

TOWN OF LITTLE ELM, TEXAS

RESOLUTION NO. 0220202401

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS; APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE ADDITIONAL AUTHORIZED IMPROVEMENTS LANDOWNER AGREEMENT AND ADDITIONAL AUTHORIZED IMPROVEMENTS REIMBURSEMENT AGREEMENT FOR THE SPIRITAS EAST PUBLIC IMPROVEMENT DISTRICT; AND RESOLVING OTHER MATTERS RELATED THERETO.

RECITALS

WHEREAS, on November 16, 2021, the Town Council (the “Town Council”) of the Town of Little Elm, Texas (the “Town”) adopted Resolution No. 1116202103, creating the Spiritas East Public Improvement District (the “District”) in accordance with Chapter 372, Texas Local Government Code, as amended (the “Act”); and

WHEREAS, the Town, following a request from the owner of property within the District, has previously levied assessments against the property within the District to pay for the costs of certain additional improvements, as identified in the service and assessment plan for the District; and

WHEREAS, the Town desires to approve the “Additional Authorized Improvements Landowner Agreement” substantially in the form attached hereto as **Exhibit A** (the “Landowner Agreement”); and

WHEREAS, the Landowner Agreement includes certain agreements, acceptances, affirmations, acknowledgments and approvals of the landowner of property within the district and also includes a form of the declaration of covenants, conditions, and restrictions, including the statutory notification required by Texas Property Code, Section 5.014, as amended, and will facilitate the development within the District; and

WHEREAS, the Town desires to approve the “Additional Authorized Improvements Reimbursement Agreement” substantially in the form attached hereto as **Exhibit B** (the “Reimbursement Agreement”); and

WHEREAS, the Reimbursement Agreement satisfies the requirements of Section 372.023 of the Act and is an appropriate method of reimbursement for the Additional Authorized Improvements Costs (as defined in the Reimbursement Agreement) associated with the construction and development of the Assessed Property (as defined in the Reimbursement Agreement) within the District.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS, AS FOLLOWS:

SECTION 1. THAT the findings and premises contained in the WHEREAS clauses above are hereby deemed to be true and correct and incorporated as a part of this Resolution for all purposes.

SECTION 2. THAT the Landowner Agreement attached hereto as **Exhibit A**, is hereby approved and the Mayor is hereby authorized to execute such Landowner Agreement on behalf of the Town.

SECTION 3. THAT the Reimbursement Agreement attached hereto as **Exhibit B**, is hereby approved and the Mayor is hereby authorized to execute such Reimbursement Agreement on behalf of the Town.

SECTION 4. THAT this Resolution shall become effective from and after its date of passage in accordance with law.

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PASSED AND APPROVED on this the 20th day of February, 2024.

TOWN OF LITTLE ELM, TEXAS

ATTEST:

Curtis J. Cornelious, Mayor

Caitlan Biggs, Town Secretary

APPROVED AS TO FORM:

Robert Brown, Town Attorney

Exhibit A to Resolution
Additional Authorized Improvements Landowner Agreement

ADDITIONAL AUTHORIZED IMPROVEMENTS LANDOWNER AGREEMENT

This **ADDITIONAL AUTHORIZED IMPROVEMENTS LANDOWNER AGREEMENT** (the “Agreement”), is entered into as of February 20, 2024, between the **TOWN OF LITTLE ELM, TEXAS** (the “Town”), a home rule municipality of the State of Texas (the “State”), and **MM LITTLE ELM 43, LLC**, a Texas limited liability company (the “Landowner”).

RECITALS:

WHEREAS, Landowner owns the Assessed Parcels described by the description attached as **Exhibit I** to this Agreement and which is incorporated herein for all purposes, comprising all of the non-exempt, privately-owned land described in **Exhibit I** (the “Landowner Parcel”) which is located within the Spiritas East Public Improvement District (the “District”) in the Town; and

WHEREAS, the Town Council has adopted an assessment ordinance for the Additional Authorized Improvements (including all exhibits and attachments thereto, the “Additional Authorized Improvements Assessment Ordinance”) and the Service and Assessment Plan included as an Exhibit A to the Additional Authorized Improvements Assessment Ordinance as updated and amended (the “Service and Assessment Plan”) and which is incorporated herein for all purposes, and has levied an assessment on each Assessed Parcel of the District (as identified in the Service and Assessment Plan) that will be pledged for the payment of certain infrastructure improvements and to pay the costs of constructing the Additional Authorized Improvements that will benefit the Assessed Property (as defined in the Service and Assessment Plan); and

WHEREAS, the Covenants, Conditions and Restrictions attached to this Agreement as **Exhibit II** and which are incorporated herein for all purposes, include the statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended (the “PID Act”), to the purchaser.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations and benefits hereinafter set forth, the Town and the Landowner hereby contract, covenant and agree as follows:

DEFINITIONS; APPROVAL OF AGREEMENTS

Definitions. Capitalized terms used but not defined herein (including each exhibit hereto) shall have the meanings ascribed to them in the Service and Assessment Plan.

Affirmation of Recitals. The findings set forth in the Recitals of this Agreement are hereby incorporated as the official findings of the Town Council.

I.

AGREEMENTS OF LANDOWNER

A. Affirmation and Acceptance of Agreements and Findings of Benefit. Landowner hereby ratifies, confirms, accepts, agrees to, and approves:

(i) the creation and boundaries of the District, and the boundaries of the Landowner's Parcel, as shown on **Exhibit I**, and the location and development of the Additional Authorized Improvements on the Landowner Parcel and on the property within The District;

(ii) the determinations and findings as to the benefits by the Town Council in the Service and Assessment Plan and the Additional Authorized Improvements Assessment Ordinance;

(iii) the Additional Authorized Improvements Assessment Ordinance and the Service and Assessment Plan.

