except to the extent otherwise provided in this Agreement and to shall be entitled to take all actions necessary or desirable to its rights and obligations as owner and operator of the Parking Garage Properties. The City agrees:

A. that City's invoice delivered to Project Owner for the Annual Maintenance Fee shall include reasonably sufficient detail regarding the amount and calculation of Operating Expenses (it being agreed that the standard for detail shall be the form of the invoice as delivered to City under the Existing License);

B. that City shall not use the Parking Garage Properties for a "bus barn" or vehicle maintenance area;

C. to restrict its employees, for the term of the Reinvestment Zone, from parking in parking spaces located on the first and second floors of either the Parking Garage West or Parking Garage East;

D. that the provisions of this Agreement do not alter the City's approval of the Site Plan and that City intends that the parking garages be for the use of the general public; and

E. to the extent permitted by law, it will not charge for parking at least until the expiration of the Reinvestment Zone Number One, City of Southlake (the "TIF District"), established by Ordinance No. 682, adopted on September 23, 1997.

7. INDEMNITY AND INSURANCE.

A. **TO THE EXTENT PERMITTED BY LAW, ASSOCIATION AND PROJECT OWNER SHALL INDEMNIFY, PROTECT, DEFEND AND HOLD HARMLESS CITY AND ALL OF ITS RESPECTIVE OFFICERS, EMPLOYEES, SERVANTS, AND AGENTS (COLLECTIVELY, "INDEMNITEES") FOR, FROM AND AGAINST ALL LIABILITIES, CLAIMS, FINES, PENALTIES, COSTS, DAMAGES OR DEATH OF OR PERSONAL INJURIES TO PERSONS, DAMAGES TO PROPERTY, LOSSES, LIENS, CAUSES OF ACTION, SUITS, AND JUDGMENTS (INCLUDING COURT COSTS, AND REASONABLE ATTORNEYS' FEES), OF ANY NATURE, KIND OR DESCRIPTION, DIRECTLY OR INDIRECTLY ARISING OUT OF, CAUSED BY, OR RESULTING FROM (IN WHOLE OR PART) ANY ACT, OMISSION, NEGLIGENCE OR WILLFUL MISCONDUCT OF ASSOCIATION AND PROJECT OWNER OR ANY OF ITS EMPLOYEES, OR ANY OF ITS TENANTS OR OWNERS; (3) DAMAGE TO ASSOCIATION AND PROJECT OWNER'S PROPERTY, OR THE PROPERTY OF ANY OF ITS EMPLOYEES, OWNERS, OR TENANTS LOCATED IN OR ABOUT THE PARKING GARAGES (COLLECTIVELY, "LIABILITIES").**

B. PROJECT OWNER AND ASSOCIATION AGREE THAT CITY SHALL NOT BE RESPONSIBLE FOR AND ASSOCIATION AND PROJECT OWNER HEREBY WAIVE ALL CLAIMS ARISING OR ALLEGED TO ARISE FROM THEFT OF OR DAMAGE TO ANY VEHICLES OCCUPYING THE PARKING IMPROVEMENTS OR THE CONTENTS OF SUCH VEHICLES.

8. DEFAULT.

A. Events of Default. In the event Project Owner shall fail to pay maintenance or sums payable by Project Owner hereunder when due or Project Owner shall fail to comply with or observe any other provision of this Agreement and such failure shall continue for 30 days after written notice to Project Owner; an event of default shall be deemed to have occurred.

B. Remedies. Upon the occurrence of any event of default and the expiration of any the notice and cure period, City shall have the option to pursue any remedy at law or in equity without any further notice or demand whatsoever, including termination and the imposition of a lien on the property of the Project Owners or their successors in the amount of any delinquent payment. Moreover, the parties agree that a default in the payment of the Annual Operating Expenses will result the delinquent amount being deducted from the Program Payments otherwise due Phase IV Project Owner under the Economic Development Agreement. All rights and remedies of City herein or existing at law or in equity are cumulative and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other.

C. Interest Payable. Any payment due under this Agreement that is not paid within 10 days after the date herein specified to be paid shall bear interest from the date of such payment is due to the date of actual payment at the rate of ten percent (10%) per annum or the highest lawful rate of interest permitted by Texas or federal law, whichever rate of interest is lower; provided however, that not more often than once every five years, the City shall have the right to adjust the interest rate to reflect prevailing market conditions.

9. AMENDMENT. Any agreement hereafter made between City, Association and Project Owner shall be ineffective to modify, release, or otherwise affect this Agreement, in whole or in part, unless such agreement is in writing and signed by all parties.

10. WAIVER. The failure of either party to this Agreement to complain of any action, non-action, or default of the other party shall not constitute a waiver of any such party's rights under this Agreement. Waiver by either party to this Agreement of any right for any default of the other party shall not constitute a waiver of any right for either a prior or subsequent default of the same obligation or for any prior or subsequent default of any other obligation.

11. PARTIES AND SUCCESSORS. Subject to the limitations and condition set forth elsewhere herein, this Agreement shall bind and inure to the benefit of the respective heirs, legal representatives, successors, and assigns of the parties hereto.

