5200 MCKINNEY FALLS PARKWAY
ANNEXATION AND DEVELOPMENT AGREEMENT

October 9, 2009
This PAP Realty Partnership, et al Annexation and Development Agreement (the "Agreement") is made and entered into by and among the CITY OF AUSTIN, TEXAS, a municipal corporation acting by and through its duly authorized City Manager (the "City"); and PAP REALTY PARTNERSHIP, a Texas General Partnership, WP & AP, Ltd., a Texas Limited Partnership (a/k/a THE WP & AP, Ltd.), MVE VENTURE, Ltd., a Texas Limited Partnership (f/k/a MVE Venture, a Texas general partnership and converted to a limited partnership on July 27, 2004), and CMG PARTNERSHIP, Ltd., a Texas Limited Partnership, including without limitation its successors, assigns, agents, and affiliated entities ("PAP Realty"), and the undersigned individuals and entities as owners of the Property, including without limitation their respective successors, assigns, agents, and affiliated entities (collectively, PAP Realty and the undersigned individuals and entities will be known as "Owners"). By the signatures of their respective authorized representatives below, PAP Realty warrants and represents that there are no other owners of any portion of the Property and no other third-parties holding an interest therein.

RECITALS

A. Owners own, or represent the owners of, a total of approximately 69 acres of land located in Travis County, Texas contained within the area described in the attached Exhibit "A" ("Property"). Subject property is located in the City's extraterritorial jurisdiction ("ETJ"), but not within its corporate limits.

B. The City has begun the process to institute annexation proceedings for the Property.

C. The Owners desires to have the Property remain in the City's ETJ, in consideration for which the Owners agree to enter into this Agreement.

D. This Agreement is entered into pursuant to Sections 43.035 and 212.172 of the Texas Local Government Code, in order to address the desires of the Owners and the procedures of the City.
E. The Owners and the City acknowledge that this Agreement runs with the
land and is binding upon the City and the Owners and their respective
successors and assigns for the term of this Agreement, as defined below.

F. This Development Agreement is to be recorded in the Real Property
Records of Travis County.

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

ARTICLE I

DEFINITIONS

Section 1.01 Terms Defined in this Agreement. In this Agreement, each of
the following terms shall have the meanings indicated:

"City Code" means the City Code of Austin, together with all its related
administrative rules and technical criteria manuals.

"City Council" means the City Council of the City or any other successor
governing body.

"Development documents" mean any application or request made in
connection with the proposed development of land, including but not limited to:
(1) subdivision of the property by plat, including a preliminary plan for a
subdivision; (2) building permit; (3) site plan permit; and (4) application for
zoning, including an application for a Planned Unit Development (PUD).

"Effective Date" and similar references means December 31, 2009.

"ETJ" means all land located within the City's extraterritorial jurisdiction
under Chapter 42 of the Texas Local Government Code, as reflected in the
recitals of this Agreement.

"Land Development Code" shall mean the Land Development Code of
the City, codified as Title 25 and Title 30 of the City Code.

"Notice" shall have the meaning set forth in Section 8.04.

"Ordinances" shall mean the ordinances of the City.
"Property" shall have the meaning set forth in the recitals to this Agreement.

"Term" and similar references shall mean the period of time commencing on the Effective Date and continuing for fifteen (15) years from the Effective Date.

Section 1.02 Other Definitions. All capitalized terms used but not defined in this Agreement shall have the meaning given to them in the City Code.

ARTICLE II

LAND USE

Section 2.01 Uses.

A. The Owners covenant and agree not to use the Property for any use other than for agriculture, wildlife management, and/or timber management, and related incidental activities consistent with Chapter 23 of the Texas Tax Code without prior written consent of the City.

B. The Owners covenant and agree that the City's agricultural (AG) zoning requirements apply to the Property.

C. The Owners covenant and agree that the Owners will not file any type of subdivision plat or related development document for Property with Travis County or the City that is inconsistent with the City’s agricultural (AG) zoning requirements and the provisions of this Agreement.