B. Acceptance and Approval of Assessments and Lien on Property. Landowner consents to, agrees to, acknowledges and accepts the following:

(i) each Assessment levied by the Town on each Assessed Parcel within the District as shown on the assessment roll attached as Appendix H-1 to the Service and Assessment Plan (the "Assessment Roll - Additional Authorized Improvements");

(ii) the Additional Authorized Improvements specially benefit the District, and the Landowner's Parcel, in an amount at least equal to the Assessment levied on each Assessed Parcel within the District, as such Assessment is shown on the Assessment Roll - Additional Authorized Improvements;

(iii) each Assessment is final, conclusive and binding upon Landowner and any subsequent owner of an Assessed Parcel, regardless of whether such landowner may be required to prepay a portion of, or the entirety of, such Assessment upon the occurrence of a mandatory prepayment event as provided in the Service and Assessment Plan;

(iv) the obligation to pay the Assessment levied on the Assessed Parcel(s) owned by it when due and in the amount required by and stated in the Service and Assessment Plan and the Additional Authorized Improvements Assessment Ordinance;

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

(vi) the Assessment lien on each Assessed Parcel is a lien and covenant that runs with the land and is effective from the date of the Additional Authorized Improvements Assessment Ordinance and continues until the Assessment is paid and may be enforced by the governing body of the Town in the same manner that an ad valorem tax lien against real property may be enforced by the Town;

(vii) delinquent installments of the Assessment shall incur and accrue interest, penalties, and attorney's fees as provided in the PID Act;

(viii) the owner of an Assessed Parcel may pay at any time the entire Assessment, with interest that has accrued on the Assessment, on any parcel in the Landowner's Parcel;

(ix) the Annual Installments of the Assessments (as defined in the Service and Assessment Plan and Assessment Roll - Additional Authorized Improvements) may be adjusted, decreased and extended; and, the assessed parties shall be obligated to pay their respective revised amounts of the annual installments, when due, and without the necessity of further action, assessments or reassessments by the Town, the same as though they were expressly set forth herein; and

(x) Landowner has received, or hereby waives, all notices required to be provided to it under Texas law, including the PID Act, prior to the Effective Date (defined herein).

C. Mandatory Prepayment of Assessments. Landowner agrees and acknowledges that Landowner or subsequent landowners may have an obligation to prepay an Assessment upon the occurrence of a mandatory prepayment event, at the sole discretion of the Town and as provided in the Service and Assessment Plan, as amended or updated.

D. Notice of Assessments. Landowner further agrees as follows:

(i) the Covenants, Conditions and Restrictions attached hereto as **Exhibit II** shall be terms, conditions and provisions running with the Landowner's Parcel and shall be recorded (the contents of which shall be consistent with the Additional Authorized Improvements Assessment Ordinance and the Service and Assessment Plan as reasonably determined by the Town), in the records of the County Clerk of Denton County, as a lien and encumbrance against such Assessed Parcel, and Landowner hereby authorizes the Town to so record such documents against the Assessed Parcels owned by Landowner;

(ii) in the event of any subdivision, sale, transfer or other conveyance by the Landowner of the right, title or interest of the Landowner in the Landowner's Parcel or any part thereof, the Landowner's Parcel, or any such part thereof, shall continue to be bound by all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions and any purchaser, transferee or other subsequent owner shall take such

Assessed Parcel(s) subject to all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions; and

(iii) Landowner shall comply with, and shall contractually obligate (and promptly provide written evidence of such contractual provisions to the Town) any party who purchases any Assessed Parcel owned by Landowner, or any portion thereof, for the purpose of constructing residential properties that are eligible for “homestead” designations under State law, to comply with, the Homebuyer Education Program described on **Exhibit III** to this Agreement. Such compliance obligation shall terminate as to each Lot (as defined in the Service and Assessment Plan) if, and when, (i) a final certificate of occupancy for a residential unit on such Lot is issued by the Town, and (ii) there is a sale of a Lot to an individual homebuyer, it being the intent of the undersigned that the Homebuyer Education Program shall apply only to a commercial builder who is in the business of constructing and/or selling residences to individual home buyers (a “Builder”) but not to subsequent sales of such residence and Lot by an individual home buyer after the initial sale by a Builder.

Notwithstanding the provisions of this Section, upon the Landowner’s request and the Town’s consent, in the Town’s sole and absolute discretion, the Covenants, Conditions and Restrictions may be included with other written restrictions running with the land on property within the District, provided they contain all the material provisions and provide the same material notice to prospective property owners as does the document attached as **Exhibit II**.

II. OWNERSHIP AND CONSTRUCTION OF ADDITIONAL AUTHORIZED IMPROVEMENTS

A. Ownership and Transfer of Additional Authorized Improvements. Landowner acknowledges that all of the Additional Authorized Improvements and the land (or easements, as applicable) needed therefor shall be owned by the Town as constructed and/or conveyed to the Town and Landowner will execute such conveyances and/or dedications of public rights of way and easements as may be reasonably required to evidence such ownership, as generally described on the current plats of the property within the District.

B. Grant of Easement and License, Construction of Additional Authorized Improvements.

(i) Any subsequent owner of an Assessed Parcel shall, upon the request of the Town or Landowner, grant and convey to the Town or Landowner and its contractors, materialmen and workmen a temporary license and/or easement, as appropriate, to construct the Additional Authorized Improvements on the property within the District, to stage on the property within the District construction trailers, building materials and equipment to be used in connection with such construction of the Additional Authorized

Improvements and for passage and use over and across parts of the property within the District as shall be reasonably necessary during the construction of the Additional Authorized Improvements. Any subsequent owner of an Assessed Parcel may require that each contractor constructing the Additional Authorized Improvements cause such owner of an Assessed Parcel to be indemnified and/or named as an additional insured under liability insurance reasonably acceptable to such owner of an Assessed Parcel. The right to use and enjoy any easement and license provided above shall continue until the construction of the Additional Authorized Improvements are complete; provided, however, any such license or easement shall automatically terminate upon the recording of the final plat for the Landowner's Parcel in the real property records of Denton County, Texas.

(ii) Landowner hereby agrees that any right or condition imposed by the Development Agreement, or other agreement, with respect to the Assessments has been satisfied, and that Landowner shall not have any rights or remedies against the Town under any law or principles of equity concerning the Assessments, with respect to the formation of the District, approval of the Service and Assessment Plan and the Town's levy and collection of the Assessments.