12. COVENANTS RUN WITH THE PROPERTY. The provisions, restrictions on parking and covenants regarding payment of the Annual Maintenance Fee set forth in this Agreement are hereby declared covenants running with the Property and are fully binding on the City, the Association and the Project Owner and each subsequent owner or assignee of all or any portion of the Property and shall be binding on all successors, heirs, and assigns of the Project Owner or Association which acquire any right, title or interest in

or to any property located within any phase of the Town Square Addition to the City. This Agreement shall be recorded in the Real Property Records of Tarrant County.

13. NOTICE.

If intended for City, to: City Manager
City of Southlake
1400 Main Street, Suite 460
Southlake, Texas 76092

If intended for Phase I Owner, to: Town Square Ventures, L.P.
1700 Alma Road
Plano, Texas 75075
Attn: Matt Tice

If intended for Phase IV Owner, to: SLTS Grand Avenue, L.P.
1256 Main Street, Suite 240
Southlake, Texas 76092
Attn: Brian R. Stebbins

If intended for Association, to: Southlake Town Square Assn.
1256 Main Street, Suite 240
Southlake, Texas 76092

Notices shall be deemed received upon the earlier of (1) actual receipt, (2) if mailed, three days after deposit by certified mail (return receipt requested) in an official depository of the United States Postal Service, (3) if sent by a nationally recognized overnight courier service, the first business day after delivery to such service.

14. GOVERNING LAW. VALIDITY, ENFORCEABILITY, INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS (WITHOUT REGARD TO CONFLICT OF LAW RULES) AND THE LAWS OF THE UNITED STATES APPLICABLE TO TRANSACTIONS IN TEXAS. ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE TO BE PERFORMED, AND EXCLUSIVE VENUE SHALL LIE, IN TARRANT COUNTY, TEXAS.

15. MISCELLANEOUS. This Agreement, including all exhibits which may be attached hereto (which exhibits are hereby incorporated herein and shall constitute a portion hereof, contains the entire agreement between Association, Project Owner and City with respect to the subject matter hereof). Further, the provisions of this Agreement shall not be construed against or in favor of a party hereto merely because such party is the "City" or the "Project Owner" hereunder or such party or its counsel is the drafter of this Agreement.

16. TIME OF ESSENCE. Time is of the essence of this Agreement and each and all of its provisions in which performance is a factor.

17. REPRESENTATIONS AND WARRANTIES.

A. Project Owner hereby represents and warrants to the City that:

1. Project Owner has full lawful right, power and authority to execute and deliver and perform the terms and obligations of this Agreement and that the execution and delivery of this Agreement has been duly authorized by all necessary action by the Project Owner;

2. this Agreement constitutes the legal, valid and binding obligations of Project Owner and is enforceable in accordance with its terms and provisions;

3. Project Owner is the sole owner of all property within the Project and there are no liens, encumbrances, leases, tenancies, rental agreements or concession agreements in effect regarding the Phase I or Phase IV Property except those listed in Exhibit D;

4. all action necessary to ensure that the lienholders and tenants identified in Exhibit D have consented to the provisions of this Agreement and agreed to be bound by the provisions hereof; and

5. the execution and performance of this Agreement will not violate Section 7.2 of the CRE.

B. The Association hereby represents and warrants to the City that:

1. Association has full power and authority to agree to this Agreement and full lawful right, power and authority to execute and deliver and perform the terms and obligations of this Agreement;

2. the execution and delivery of this Agreement has been duly authorized by all necessary action by the Association;

3. the Association's execution and performance under this Agreement will not violate the CRE or any other Agreement to which the Association is a party; and

4. Association is empowered and authorized pursuant to Section 8.2 of the CRE to impose the provisions of this Agreement in its rules and regulations for parking.

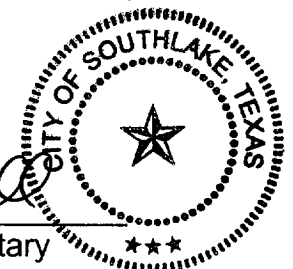
C. The foregoing representations and warranties shall survive the execution of this Agreement and continue throughout the Term.

CITY OF SOUTHLAKE, TEXAS

ATTEST:

By: 
Andy Wambsganss, Mayor

By: 
Lori Farwell, City Secretary



STATE OF TEXAS §
 §
COUNTY OF TARRANT §

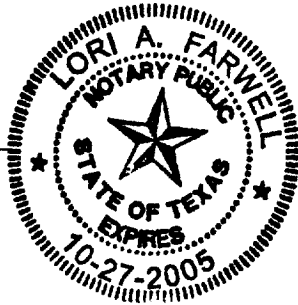
This instrument was acknowledged before me on March 29, 2005, by Andy Wambsganss, the Mayor of the City of Southlake, Texas, a Texas municipality on behalf of said municipality.