D. The Owners covenant and agree not to construct, or allow to be constructed, any buildings on the Property that would require a building permit if the Property were in the city limits that is inconsistent with the City's agricultural (AG) zoning requirements.

ARTICLE III

APPLICABLE ORDINANCES

Section 3.01 Applicable Requirements.

A. All of the City's laws, ordinances, manuals, and administrative rules, including but not limited to the Land Development Code, regarding land
development, as amended from time to time, shall apply to subdivisions within the Property except as otherwise specified in this Agreement. Prior to full purpose annexation, subdivisions are subject to applicable regulations in Title 30 of the Land Development Code, and after full purpose annexation, subdivisions are subject to applicable regulations in Title 25 of Land Development Code. Property shall be developed in accordance with plats and other permit applications submitted to, and approved by, the City and Travis County through their Single Office for subdivision regulation, and as finally approved by the appropriate approval bodies.

B. Owners hereby waive any and all claims under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any actions Owner has taken in violation of Article II of this Agreement.

C. Pursuant to Section 43.035(b)(1)(B) of the Texas Local Government Code, the City is authorized to enforce city regulations and planning authority that does not materially interfere with the use of the Property for agriculture, wildlife management, and/or timber management, in the same manner the regulations are enforced within the City’s boundaries. The City specifically reserves its authority pursuant to Chapter 251 of the Texas Local Government Code to exercise eminent domain over property that is subject to a Chapter 43 and/or Chapter 212 development agreement.

ARTICLE IV

ANNEXATION

Section 4.01 Annexation.

A. The parties intend that this Agreement guarantee the continuation of the extraterritorial status as herein set forth. The City guarantees the continuation of the extraterritorial status of the Property, its immunity from annexation by the City, and its immunity from City property taxes for the term of this Agreement, subject to the provisions of this Agreement. Except as provided in this Agreement, the City agrees not to involuntarily annex the Property for the term of this Agreement.

B. The Owners acknowledge that if (i) any plat or related development document is filed in violation of this Agreement, or (ii) the Owners commence development of the Property in violation of this Agreement, then in addition to the City’s other remedies, such act will constitute a
petition for voluntary annexation by the Owners, and the Property will be subject to annexation at the discretion of the City Council. The Owners agree that, if and either condition B(i) or B(ii) is met, such annexation shall be voluntary and Owners hereby consent to such annexation as though a petition for such annexation had been tendered by Owners.

C. Owners and City agree that the City shall have the option, but not the obligation, to annex for full purposes pursuant to the terms of this Agreement. If the Property is annexed pursuant to the terms of this Agreement, then the City shall provide services to the Property pursuant to Chapter 43 of the Texas Local Government Code. Property voluntarily annexed pursuant to this Agreement may require infrastructure improvements to facilitate development, including but not limited to, streets and roads, street and road drainage, land drainage, and water, wastewater, and other utility systems. Owners hereby acknowledge the provision of infrastructure improvements necessitated by proposed future development, as listed in Article 4, shall be the sole responsibility of the Owners.

D. After full purpose annexation, all city ordinances, regulations and requirements applicable in the City's full purpose jurisdiction, including city taxation, shall apply to the area annexed. From the date of annexation until the Property is zoned, Property is designated in accordance with the zoning district provided for under City Code Section 25-2-222. During the term of this Agreement, the City shall not annex any part of the Property except as provided in this Article IV.

ARTICLE V

LEGISLATIVE DISCRETION; REPRESENTATIONS AND WARRANTIES

Section 5.01 Legislative Discretion. This Agreement is not intended to bind, and the parties agree in fact and law that the Agreement does not bind, the legislative discretion of the City Council to approve or disapprove any proposed annexation ordinance for the Property, subject to and in accordance with the provisions hereof.

Section 5.02 Representations and Warranties of Owners.