III. COVENANTS AND WARRANTIES; MISCELLANEOUS

A. Special Covenants and Warranties of Landowner.

Landowner represents and warrants to the Town as follows:

(i) Landowner is duly organized, validly existing and, as applicable, in good standing under the laws of the state of its organization and has the full right, power and authority to enter into this Agreement, and to perform all the obligations required to be performed by Landowner hereunder.

(ii) This Agreement has been duly and validly executed and delivered by, and on behalf of, Landowner and, assuming the due authorization, execution and delivery thereof by and on behalf of the Town and the Landowner, constitutes a valid, binding and enforceable obligation of such party enforceable in accordance with its terms. This representation and warranty is qualified to the extent the enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors in general.

(iii) Neither the execution and delivery hereof, nor the taking of any actions contemplated hereby, will conflict with or result in a breach of any of the provisions of, or constitute a default, event of default or event creating a right of acceleration, termination or cancellation of any obligation under, any instrument, note, mortgage, contract,

judgment, order, award, decree or other agreement or restriction to which Landowner is a party, or by which Landowner or Landowner's Parcel is otherwise bound.

(iv) Landowner is, subject to all matters of record in the Denton County, Texas Real Property Records, the sole owner of the Landowner's Parcel.

(v) The Landowner's Parcel owned by Landowner is not subject to, or encumbered by, any covenant, lien, encumbrance or agreement which would prohibit (i) the creation of the District, (ii) the levy of the Assessments, or (iii) the construction of the Additional Authorized Improvements on those portions of the property within the District which are to be owned by the Town, as generally described on the current plats of the property within the District (or, if subject to any such prohibition, the approval or consent of all necessary parties thereto has been obtained).

(vi) Landowner covenants and agrees to execute any and all documents necessary, appropriate or incidental to the purposes of this Agreement, as long as such documents are consistent with this Agreement and do not create additional liability of any type to, or reduce the rights of, such Landowner by virtue of execution thereof.

B. Waiver of Claims Concerning Additional Authorized Improvements. The Landowner, with full knowledge of the provisions, and the rights thereof pursuant to such provisions, of applicable law, waives any claims against the Town and its successors, assigns and agents, pertaining to the installation of the Additional Authorized Improvements.

C. Notices.

Any notice or other communication to be given to the Town or Landowner under this Agreement shall be given by delivering the same in writing to:

To the Town: Town of Little Elm, Texas
Attn: Town Manager
100 West Eldorado Parkway
Little Elm, Texas 75068

With a copy to: Town Attorney
Attn: Robert F. Brown
100 West Eldorado Parkway
Little Elm, Texas 75068

To the Landowner: MM Little Elm 43, LLC
Attn: Mehrdad Moayed
1800 Valley View Lane, Suite 300
Farmers Branch, Texas 75234

With a copy to: Texas Real Estate Law

Attn: Travis Boghetich
1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75234

Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the recipient as the address set forth herein.

Each recipient may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this provision shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for, or actually received by, the addressee.

D. Parties in Interest.

This Agreement is made solely for the benefit of the Town and the Landowner and is not assignable, except, in the case of Landowner, in connection with the sale or disposition of all or substantially all of the parcels which constitute the Landowner's Parcel. However, the parties expressly agree and acknowledge that the Town, the Landowner, each current owner of any parcel which constitutes the Landowner's Parcel, and the holders of or trustee for any bonds secured by Additional Improvement Assessment Revenues of the Town or any part thereof to finance the costs of the Additional Authorized Improvements, are express beneficiaries of this Agreement and shall be entitled to pursue any and all remedies at law or in equity to enforce the obligations of the parties hereto. This Agreement shall be recorded in the real property records of Denton County, Texas.

E. Amendments.

This Agreement may be amended only by written instrument executed by the Town and the Landowner. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the property within the District and recorded in the Real Property Records of Denton County, Texas.

F. Effective Date.

This Agreement shall become and be effective (the "Effective Date") upon the date of final execution by the latter of the Town and the Landowner and shall be valid and enforceable on said date and thereafter.

G. Estoppels.

Within 10 days after written request from a party hereto, the other party shall provide a written certification, indicating whether this Agreement remains in effect as to an Assessed Parcel, and whether any party is then in default hereunder.

H. Termination.

This Agreement shall terminate and be of no further force and effect as to each Assessed Parcel upon payment in full of the Assessment(s) against such Assessed Parcel.

I. Statutory Verifications. The Landowner makes the following representation and verifications to enable the Town to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Landowner within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification prior to the expiration or earlier termination of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Landowner represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Landowner and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Landowner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Landowner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Landowner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

J. Form 1295 Certificate. Landowner represents that it has complied with Texas Government Code, Section 2252.908 and in connection therewith, the Landowner has completed a Texas Ethics Commission Form 1295 Certificate generated by the Texas Ethics Commission’s

electronic filing system in accordance with the rules promulgated by the Texas Ethics Commission. The Landowner further agrees to print the completed certificate and execute the completed certificate in such form as is required by Texas Government Code, Section 2252.908 and the rules of the Texas Ethics Commission and provide to the Town at the time of delivery of an executed counterpart of this Agreement, a duly executed completed Form 1295 Certificate. The Parties agree that, except for the information identifying the Town and the contract identification number, the Town is not responsible for the information contained in the Form 1295 completed by the Landowner. The information contained in the Form 1295 completed by the Landowner has been provided solely by the Landowner and the Town has not verified such information.

[SIGNATURE PAGES TO FOLLOW]

EXECUTED by the Town and Landowner on the respective dates stated below.