(Seal)

Lori A. Farwell
Notary Public in and for the State of Texas

My Commission Expires:

10/27/05



TOWN SQUARE VENTURES, L.P.,
an Illinois limited partnership, Phase I Owner

By: WESTERN TOWN SQUARE VENTURES I GP, L.L.C.,
a Delaware limited liability company,
its general partner

By: INLAND WESTERN RETAIL REAL ESTATE TRUST, INC.,
a Maryland corporation,
its sole member

By: [Signature]
Name: Debra A. Palmer
Its: Asst Secretary
Date of Signature: March 21, 2005

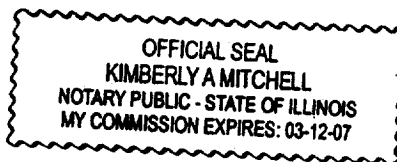
STATE OF ILLINOIS)
)
COUNTY OF DUPAGE)

This instrument was acknowledged before me on March 21, 2005, by Debra A. Palmer, the Asst. Secretary of Inland Western Retail Real Estate Trust, Inc., sole member of Western Town Square Ventures I GP, L.L.C., general partner of Town Square Ventures, L.P., on behalf of said corporation, limited liability companies and limited partnerships.

(Seal)

Kimberly A Mitchell
Notary Public in and for the State of

My Commission Expires:



SLTS GRAND AVENUE, L.P.,
a Texas limited partnership, Phase I Owner

By: SLTS Grand Avenue Genpar, L.L.C.,
a Texas limited liability company,
General Partner

By: Cooper & Stebbins, L.P.,
a Texas limited partnership,
its member

By: CS Town Centers, LLC,
a Texas limited liability company,
its general partner

By: *BR Stebbins*
Brian R. Stebbins,
Managing Member (FUB)

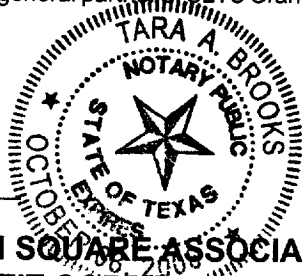
STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on March 18, 2005, by Brian R. Stebbins, the managing member of CS Town Centers, LLC, the general partner of Cooper & Stebbins, L.P., the member of SLTS Grand Avenue Genpar, L.L.C., the general partner of SLTS Grand Avenue, L.P., on behalf of said limited liability companies and limited partnerships.

(Seal)

My Commission Expires:

10-8-06



Tara A Brooks
Notary Public in and for the State of Texas

SOUTHLAKE TOWN SQUARE ASSOCIATION,
A TEXAS NON PROFIT CORPORATION

By: *BR Stebbins*
Brian R. Stebbins, President (FUB)

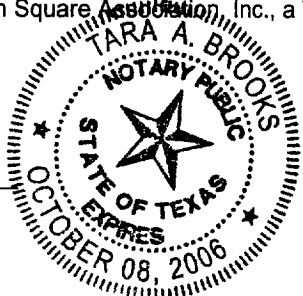
STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on March 18, 2005, by Brian R. Stebbins, the President of Southlake Town Square Association, Inc., a Texas non-profit corporation on behalf of said corporation.

(Seal)

My Commission Expires:

10-8-06



Tara A Brooks
Notary Public in and for the State of Texas

TOWN SQUARE VENTURES II, L.P.,
a Texas limited partnership

By: Town Square Ventures II GP, L.L.C., a Texas limited liability company, its general partner

By: C&S Southlake Capital Partners I, L.P., a Texas limited partnership its member

By: WESTERN TOWN SQUARE VENTURES GP, L.L.C., a Delaware limited liability company, its general partner

By: INLAND WESTERN RETAIL REAL ESTATE TRUST, INC., a Maryland corporation, its sole member

By: [Signature]
Name: Debra A Palmer
Its: Asst Secretary

Date of Signature: March 21, 2005

STATE OF ILLINOIS)
)
COUNTY OF DUPAGE)

This instrument was acknowledged before me on March 21, 2005, by Debra A. Palmer, the Asst. Secretary of Inland Western Retail Real Estate Trust, Inc., sole member of Western Town Square Ventures GP, L.L.C., general partner of C&S Southlake Capital Partners I, L.P., a Texas limited partnership, member of Town Square Ventures II GP, L.L.C., a Texas limited liability company, general partner of Town Square Ventures II, L.P., on behalf of said corporation, limited liability companies and limited partnerships.

(Seal)

[Signature]
Notary Public and for the State of

My Commission Expires: _____



EXHIBIT A-1

LEGAL DESCRIPTION OF PHASE I

Lots 3 and 4, Block 1R; Lots 2 and 4, Block 2R1; and Lots 1 and 2, Block 3R1, SOUTHLAKE TOWN SQUARE - PHASE I, an Addition to the City of Southlake, Tarrant County, Texas, according to plat recorded in Cabinet A, Slide 6888 and 6889, Plat Records of Tarrant County, Texas;

Lots 1 and 2, Block 1R; Lots 1 and 3, Block 2R1, SOUTHLAKE TOWN SQUARE - PHASE I, an Addition to the City of Southlake, Tarrant County, Texas, according to plat recorded in Cabinet A, Slide 6888 and 6889, Plat Records of Tarrant County, Texas; and

Lots 3, 4 and 5, Block 5R; and Lot 1, Block 4R, SOUTHLAKE TOWN SQUARE - PHASE I, an Addition to the City of Southlake, Tarrant County, Texas, according to plat recorded in Cabinet A, Slide 6888 and 6889, Plat Records of Tarrant County, Texas.