A. Organization and Good Standing. Owners consist of individuals and business organizations, each of which is duly organized and validly existing in good standing under the laws of the State of Texas, with full power and authority to conduct its business as it is now being conducted,
to own or use the properties and assets that it purports to own or use, and to perform all its obligations under this Agreement.

B. **Authority; No Conflict.** This Agreement constitutes a legal, valid and binding obligation of Owners, enforceable against Owners in accordance with its terms. Owners have the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement and to perform their obligations under this Agreement.

### Section 5.03 Representations and Warranties of the City.

A. **Organization and Good Standing.** The City is a duly organized and validly existing municipal corporation in good standing under the laws of the State of Texas, with full power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under this Agreement.

B. **Authority; No Conflict.** This Agreement constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms. The City has the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement and to perform its obligations under this Agreement.

### ARTICLE VI

**FRUSTRATION OF PURPOSE**

**Section 6.01** **Frustration of Purpose.** If any word, phrase, clause, sentence, paragraph, section or other part of this Agreement is affected in whole or in part as a result of amendments to the underlying statutory authority for this Agreement, or a final judicial decree for which all appeals have expired or been exhausted, or if the Texas Legislature amends state law in a manner having the effect of limiting or curtailing any right or obligation of the parties under this Agreement, then the parties agree and understand that the purpose of this Agreement may be frustrated. In such case, the parties agree to work in good faith to amend this Agreement so that the purpose of this Agreement may be fully realized, including full purpose annexation if necessary. Owners agree not to protest annexation of the Property in accordance with this Agreement, and further agree not to sponsor or support legislation that would hinder the City’s ability to annex any portion of the Property in accordance with the provisions hereof.
ARTICLE VII

DEFAULT AND REMEDIES FOR DEFAULT

Section 7.01 Default. It shall be a default under this Agreement by a party, if such party shall fail to perform any of its obligations under this Agreement and such failure shall remain uncured following the expiration of ten (10) business days after written notice of such failure. However, in the event the default is of a nature that cannot be cured within such ten (10) day period, the defaulting party shall have a longer period of time as may be reasonably necessary to cure the default in question, but in no event more than forty-five (45) days.

Section 7.02 Remedies between the City and Owners. Should any default between Owners and the City remain uncured after Notice to the other as provided in Section 8.01, the non-defaulting party, whether Owners or City, may pursue any remedy that is available at law or in equity at the time of breach.

Section 7.03 Mediation. In order to avoid unnecessary litigation, in the event either party fails to cure an alleged default within the cure period set out in Section 7.01 above, then if requested by either party, prior to seeking any form of relief from a court of law or agency of competent jurisdiction, each party agrees to enter into mediation concerning the alleged default for a period of not more than thirty (30) days prior to filing of any court action. Nothing in this Agreement shall be construed to limit the parties from mediating a default after any court or agency action may have been filed.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.01 Amendments to Agreement. This Agreement may be amended only by a written agreement signed by the City and Owners.

Section 8.02 Termination. This Agreement may be terminated as to all of the Property only by express written agreement executed by the City and Owners. In the event this Agreement is terminated by mutual agreement of the parties or by its terms, the parties shall promptly execute and file of record in the Official Public Records of Travis County, Texas, a document confirming the termination of this Agreement, and such other documents as may be appropriate to reflect the basis upon which such termination occurs.

Section 8.03 Agreement Binds Successors and Runs with the Land. This Agreement shall bind and inure to the benefit of the parties, their successors and
assigns. The terms of this Agreement shall constitute covenants running with the land comprising the Property and shall be binding on all Owners. After the Effective Date hereof, this Agreement, at the City's cost, shall be recorded in the Official Public Records of Travis County, Texas.

Section 8.04 Notice. Any person who sells or conveys any portion of the Property shall, prior to such sale or conveyance, give written notice of this Agreement to the prospective purchaser or grantee, and shall give written notice of the sale or conveyance to the City. Furthermore, the Owner and the Owner's heirs, successor, and assigns shall give the City written notice within 14 days of any change in the agricultural exemption status of the Property. A copy of either notice required by this section shall be forwarded to the City at the following address:

City of Austin
Attn: Planning and Development Review
PO Box 1088
Austin, TX 78767

Section 8.05 Severability. If any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the parties that the remainder of this Agreement shall not be affected.