TOWN OF LITTLE ELM, TEXAS

By: _____
Curtis J. Cornelious
Mayor

Date: _____

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me on the ___ day of _____, 2024 by Curtis J. Cornelious, Mayor of the Town of Little Elm, Texas on behalf of said Town.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires:_____

[Signature Page Landowner Agreement]

LANDOWNER:

MM Little Elm 43, LLC,
a Texas limited liability company

By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC,
a Delaware limited liability company
Its Manager

By: _____
Name: Mehrdad Moayed
Its: Manager

Date: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of _____,
2024 by Mehrdad Moayed, Manager of 2M Ventures, LLC, as Manager of MMM Ventures,
LLC, as Manager of MM Little Elm 43, LLC, a Texas limited liability company on behalf of said
company.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires:_____

[Signature Page Landowner Agreement]

LANDOWNER AGREEMENT - EXHIBIT I
DESCRIPTION OF LANDOWNER'S PARCEL

BEING that certain tract of land situated in the Marsella Jones Survey, Abstract No. 662, in the Town of Little Elm, Denton County, Texas, and being part of that certain tract of land described in deed to Robert G. Penley recorded in Volume 623, Page 106, of the Real Property Records of Denton County, Texas (RPRDCT), and part of that certain tract of land described in deed to Robert G. Penley and Faith Penley recorded in Volume 2210, Page 648, RPRDCT, and being more particularly described by metes and bounds as follows:

BEGINNING at a Army Corps of Engineers monument found at the northeast corner of said Robert G. Penley tract recorded in Volume 623, Page 106, RPRDCT, said monument being located on the south right-of-way line of US Highway 380 (a variable-width right-of-way), and also being located on the west "take line" of Lake Lewisville;

THENCE with said west "take line", the following courses to Army Corps of Engineers monuments found:

South 27°07'16" West, a distance of 875.52 feet;

South 40°18'51" West, a distance of 544.09 feet;

South 09°54'29" East, a distance of 217.10 feet;

South 57°22'24" West, a distance of 298.04 feet;

North 82°50'29" West, a distance of 641.93 feet;

North 05°25'44" East, a distance of 396.40 feet;

And South 42°17'36" West, a distance of 385.19 feet, said monument being located on the east line of that certain tract of land described in deed to MM Little Elm 548, LLC recorded in Instrument No. 2020-123025, RPRDCT;

THENCE with said east line, the following courses:

North 05°42'19" East, a distance of 621.88 feet to a 5/8" iron rod found;

And South 88°08'15" East, a distance of 170.04 feet to a 5/8" capped iron rod found;

THENCE North 03°11'21" East, continuing with said east line of the MM Little Elm 548, LLC tract, and the east line of that certain tract of land described in deed to Spiritas Ranch Enterprises recorded in Volume 2737, Page 126, RPRDCT, a distance of 653.60 feet;

THENCE departing said east line of the Spiritas Ranch Enterprises tract, and over and across said Robert G. Penley tract recorded in Volume 623, Page 106, RPRDCT, the following courses:

South 84°22'49" East, a distance of 502.60 feet;

And North 05°15'54" East, a distance of 200.74 feet to a point located in said south right-of-way line of US Highway 380;

THENCE South 84°36'22" East, with said south right-of-way line of US Highway 380, a distance of 80.00 feet;

THENCE departing said south right-of-way line of US Highway 380, the following courses:

South 05°15'54" West, a distance of 201.00 feet;

South 87°10'23" East, a distance of 514.31 feet;

And North 01°53'44" East, a distance of 209.31 feet to a point located on said south right-of-way line of US Highway 380;

THENCE South 88°16'39" East with said south right-of-way line of US Highway 380, a distance of 50.00 feet;

THENCE departing said south right-of-way line of US Highway 380, and over and across said Robert G. Penley tract recorded in Volume 623, Page 106, RPRDCT, the following courses:

South 01°53'44" West, a distance of 210.27 feet;

South 87°10'23" East, a distance of 52.86 feet;

North 41°38'43" East, a distance of 60.89 feet;

North 41°48'16" East, a distance of 45.80 feet;

North 43°25'46" East, a distance of 25.15 feet;

North 51°51'09" East, a distance of 24.67 feet;

North 54°02'19" East, a distance of 12.14 feet;

North 48°36'19" East, a distance of 10.43 feet;

North 37°47'16" East, a distance of 9.58 feet;

North 15°43'13" East, a distance of 5.97 feet;

North 12°02'26" East, a distance of 10.27 feet;

North 00°46'57" West, a distance of 14.90 feet;

North 11°51'34" West, a distance of 38.07 feet;

And North 14°47'27" West, a distance of 5.08 feet to a point located in said south right-of-way line of US Highway 380;

THENCE South 88°16'39" East with said south right-of-way line of US Highway 380, a distance of 233.52 feet to the POINT OF BEGINNING, containing an area of 38.468 acres of land.

LANDOWNER AGREEMENT - EXHIBIT II

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS** (as it may be amended from time to time, this “Declaration”) is made as of _____, 2024 by **MM LITTLE ELM 43, LLC**, a Texas limited liability company (the “Landowner”).

RECITALS:

- A. The Landowner holds record title to that portion of the real property located in Denton County, Texas, which is described in the attached **Exhibit I** (the “Landowner’s Parcel”).
- B. The Town Council of the Town of Little Elm (the “Town Council”) upon a petition requesting the establishment of a public improvement district covering the property within the District to be known as the Spiritas East Public Improvement District (the “District”) by the then current owners of 100% of the appraised value of the taxable real property and 100% of the area of all taxable real property within the area requested to be included in the District created such District, in accordance with the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “PID Act”).
- C. The Town Council has adopted an assessment ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the “Additional Authorized Improvements Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the Additional Authorized Improvements Assessment Ordinance (as amended from time to time, the “Service and Assessment Plan”), and has levied the assessments (as amended from time to time, the “Assessments”) on property in the District.
- D. The statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended, to the purchaser, is incorporated into these Covenants, Conditions and Restrictions.