EXHIBIT A-2

LEGAL DESCRIPTION OF PHASE IV

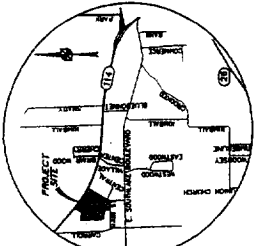
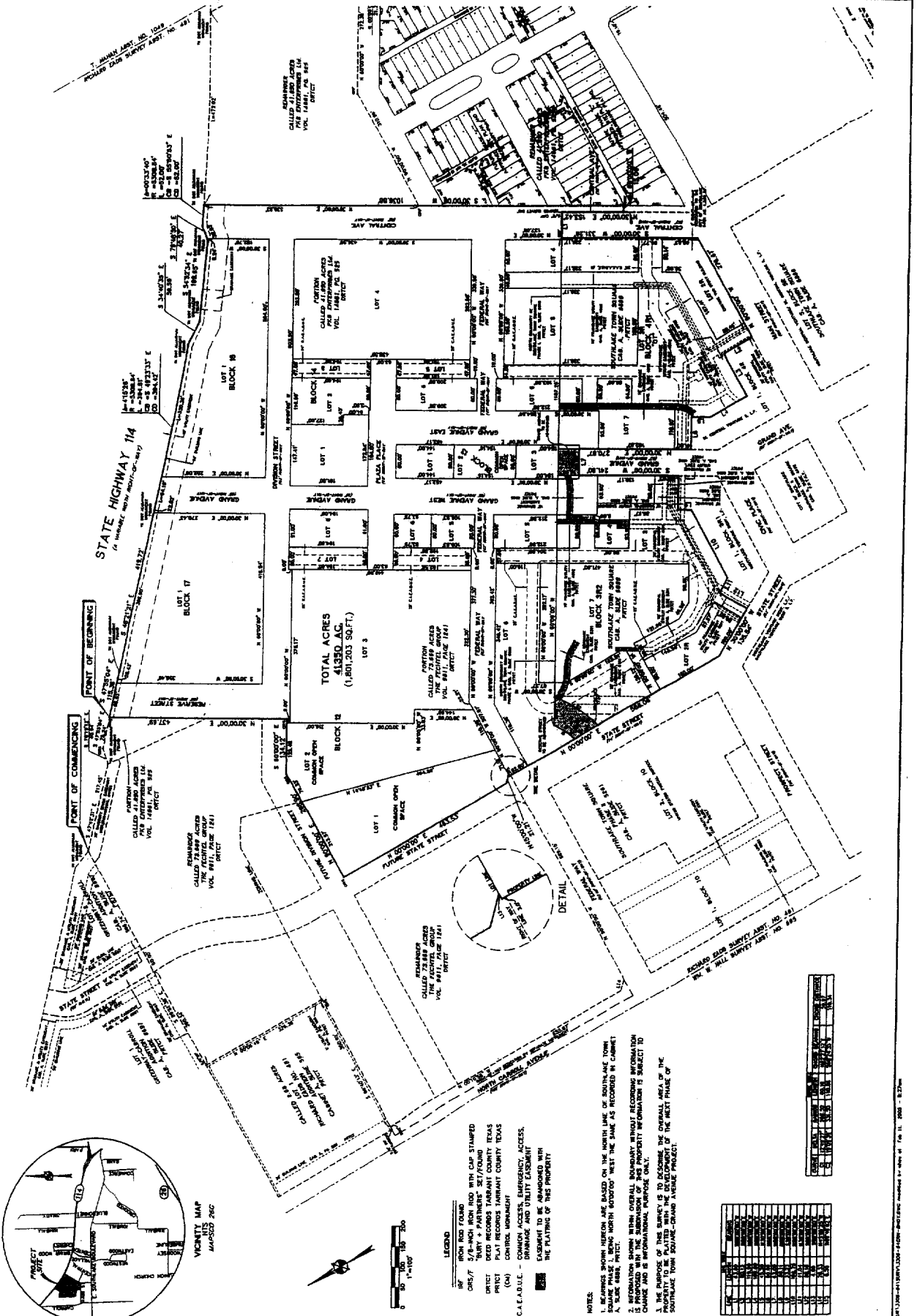
Lots 4, 5, 6 and 7, Block 3R2; and Lots 4, 5, 6, and 7, Block 4R1; Blocks 12-14; Block 17; and Block 18, SOUTHLAKE TOWN SQUARE - PHASE IV, constituting the Plat Revision approved by the City of Southlake as Case No. ZA04-071 on October 5, 2004, described by metes and bounds on the boundary survey of February 10, 2005, and prepared by Brury and Partners attached as follows:

[Remainder of Page Intentionally Left Blank]

COOPER & STEBBINS, L.P.
 350 STATE HIGHWAY 114 AND NORTH
 CARROLL AVENUE

BOUNDARY SURVEY
 BEING A 41.350 ACRE TRACT OF LAND SITUATED IN THE
 RICHARD EADS SURVEY, ABSTRACT NO. 481
 CITY OF SOUTHLAKE, TARRANT COUNTY, TEXAS