Section 8.06 Waiver. Any failure by a party to insist upon strict performance by the other party of any material provision of this Agreement shall not be deemed a waiver of such provision or of any other provision of this Agreement, and such party shall have the right at any time(s) thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

Section 8.07 Applicable Law and Venue. The construction and validity of this Agreement shall be governed by the laws of the State of Texas (without regard to conflicts of law principles). Venue for any dispute arising from or related to this Agreement shall be in Texas state district court and shall be in accordance with the Texas Civil Practice and Remedies Code.

Section 8.08 Reservation of Rights. To the extent not inconsistent with this Agreement, each party reserves all rights, privileges and immunities under applicable laws.

Section 8.09 Counterparts. This Agreement may be executed in multiple counterparts which shall be construed together as a single original instrument as though all parties had signed one instrument, and, when executed, each
counterpart shall be binding upon and inure to the benefit of each of the parties executing the instrument whether or not all other parties have executed same.

Section 8.10 Survival. This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Articles II, III, and IV herein.

Section 8.11 Exhibits.

Exhibit "A" Description of Property

EXECUTED in multiple counterparts, each of which shall constitute an original, to be effective as of the Effective Date.

CITY: 
CITY OF AUSTIN,
a home rule city and Texas municipal corporation

By:

______________________________
Sue Edwards, Assistant City Manager

Date: __________________________

OWNER: 
PAP REALTY PARTNERSHIP,
a Texas General Partnership

By:

______________________________
KAY THURMAN, Managing Partner

Date: 10-14-09
WP & AP, LTD.,
a Texas Limited Partnership
By: WPAP, LLC, its General Partner

By: ________________
Print name: JERRY W. PETERS

Its: ______________________
Date: 10-9-09

MVE VENTURE, LTD.,
a Texas Limited Partnership
By: MVE VENTURE GP, LLC, its General Partner

C. DEAN GOODNIGHT, Member
Date: 10-14-09

CMG PARTNERSHIP, LTD.,
a Texas Limited Partnership
By: GOODNIGHT ENTERPRISES, INC., its General Partner

C. DEAN GOODNIGHT, President
Date: 10-14-09
Exhibit "A"

Map and Legal Description

(to be inserted here)
5200 McKinney Falls Parkway
Annexation and Development Agreement Area

Legend

- Development Agreement Area
- Travis County Parcel

Current Jurisdiction
- Austin Full Purpose
- Austin ETJ

City of Austin NPZD
J. Chuter
October 1, 2009
LEGAL DESCRIPTION

LEGAL DESCRIPTION FOR TWO TRACTS OF LAND HEREINAFTER REFERRED TO AS "TRACT ONE" AND "TRACT TWO". SAID "TRACT ONE" CONTAINING APPROXIMATELY 14 ACRES OF LAND AND SAID "TRACT TWO" CONTAINING APPROXIMATELY 55 ACRES OF LAND, BOTH TRACTS BEING OUT OF THE SANTIAGO DEL VALLE SURVEY, ABSTRACT NO. 24 IN TRAVIS COUNTY, TEXAS AND BEING PORTIONS OF A CALLED 229.712 ACRE TRACT OF LAND AND A CALLED 0.71 ACRE TRACT OF LAND CONVEYED AS FOLLOWS: TO MERLE GOODNIGHT, TRUSTEE BY DEED RECORDED IN VOLUME 4189, PAGE 191 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS; AN UNDIVIDED 25.8396% INTEREST TO MVE VENTURE BY SPECIAL WARRANTY DEED RECORDED IN VOLUME 11443, PAGE 723 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS; AN UNDIVIDED 1.4364% INTEREST TO MVE VENTURE BY SPECIAL WARRANTY DEED RECORDED IN VOLUME 11443, PAGE 740 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS; TO PAP REALTY PARTNERSHIP BY WARRANTY DEED WITH VENDOR’S LIEN RECORDED IN VOLUME 11893, PAGE 350 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS; AN UNDIVIDED 6.0573% INTEREST TO CMG PARTNERSHIP, LTD. BY WARRANTY DEED RECORDED IN VOLUME 12463, PAGE 384 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS; AN UNDIVIDED 6.0573% INTEREST TO WP & AP, LTD. BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NO. 2001094252 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS AND TO WP & AP, LTD. BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NO. 2002063439 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS. SAID "TRACT ONE" AND "TRACT TWO" BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TRACT ONE