DECLARATIONS:

NOW, THEREFORE, the Landowner hereby declares that the Landowner’s Parcel is and shall be subject to, and hereby imposes on the Landowner’s Parcel, the following covenants, conditions and restrictions:

1. Acceptance and Approval of Assessments and Lien on Property:

- (a) Landowner accepts each Assessment levied on the Landowner’s Parcel owned by such Landowner.
- (b) The Assessment (including any reassessment, the expense of collection, and reasonable attorney’s fees, if incurred) is (a) a first and prior lien (the “Assessment Lien”) against the property assessed, superior to all other liens or claims except for

liens or claims for state, county, school district or municipality ad valorem property taxes whether now or hereafter payable, and (b) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named. The Assessment Lien is effective from the date of the Additional Authorized Improvements Assessment Ordinance until the Assessments are paid and may be enforced by the Town in the same manner as an ad valorem property tax levied against real property that may be enforced by the Town. The owner of any assessed property may pay, at any time, the entire Assessment levied against any such property. Foreclosure of an ad valorem property tax lien on property within the District will not extinguish the Assessment or any unpaid but not yet due annual installments of the Assessment, and will not accelerate the due date for any unpaid and not yet due annual installments of the Assessment.

It is the clear intention of all parties to these Declarations of Covenants, Conditions and Restrictions, that the Assessments, including any annual installments of the Assessments (as such annual installments may be adjusted, decreased or extended), are covenants that run with the Landowner's Parcel and specifically binds the Landowner, its successors and assigns.

In the event of delinquency in the payment of any annual installment of the Assessment, the Town is empowered to order institution of an action in district court to foreclose the related Assessment Lien, to enforce personal liability against the owner of the real property for the Assessment, or both. In such action the real property subject to the delinquent Assessment may be sold at judicial foreclosure sale for the amount of such delinquent property taxes and Assessment, plus penalties, interest and costs of collection.

2. Landowner or any subsequent owner of the Landowner's Parcel waives:

- (a) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District and levying and collecting the Assessments or the annual installments of the Assessments;
- (b) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the levy of Assessments by the Town Council concerning the Assessments;
- (c) any and all defects, irregularities, illegalities or deficiencies in, or in the adoption of, the Additional Authorized Improvements Assessment Ordinance by the Town Council;
- (d) any and all actions and defenses against the adoption or amendment of the Service and Assessment Plan, the Town's finding of a 'special benefit' pursuant to the PID Act and the Service and Assessment Plan, and the levy of the Assessments; and

- (e) any right to object to the legality of any of the Assessments or the Service and Assessment Plan or to any of the previous proceedings connected therewith which occurred prior to, or upon, the Town Council's levy of the Assessments.
3. **Amendments:** This Declaration may be terminated or amended only by a document duly executed and acknowledged by the then-current owner(s) of the Landowner's Parcel and the Town. No such termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the parties by whom approval is required as set forth above and recorded in the real Property Records of Denton County, Texas.
4. **Third Party Beneficiary:** The Town is a third party beneficiary to this Declaration and may enforce the terms hereof.
5. **Notice to Subsequent Purchasers:** Upon the sale of a dwelling unit within the District, the purchaser of such property shall be provided a written notice that reads substantially similar to the following:

TEXAS PROPERTY CODE SECTION 5.014

**NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT
ASSESSMENT TO THE TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS
CONCERNING THE PROPERTY AT [Street Address]**

As the purchaser of this parcel of real property, you are obligated to pay an assessment to the Town of Little Elm, Texas, for improvement projects undertaken by a public improvement district under Chapter 372 of the Texas Local Government Code, as amended. The assessment may be due in periodic installments.

The amount of the assessment against your property may be paid in full at any time together with interest to the date of payment. If you do not pay the assessment in full, it will be due and payable in annual installments (including interest and collection costs). More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the Town of Little Elm, 100 West Eldorado Parkway, Little Elm, Texas 75068

Your failure to pay the assessment or the annual installments could result in a lien and in the foreclosure of your property.

Signature of Purchaser(s) _____ Date: _____

The seller shall deliver this notice to the purchaser before the effective date of an executory contract binding the purchaser to purchase the property. The notice may be given separately, as part of the contract during negotiations, or as part of any other notice the seller delivers to the purchaser. If the notice is included as part of the executory contract or another notice, the title of the notice prescribed by this section, the references to the street address and date in the notice, and the purchaser's signature on the notice may be omitted.

EXECUTED by the undersigned on the date set forth below to be effective as of the date first above written.

By: _____
Name: _____
Its: _____

STATE OF TEXAS)
)
COUNTY OF DALLAS)

This instrument was acknowledged before me on the ____ day of _____,
2024 by _____, _____ of _____, on behalf of said entity.

Notary Public, State of Texas

My Commission Expires:

LANDOWNER AGREEMENT - EXHIBIT III

HOMEBUYER EDUCATION PROGRAM

As used in this **Exhibit III**, the recorded Notice of the Authorization and Establishment of the Spiritas East Public Improvement District and the Covenants, Conditions and Restrictions in **Exhibit II** of this Agreement are referred to as the “Recorded Notices.”

1. Any Landowner who is a Builder shall attach the Recorded Notices and the final Assessment Roll for such Assessed Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30 year payment for such Assessed Parcel) as an addendum to any residential homebuyer’s contract.
2. Any Landowner who is a Builder shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the Town.
3. Any Landowner who is a Builder shall prominently display signage in its model homes, if any, substantially in the form of the Recorded Notices.
4. If prepared and provided by the Town, any Landowner who is a Builder shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
5. Any Landowner who is a Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers.

Exhibit B to Resolution
Additional Authorized Improvements Reimbursement
Agreement

ADDITIONAL AUTHORIZED IMPROVEMENTS REIMBURSEMENT AGREEMENT

This Additional Authorized Improvements Reimbursement Agreement (this “Reimbursement Agreement”) is executed by and between the Town of Little Elm, Texas (the “Town”) and MM Little Elm 43, LLC, a Texas limited liability company (the “Developer”) (individually referred to as a “Party” and collectively as the “Parties”) to be effective February 20, 2024 (the “Effective Date”).