BBuy+Partners
 ENGINEERING SOLUTIONS
 2222 BROADWAY, SUITE 100
 DALLAS, TEXAS 75210
 TEL: (214) 424-1111 FAX: (214) 424-1112
 BUY@BUYPARTNERS.COM



LEGEND
 IRON ROD FOUND
 5/8" HIGH IRON ROD WITH CAP STAMPED
 ORIENTED NORTH
 DEED RECORDS TARRANT COUNTY TEXAS
 PLAT RECORDS TARRANT COUNTY TEXAS
 CONTROL MONUMENT
 COMMON ACCESS, EGRESS, ACCESS,
 DRAINAGE AND UTILITY EASEMENT
 EASEMENT WITH
 THE PLATING OF THIS PROPERTY

NOTES:
 1. MEASUREMENTS SHOWN HEREON ARE BASED ON THE NORTH LINE OF SOUTHLAKE TOWN
 AND RICHARD EADS SURVEY, ABSTRACT NO. 481, TARRANT COUNTY, TEXAS.
 A SUNK MARK, PROJECT
 2. INFORMATION SHOWN HEREON IS BASED ON RECORDS WITHIN THE PUBLIC RECORDS OF
 TARRANT COUNTY, TEXAS. THIS INFORMATION IS SUBJECT TO CHANGE AND IS NOT
 GUARANTEED TO BE CORRECT. THE SURVEYOR'S OBLIGATION IS TO EXAMINE THE
 RECORDS AND TO REPORT THEREON. THE SURVEYOR IS NOT RESPONSIBLE FOR
 THE ACCURACY OF THE INFORMATION SHOWN HEREON.
 3. THE PURPOSE OF THIS SURVEY IS TO DETERMINE THE BOUNDARIES OF THE
 SOUTHLAKE TOWN SQUARE-DRAWN AERIAL PROJECT.

NO.	DESCRIPTION	DATE
1	AS BUILT	2/10/09
2	AS BUILT	2/10/09
3	AS BUILT	2/10/09
4	AS BUILT	2/10/09
5	AS BUILT	2/10/09
6	AS BUILT	2/10/09
7	AS BUILT	2/10/09
8	AS BUILT	2/10/09
9	AS BUILT	2/10/09
10	AS BUILT	2/10/09
11	AS BUILT	2/10/09
12	AS BUILT	2/10/09
13	AS BUILT	2/10/09
14	AS BUILT	2/10/09
15	AS BUILT	2/10/09
16	AS BUILT	2/10/09
17	AS BUILT	2/10/09
18	AS BUILT	2/10/09
19	AS BUILT	2/10/09
20	AS BUILT	2/10/09
21	AS BUILT	2/10/09
22	AS BUILT	2/10/09
23	AS BUILT	2/10/09
24	AS BUILT	2/10/09
25	AS BUILT	2/10/09
26	AS BUILT	2/10/09
27	AS BUILT	2/10/09
28	AS BUILT	2/10/09
29	AS BUILT	2/10/09
30	AS BUILT	2/10/09
31	AS BUILT	2/10/09
32	AS BUILT	2/10/09
33	AS BUILT	2/10/09
34	AS BUILT	2/10/09
35	AS BUILT	2/10/09
36	AS BUILT	2/10/09
37	AS BUILT	2/10/09
38	AS BUILT	2/10/09
39	AS BUILT	2/10/09
40	AS BUILT	2/10/09
41	AS BUILT	2/10/09
42	AS BUILT	2/10/09
43	AS BUILT	2/10/09
44	AS BUILT	2/10/09
45	AS BUILT	2/10/09
46	AS BUILT	2/10/09
47	AS BUILT	2/10/09
48	AS BUILT	2/10/09
49	AS BUILT	2/10/09
50	AS BUILT	2/10/09
51	AS BUILT	2/10/09
52	AS BUILT	2/10/09
53	AS BUILT	2/10/09
54	AS BUILT	2/10/09
55	AS BUILT	2/10/09
56	AS BUILT	2/10/09
57	AS BUILT	2/10/09
58	AS BUILT	2/10/09
59	AS BUILT	2/10/09
60	AS BUILT	2/10/09
61	AS BUILT	2/10/09
62	AS BUILT	2/10/09
63	AS BUILT	2/10/09
64	AS BUILT	2/10/09
65	AS BUILT	2/10/09
66	AS BUILT	2/10/09
67	AS BUILT	2/10/09
68	AS BUILT	2/10/09
69	AS BUILT	2/10/09
70	AS BUILT	2/10/09
71	AS BUILT	2/10/09
72	AS BUILT	2/10/09
73	AS BUILT	2/10/09
74	AS BUILT	2/10/09
75	AS BUILT	2/10/09
76	AS BUILT	2/10/09
77	AS BUILT	2/10/09
78	AS BUILT	2/10/09
79	AS BUILT	2/10/09
80	AS BUILT	2/10/09
81	AS BUILT	2/10/09
82	AS BUILT	2/10/09
83	AS BUILT	2/10/09
84	AS BUILT	2/10/09
85	AS BUILT	2/10/09
86	AS BUILT	2/10/09
87	AS BUILT	2/10/09
88	AS BUILT	2/10/09
89	AS BUILT	2/10/09
90	AS BUILT	2/10/09
91	AS BUILT	2/10/09
92	AS BUILT	2/10/09
93	AS BUILT	2/10/09
94	AS BUILT	2/10/09
95	AS BUILT	2/10/09
96	AS BUILT	2/10/09
97	AS BUILT	2/10/09
98	AS BUILT	2/10/09
99	AS BUILT	2/10/09
100	AS BUILT	2/10/09