BEGINNING at a point in the present corporate limit line of the City of Austin as adopted by Ordinance No. 861211-U (Case No. C7a-86-011), same being the easterly line of a 574.809 acre tract of land conveyed to Texas Parks and Wildlife Department by Warranty Deed recorded in Volume 4191, Page 1562 of the Deed Records of Travis County, Texas, in the centerline of Onion Creek at the southwest corner of said 0.71 acre tract for the southwest corner of the tract herein described;

THENCE, in a northerly direction along the present corporate limit line of the City of Austin as adopted by Ordinance No.
861211-U (Case No. C7a-86-011), same being the east line of said 574.809 acre tract, common in part with the west line of said 0.71 acre tract and the west line of said 229.712 acre tract to the southwest corner of a 1.571 acre tract of land conveyed to Texas Parks and Wildlife Department by Special Warranty Deed recorded in Document No. 2002089322 of the Official Public Records of Travis County, Texas, same being the north corner of the southerly residue of said 229.712 acre tract for the northwest corner of the tract herein described;

THENCE, in a southeasterly direction along the southwest line of said 1.571 acre tract and the northeast line of the southerly residue of said 229.712 acre tract to a point on the westerly right-of-way line of McKinney Falls Parkway, at the southeast corner of said 1.571 acre tract and the east corner of the southerly residue of said 229.712 acre tract for the east corner of the tract herein described;

THENCE, in a southwesterly direction along the westerly right-of-way line of McKinney Falls Parkway, common in part with the southeast line of the southerly residue of said 229.712 acre tract and residue of said 0.71 acre tract to a point in the centerline of Onion Creek, at the south corner of the residue of said 0.71 acre tract for the south corner of the tract herein described;

THENCE, in a northwesterly direction along the centerline of Onion Creek, same being the southwest line of said 0.71 acre tract to the POINT OF BEGINNING and containing approximately 14 acres or land, more or less.

TRACT TWO

BEGINNING at a point in the present corporate limit line of the City of Austin as adopted by Ordinance No. 851219-G (Case No. C7a-85-023), same being the southwesterly right-of-way line of Burleson Road at the most northerly northwest corner of said 229.712 acre tract, same being the east corner of a 13.172 acre tract of land owned by Helen Boothe, et al according to Travis Central Appraisal District (Parcel No. 03-2311-01-13), for the most northerly northwest corner of the tract herein described;

THENCE, in a southeasterly direction along the southwesterly right-of-way line of Burleson Road, same being the most northerly northeast line of said 229.712 acre tract, to the most northerly east corner of said 229.712 acre tract, same being the north corner of Joe K. Smith Subdivision, a subdivision of record in Book 56, Page 26 of the Plat Records of Travis County Texas, for the most northerly east corner of the tract herein described;

THENCE, in a southwesterly direction along the common line of said 229.712 acre tract and said Joe K. Smith Subdivision to an interior corner of said 229.712 acre tract, same being the west corner of said Joe K. Smith Subdivision, for an interior corner of the tract herein described;
THENCE, in a southeasterly direction along the northeast line of said 229.712 acre tract, common in part with the southwest line of said Joe K. Smith Subdivision and the southwest line of Omni Business Park, a subdivision of record in Book 93, Pages 315-316 of the Plat Records of Travis County, Texas, to the north corner of a 2.000 acre tract of land conveyed to Chall, Ltd. by Special Warranty Deed recorded in Volume 13091, Page 3691 of the Real Property Records of Travis County, Texas, same being the most southerly east corner of the northerly residue of said 229.712 acre tract and the tract herein described;