RECITALS

WHEREAS, capitalized terms used in this Reimbursement Agreement shall have the meanings given to them in this Reimbursement Agreement or in the *Spiritas East Public Improvement District Service and Assessment Plan*, dated February 20, 2024, as the same may be further amended, supplemented, and updated from time to time (the “SAP”) approved by Ordinance No. 1750 passed and approved by the Town Council on February 20, 2024; and

WHEREAS, on November 16, 2021, Town Council passed and approved Resolution No. 1116202103 authorizing the creation of the Spiritas East Public Improvement District (the “District”) covering approximately 38.468 acres of land described by metes and bounds in said Resolution (the “District Property”); and

WHEREAS, the purpose of the District is to finance public improvements (the “Authorized Improvements”) as provided by Chapter 372, Texas Local Government Code, as amended (the “PID Act”) that promote the interests of the Town and confer a special benefit on the Assessed Property within the District; and

WHEREAS, the District Property is being developed, and special assessments have been levied against the Assessed Property to pay the costs of Initial Authorized Improvements (as defined in the SAP) that confer a special benefit on the Assessed Property; and

WHEREAS, Additional Authorized Improvements (as defined in the SAP) have been or are to be constructed and/or acquired by the Town within and/or for the benefit of the Assessed Property, as described and depicted in the SAP; and

WHEREAS, on February 6, 2024 the Town Council passed and approved Resolution No. 0206202401 determining, among other things, the estimated costs of the Additional Authorized Improvements; and

WHEREAS, on February 20, 2024, the Town Council passed and approved Ordinance No. 1750 (the “Assessment Ordinance”) which, among other things, approved the SAP (including the Assessment Roll – Additional Authorized Improvements attached as Appendix H to the SAP), levied assessments, and established the dates upon which interest on assessments will begin to accrue and collection of assessments will begin; and

WHEREAS, in addition to approving the SAP, the Assessment Ordinance levied assessments against the Assessed Property for the Additional Authorized Improvements in

accordance with the Assessment Roll – Additional Authorized Improvements attached as Appendix H to the SAP; and

WHEREAS, the SAP established \$1,024,500.00 as the cost of the Additional Authorized Improvements, a portion of which has been assessed against the Assessed Property (the “Additional Authorized Improvements Costs”); and

WHEREAS, the SAP allocated the Additional Authorized Improvements Costs to the Assessed Property, and the SAP contemplated the allocation of the Additional Authorized Improvements Costs among the single-family residential lots to be created from the subdivision of the Assessed Property; and

WHEREAS, assessments against Assessed Property are reflected on the (i) Assessment Roll – Additional Authorized Improvements and (ii) Assessment Roll – Initial Authorized Improvements as approved by the Town Council; and

WHEREAS, the SAP and the Assessment Ordinance provide, in part, that an assessment or assessments may be paid in full, and if an assessment is not paid in full, it shall be due and payable in Annual Installments plus interest as described in Appendix I of the SAP or until the assessment is paid in full; and

WHEREAS, after satisfaction of the portion of the debt service requirements of the Series 2022 PID Bonds (as defined in the SAP) allocable to the Assessed Property and all other amounts required to be deposited pursuant to Section 6.3(a)(i)-(v) of the Trust Indenture (as defined in the SAP) for the Series 2022 PID Bonds (the “2022 Indenture”), the Assessment Revenues received and collected by the Town from the collection of the Assessments, or the Annual Installments thereof (excluding Delinquent Collection Costs, and Annual Collection Costs) (the “Additional Authorized Improvements Assessment Revenue”) shall be deposited as required by the PID Act and into an assessment fund that is segregated from all other funds of the Town (the “Additional Authorized Improvements Assessment Fund”); and

WHEREAS, the Additional Authorized Improvements Assessment Revenue deposited into the Additional Authorized Improvements Assessment Fund shall be used to reimburse Developer and its assigns, pursuant to a completed Reimbursement Payment Request (defined herein), for the Additional Authorized Improvements Costs, advanced by the Developer in an amount not to exceed \$350,000.00 plus interest; and

WHEREAS, the Parties agree that this Reimbursement Agreement supersedes and replaces any prior agreements (whether written or oral) including any amendments to those prior agreements between the Parties regarding the subject matter hereof; and

WHEREAS, the obligations of the Town to use the Assessments hereunder is authorized by the PID Act;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS OF THE PARTIES SET FORTH IN THIS REIMBURSEMENT

AGREEMENT AND FOR VALUABLE CONSIDERATION THE RECEIPT AND ADEQUACY OF WHICH ARE ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

1. The recitals in the “WHEREAS” clauses of this Reimbursement Agreement are true and correct, create obligations of the Parties, and are incorporated as part of this Reimbursement Agreement for all purposes.
2. Strictly subject to the terms, conditions, and requirements and solely from Additional Authorized Improvements Assessment Revenue as herein provided, the Town agrees to pay the Developer and its assigns, and the Developer and its assigns shall be entitled to receive from the Town, the amount equal to the actual costs of the Additional Authorized Improvements paid by the Developer for the Additional Authorized Improvements that were within budgeted costs, or authorized overrun costs, that were paid by the Developer plus interest on the unpaid balance in accordance with the terms of this Reimbursement Agreement until September 30, 2051 (the “Maturity Date”), and which shall be reimbursed to the Developer and its assigns in a principal amount not to exceed \$350,000.00 (the “Reimbursement Amount”), plus interest accrued, as hereinafter provided. The Town hereby covenants to create, concurrently with the execution of this Reimbursement Agreement, a separate fund to be designated the “Additional Authorized Improvements Assessment Fund.” The Reimbursement Amount is payable from monies to be deposited in the Additional Authorized Improvements Assessment Fund, as described below:
 - a. The Reimbursement Amount is payable solely from the Additional Authorized Improvements Assessment Revenue received and collected by or on behalf of the Town and deposited into the Additional Authorized Improvements Assessment Fund. The Additional Authorized Improvements Assessment Revenue shall be received, collected and deposited into the Additional Authorized Improvements Assessment Fund subject to the following limitations:
 - i. Calculation of the Assessments and the first Annual Installment for a Lot or Parcel shall begin as provided for in the SAP and the Assessment Ordinance.
 - ii. The Assessments collected pursuant to the Assessment Roll – Additional Authorized Improvements (the “Additional Assessments”) shall accrue interest at the rates set forth in this Section 2. Interest shall continue on the unpaid principal amount of the Additional Assessments for a Lot for the earlier of 27 years or until the Additional Assessments for such Lot are paid in full, and as described in the Assessment Roll – Additional Authorized Improvements.
 - iii. The Developer and its assigns shall be reimbursed in a combined aggregate amount not to exceed \$350,000.00 plus interest from the Additional Authorized Improvements Assessment Fund.