EXHIBIT "B"
DEPICTION OF PHASE I AND PHASE IV OF THE PROJECT

EXHIBIT B

DEPICTION OF PHASE I AND IV OF THE PROJECT

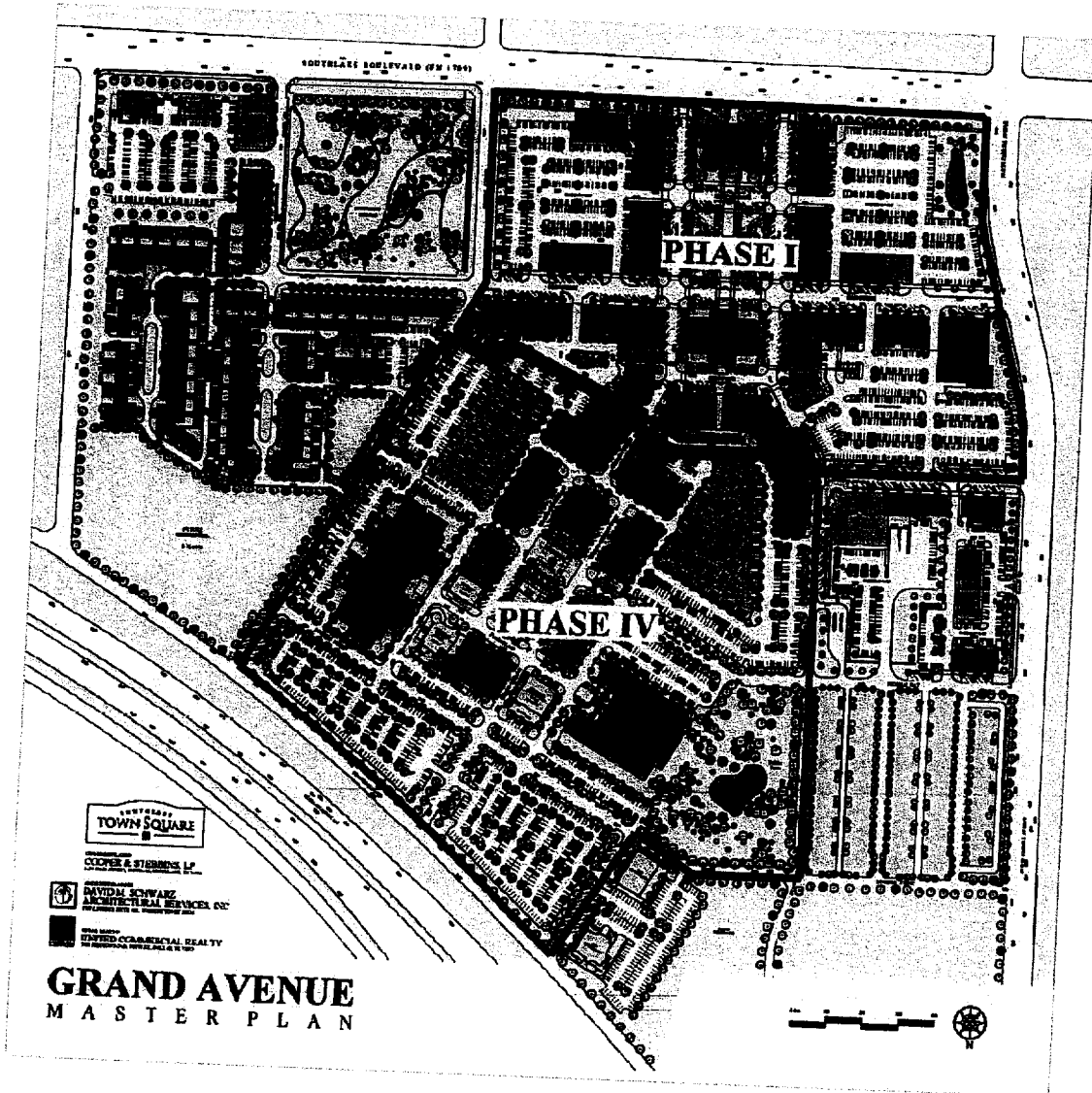


EXHIBIT "C"
APPROVED SITE PLAN FOR PHASE IV OF THE PROJECT



BLANK AREA TABLE

BLANK AREA	AREA (SQ. FT.)	PERCENT
BLANK AREA 1	10000	10.00
BLANK AREA 2	20000	20.00
BLANK AREA 3	30000	30.00
BLANK AREA 4	40000	40.00
BLANK AREA 5	50000	50.00
BLANK AREA 6	60000	60.00
BLANK AREA 7	70000	70.00
BLANK AREA 8	80000	80.00
BLANK AREA 9	90000	90.00
BLANK AREA 10	100000	100.00