THENCE, in a southwesterly and southerly direction along the common line of said 2.00 acre tract and the northerly residue of said 229.712 acre tract to a point on the northerly right-of-way line of McKinney Falls Parkway for the southeast corner of the northerly residue of said 229.712 acre tract and the tract herein described;

THENCE, in a westerly direction along the northerly right-of-way line of McKinney Falls Parkway, common in part with the south line of the northerly residue of said 229.712 acre tract to the southeast corner of a 33.900 acre tract of land conveyed to the Board of Trustees of the Del Valle Independent School District by Special Warranty Deed recorded in Document No. 2002068034 of the Official Public Records of Travis County, Texas for the most southerly southwest corner of the northerly residue of said 229.712 acre tract and the tract herein described;

THENCE, in a northerly and northwesterly direction along the common line of said 33.900 acre tract and the northerly residue of said 229.712 acre tract to a point in the present corporate limit line of the City of Austin as adopted by Ordinance No. 861211-U (Case No. C7a-86-011), same being the easterly line of a 574.809 acre tract of land conveyed to Texas Parks and Wildlife Department by Warranty Deed recorded in Volume 4191, Page 1562 of the Deed Records of Travis County, Texas, at the north corner of said 33.900 acre tract, for the most westerly southwest corner of the northerly residue of said 229.712 acre tract and the tract herein described;

THENCE, in a northerly direction along the present corporate limit line of the City of Austin as adopted by Ordinance No. 861211-U (Case No. C7a-86-011), common in part with the west line of said 229.712 acre tract and the east line of said 574.809 acre tract and the east line of a 18.008 acre tract of land conveyed to the Del Valle Independent School District by Warranty Deed recorded in Volume 4184, Page 2120 of the Deed Records of Travis County, Texas to the intersection of the present corporate limit line of the City of Austin as adopted by Ordinance No. 861211-U (Case No. C7a-86-011) and another present corporate limit line of the City of Austin as adopted by Ordinance No. 011101-41 (Case No. C7a-01-021), same being the east corner of said 18.008 acre tract, same being the south corner of Burleson Office Subdivision, a subdivision of record in Book 91, Pages 397-398 of the Plat Records of Travis County, Texas, for an angle point in the west line of said 229.712 acre tract and the tract herein described;
THENCE, in a northeasterly direction along the present corporate limit line of the City of Austin as adopted by Ordinance No. 011101-41 (Case No. C7a-01-021), common in part with a northwest line of said 229.712 acre tract and the southeast line of said Burleson Office Park and Telecom Office Park, a subdivision of record in Document No. 200100308 of the Official Public Records of Travis County, Texas to a point on the southwest line of the aforementioned 13.172 acre tract, at the most southerly east corner of said Telecom Office Park, for the most westerly north corner of said 229.712 acre tract and the tract herein described;

THENCE, in a southeasterly direction along the most westerly northeast line of said 229.712 acre tract, common in part with the southwest line of said 13.172 acre tract to the south corner of said 13.172 acre tract, for an interior corner of said 229.712 acre tract and the tract herein described;

THENCE, in a northeasterly direction along the most northerly northwest line of said 229.712 acre tract, common in part with the southeast line of said 13.172 acre tract to the POINT OF BEGINNING and containing approximately 55 acres, more or less.

This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared".

LEGAL DESCRIPTION: Mary P. Hawkins  
10-13-09  
Mary P. Hawkins 10/13/09

APPROVED: Mary P. Hawkins, RPLS No. 4433  
Engineering Services Division  
Department of Public Works  
City of Austin

REFERENCES  
Austin Grid K-15  
TCAD MAP 3-2311