- iv. The unpaid Reimbursement Amount shall bear simple interest per annum at the rate of (x) 5.67% for years one through five, and (y) 5.67% for years following year five. The interest rate has been approved by the Town Council and is authorized by the PID Act and was determined based upon *The Bond Buyer*, a daily publication that publishes this interest rate index, which the highest average index rate for tax-exempt bonds reported in the previous month was 3.67%. The interest rate of 5.67% and 5.67% contained herein comply with Subsections 372.023(e)(1) and (e)(2) of the PID Act.
3. The amount of the Reimbursement Amount that has not been paid, plus the interest accrued as described in Section 2(a)(iv) above, are collectively, the “Unpaid Balance.” The Unpaid Balance is secured by and payable solely from the Additional Authorized Improvements Assessment Revenue received and collected by the Town and deposited into the Additional Authorized Improvements Assessment Fund. No other Town funds, revenue, taxes, or income of any kind shall be used to pay the Unpaid Balance, even if the Unpaid Balance is not paid in full by the Maturity Date. This Reimbursement Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the Town or a debt or other obligation of the Town payable from any source other than Additional Authorized Improvements Assessment Revenue received, collected and deposited into the Additional Authorized Improvements Assessment Fund. The Developer further agrees to look solely to the Additional Authorized Improvements Assessment Revenue, and not the Town’s general fund or any other revenues (including the revenues collected from Assessments which are pledged to secure the Series 2022 PID Bonds), taxes, income, property, or other funds of the Town for reimbursement of the Unpaid Balance. The Town covenants that it will comply with the provisions of this Reimbursement Agreement and the PID Act, including provisions relating to the administration of the District and the enforcement and collection of taxes and assessments, and all other covenants provided therein. Notwithstanding its collection efforts, if the Town fails to receive all or any part of the Additional Authorized Improvements Assessment Revenue and, as a result, is unable to make transfers from the Additional Authorized Improvements Assessment Fund for payments to the Developer as required under this Reimbursement Agreement, such failure and inability shall not constitute a Failure or Default by the Town under this Reimbursement Agreement.
4. The Town shall authorize reimbursement for the Additional Authorized Improvements from the Additional Authorized Improvements Assessment Fund pursuant to a completed reimbursement form (the “Reimbursement Payment Request”), as set forth in **Exhibit A** attached hereto, executed by a representative of the Developer and provided no more frequently than once per month to the Town and Town Engineer at the following address: 100 W. Eldorado Parkway, Little Elm, Texas 75068. Within thirty (30) days of receipt of any Reimbursement Payment Request, the Town Engineer shall either (i) approve and execute the Reimbursement Payment Request, and upon such approval the Town shall tender payment from those funds available in the Additional Authorized Improvements Assessment Fund, or (ii) in the event the Town Engineer disapproves the Reimbursement Payment Request, give written notification to the Developer of the Town’s disapproval, in whole or in part, of such Reimbursement Payment Request, specifying the reasons for such

disapproval and the additional requirements to be satisfied for approval of such Reimbursement Payment Request. If a Reimbursement Payment Request seeking reimbursement is approved only in part, the Town Engineer shall specify the extent to which the Reimbursement Payment Request is approved and shall deliver payment for such partially approved Reimbursement Payment Request.

5. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with written notice to) the Town, the Developer's right, title, or interest under this Reimbursement Agreement including, but not limited to, any right, title, or interest of the Developer in and to payment of the Unpaid Balance (any of the foregoing, a "Transfer," and the person or entity to whom the Transfer is made, a "Transferee"). Notwithstanding the foregoing, however, no Transfer shall be effective until five days after notice of the Transfer is received by the Town, including for each Transferee the information required by Section 9 below. The Town may rely on any notice of a Transfer received from the Developer without obligation to investigate or confirm the validity or occurrence of such Transfer. No conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made by the Developer or any successor or assignee of the Developer that results in the Town being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the Town. The Town shall not be required to make payments pursuant to this Agreement to more than five parties. Any assignment by a Transferee of its rights, title or interest under this Agreement shall be subject to the requirements of the Developer under this Section. The Developer waives all rights or claims against the Town for any such funds provided to a third party as a result of a Transfer for which the Town has received notice.
6. The obligations of the Town under this Reimbursement Agreement are non-recourse and payable only from the Additional Authorized Improvements Assessment Fund and such obligations do not create a debt or other obligation payable from any other Town revenues, taxes, income, or property. None of the Town or any of its elected or appointed officials or any of its officers or employees shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omissions under this Reimbursement Agreement.
7. If the Developer is in compliance with the Development Agreement, (as defined in the SAP, as amended) and following the Town's inspection and approval of the Additional Authorized Improvements, there will be no conditions or defenses to the obligation of the Town to use funds in the Additional Authorized Improvements Assessment Fund to pay the Unpaid Balance.
8. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the Town of any remedy the Town may otherwise have outside this Reimbursement Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction or installation of the Additional Authorized Improvements. The obligations of Developer hereunder shall be those as a Party hereto and not solely as an owner of property in the District. Nothing herein shall be constructed, nor is intended, to affect the

Town's or Developer's rights and duties to perform their respective obligations under other agreements, regulations and ordinances.