THE DATA SUMMARY SHEET

NO.	DESCRIPTION	AREA (SQ. FT.)	PERCENT
1	BLANK AREA 1	10000	10.00
2	BLANK AREA 2	20000	20.00
3	BLANK AREA 3	30000	30.00
4	BLANK AREA 4	40000	40.00
5	BLANK AREA 5	50000	50.00
6	BLANK AREA 6	60000	60.00
7	BLANK AREA 7	70000	70.00
8	BLANK AREA 8	80000	80.00
9	BLANK AREA 9	90000	90.00
10	BLANK AREA 10	100000	100.00

PARTIAL DATA SUMMARY

NO.	DESCRIPTION	AREA (SQ. FT.)	PERCENT
1	BLANK AREA 1	10000	10.00
2	BLANK AREA 2	20000	20.00

BLOCKS 12, 13, 14, 17 AND 18
SOUTHLAKE TOWN SQUARE PHASE IV
CITY OF SOUTHLAKE
TARRANT COUNTY, TEXAS
CASE # ZADM-087

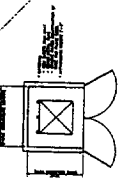
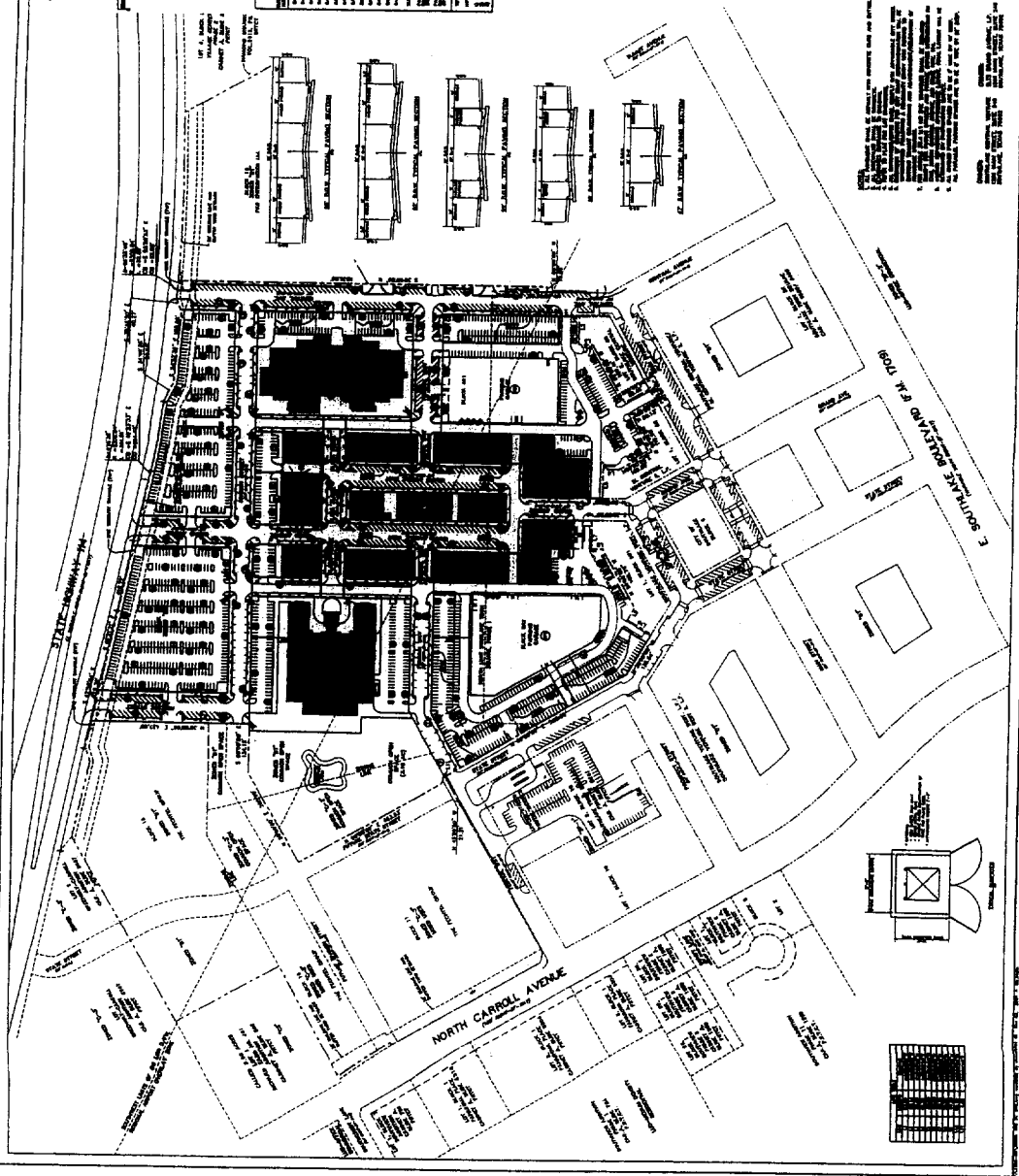


EXHIBIT "D"
LIST OF LIENS, LEASES, TENANCIES, ENCUMBRANCES,
AND CONCESSION AGREEMENTS

EXHIBIT D

**LIST OF LIENS, LEASES, TENANCIES, ENCUMBRANCES AND
CONCESSION AGREEMENTS**

PHASE 1:

Owner: Town Square Ventures, L.P.
Property: Blocks 1, 2, 4 (excluding Lot 3), and 5
Lienholder: Nomura Credit & Capital, Inc.
Encumbrances: Per Phase I Final Plat
Concession Agreements: None
Tenancies:

American Eagle	Ruby	General Mills
Animal Crackers	Sharper Image	Genentech
Ann Taylor	Sprint	Gregory Taylor
Any Occasion Gifts	Starbucks	Harken Energy Corporation
BA Frammer	Stylette dba Glass Slipper	Harold's (Office)
Banana Republic	Sweet & Sassy	Heinen & Associates
Barse Retail	Talbots	Hometrust Mortgage
Bath and Body Works	Terrace Day Spa & Salon	House of Representatives
Bless Your Heart	Thai Chili	Harken Energy Corporation
Boardroom	The Container Store	Johnson & Johnson
Bombay Company	The Mother's Place	Johnson Rooney Welch
Café Express	The Paper Closet	Just for Kids
Charmed by Melissa	Three Feet	Keller Williams Realty
Chico's	Victoria's Secret	Larry North Total Fitness
Circa Design	Village Jewelers (Block 2)	Larsen & King
Corner Bakery	Village Jewelers (Block 5)	Johnson & Johnson
D'Hierro	Villeroy & Boch	Lifeguard (Block 5)
Eddie Bauer	Williams-Sonoma	Lyons, Butler & Pesserillo
Eyes Nouveau	X's & O's	Main Street Financial (Tamer)
FNB of Wichita Falls	Yong Nim Cho	Micheal Bryan
Francesca's	Abernathy	Natural Healing Center
Gap	Audra D. Boxma, PA	Ortho-Alliance/Johnson & Collins
Gap Kids	Benefit Architects	Pearlstone Energy-M Young
Harold's	Bradley, Luce & Bradley	Prizm Development
Jamba Juice	Brownstones	Rattikin Title Group
James Avery	Century 21	Southtrust Mortgage
Jos A. Bank	Charles Schwab	Stifel, Nicolas & Co
Just Add Water	Coldwell Banker	Swedish Match
Kobe Steakhouse	Collins Industries	Sylvan Learning Center
Lane Bryant	Cooper & Stebbins, L.P.	Terrace Day Spa (office)
LC Footwear	Countrywide Home Loans	Texas Nations
Lover's Eggroll	Dallas Morning News	The Langley Holding Co
Magic Moon	Dr Angela Bowers	Town Square Mortgage
Mi Cocina	Dr. Mary Wyant	Vicki Truitt
Milwaukee Joe's	Dr. Scott Kasden	Viking Office Products
Oshkosh B'Gosh Retail	Dr. Steven J Fuqua	Villeroy & Boch
Paws and Claws/Sweet Shop	Dr. Todd White	Williams- Sonoma Storage
Riding High/Mole Hole	Educational Tech	Farmers Insurance
Rockfish	Edward Jones	Feet Feet
Exar		

Owner: Town Square Ventures II, L.P.
 Property: Block 3, Lot 1
 Lienholder: Nomura Credit & Capital, Inc.
 Encumbrances: Per Phase I Final Plat
 Concession Agreements: None
 Tenancies:
 Crate & Barrel Insight Equity Holdings Salomon Smith Barney
 L'Occitane Jennifer Grey/Henry S. Miller Standerfer Law Firm
 Talbots Petites and Kids Lifeguard Origins
 Vignettes Newell Rubbermaid Pottery Barn
 GSCS Ops Technology

Owner: SLTS Grand Avenue, L.P.
 Property: Block 3, Lot 2 and Block 4, Lot 3
 Lienholder: Cooper & Stebbins, L.P. (to be assigned)
 Encumbrances: Per Phase I Preliminary Plat
 Concession Agreements: None
 Tenancies: None

PHASE IV:

Owner: SLTS Grand Avenue, L.P.
 Lienholder: Cooper & Stebbins, L.P. (to be assigned to Chase/Bank of America/Comerica in conjunction with closing of the Grand Avenue construction loan)
 Encumbrances: Per Phase IV Preliminary Plat (to be supplemented by franchise utility easements when civil drawings are complete)
 Concession Agreements: None
 Tenancies:

Signed Leases/Contracts:

Hobbs & Curry Family Limited Partnership (Hotel)
 Harkins Theater
 Barnes & Noble
 Coldwater Creek
 Snuffers
 Express
 Christopher & Banks
 Anthropologie
 Brighton
 Claddagh Pubs of Southlake
 Coldwater Creek

Lease in Final Negotiation:

Cheesecake Factory
 Brio
 Claire's
 Chico's
 Lucky Brand
 White House/Black Market
 New York & Co.
 Potbelly Sandwich Works
 Elisabeth
 Sigrid Olsen
 Robb & Stucky/Henredon
 Apple
 Damon & Drapers