9. This Reimbursement Agreement is being executed and delivered, and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Reimbursement Agreement. In the event of a dispute involving this Reimbursement Agreement, venue for such dispute shall lie in any court of competent jurisdiction in Denton County, Texas.
10. Any notice required or contemplated by this Reimbursement Agreement shall be signed by or on behalf of the Party giving the Notice, and shall be deemed effective as follows: (i) when delivered by a national company such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person was the named addressee; or (ii) 72 hours after the notice was deposited with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section. All Notices given pursuant to this Section shall be addressed as follows:

To the Town: Attn: Town Manager
Town of Little Elm, Texas
100 W. Eldorado Parkway
Little Elm, Texas 75068

With a copy to: Attn: Robert Brown
Brown & Hofmeister, LLP
740 E. Campbell Rd., Ste. 800
Richardson, Texas 75081

To the Developer: Attn: Mehrdad Moayed
MM Little Elm 43, LLC
1800 Valley View Lane, Suite 300
Farmers Branch, Texas 75234

And to: Attn: Travis Boghetich
Boghetich Law, PLLC
1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75234

11. Failure; Default; Remedies:
 - a. If either Party fails to perform an obligation imposed on such Party by this Reimbursement Agreement (a "Failure") and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party and all

Transferees of the non-performing Party in writing specifying in reasonable detail the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional 30 day period so long as the non-performing Party is diligently pursuing a cure. Any Transferee shall have the same rights as the Developer to enforce the obligations of the Town under this Reimbursement Agreement and shall also have the right, but not the obligation, to cure any alleged Failure by the Developer within the same time periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Reimbursement Agreement with respect to Developer obligations under this Reimbursement Agreement unless the Transferee agrees to be bound.

- b. If the Developer is in Default, the Town shall have available all remedies at law or in equity, provided that no Default by the Developer shall: (1) affect the obligations of the Town to use the amounts transferred to the Additional Authorized Improvements Assessment Fund as provided in Sections 2 and 3 of this Reimbursement Agreement; or (2) entitle the Town to terminate this Reimbursement Agreement.
 - c. If the Town is in Default, the Developer's sole and exclusive remedies shall be to: (1) seek a writ of mandamus to compel performance by the Town; or (2) seek specific enforcement of this Reimbursement Agreement.
- 12. The failure by a Party to insist upon the strict performance of any provision of this Reimbursement Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Reimbursement Agreement.
 - 13. The Town does not waive or surrender any of its governmental powers, immunities, or rights except to the extent permitted by law and necessary to allow the Developer to enforce its remedies under this Reimbursement Agreement.
 - 14. Nothing in this Reimbursement Agreement, express or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the Town and the Developer and its assigns any rights, remedies, or claims under or by reason of this Reimbursement Agreement, and all covenants, conditions, promises, and agreements in this Reimbursement Agreement shall be for the sole and exclusive benefit of the Town and the Developer.

15. The Parties acknowledge that each has been actively involved in negotiating this Reimbursement Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Reimbursement Agreement. In the event of any dispute over the meaning or application of any provision of this Reimbursement Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.
16. In this Reimbursement Agreement, time is of the essence and compliance with the times for performance herein is required.
17. The Town represents and warrants that this Reimbursement Agreement has been approved by official action by the Town Council of the Town in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Reimbursement Agreement on behalf of the Town has been duly authorized to do so. The Developer represents and warrants that this Reimbursement Agreement has been approved by appropriate action of the Developer, and that the individual executing this Reimbursement Agreement on behalf of the Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Reimbursement Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.
18. This Reimbursement Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Reimbursement Agreement; provided, however, in the event of a conflict between any of the terms of this Reimbursement Agreement and the 2022 Indenture, the terms of the 2022 Indenture shall control. This Reimbursement Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Reimbursement Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Reimbursement Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Reimbursement Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.
19. This Reimbursement Agreement may be executed in any number of counterparts, each of which shall be deemed an original.
20. The Parties agree that at any time after execution of this Reimbursement Agreement, they will, upon request of another Party, execute and deliver such further documents and do such further acts and things as the other Party may reasonably request in order to effectuate the terms of this Reimbursement Agreement. This provision shall not be construed as limiting or otherwise hindering the legislative discretion of the Town Council seated at the time that this Reimbursement Agreement is executed or any future Town Council.

21. The term of this Reimbursement Agreement is twenty-seven (27) years, or until the Unpaid Balance is paid in full, whichever occurs first.
22. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Reimbursement Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Reimbursement Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three (3) business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term “force majeure” shall include events or circumstances that are not within the reasonable control of Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care.
23. Statutory Verifications.

The Developer makes the following representation and verifications to enable the Town to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Reimbursement Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Reimbursement Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Reimbursement Agreement, notwithstanding anything in this Indenture to the contrary.

a. Not a Sanctioned Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

b. No Boycott of Israel. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Reimbursement Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code._

c. No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity

or firearm trade association during the term of this Reimbursement Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

d. No Boycott of Energy Companies. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Reimbursement Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

24. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer’s participation in the execution of this Reimbursement Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Town hereby confirms receipt of the Form 1295 from the Developer, and the Town agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Developer and the Town understand and agree that, with the exception of information identifying the Town and the contract identification number, neither the Town nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the Town nor its consultants have verified such information.

[SIGNATURE PAGES TO FOLLOW]

Executed by Developer and Town to be effective on the Effective Date.

TOWN OF LITTLE ELM

By: _____
Name: Curtis J. Cornelious
Title: Mayor

ATTEST:

By: _____
Name: Caitlan Biggs
Title: Town Secretary

APPROVED AS TO FORM:

Attn: Robert Brown, Town Attorney

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me on the ____ day of _____ 2024 by _____, Mayor of the Town of Little Elm, Texas on behalf of the Town.

Notary Public, State of Texas

[Town of Little Elm Signature Page for Additional Authorized Improvements Reimbursement Agreement]

DEVELOPER:

MM LITTLE ELM 43, LLC,
a Texas limited liability company

By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC,
a Delaware limited liability company
Its Manager

By: _____
Name: Mehrdad Moayed
Its: Manager

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2024 by Mehrdad Moayed, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of MM Little Elm 43, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

[Developer Signature Page for Additional Authorized Improvements Reimbursement Agreement]

EXHIBIT A
REIMBURSEMENT PAYMENT REQUEST

REIMBURSEMENT REQUEST NO. ____

Reference is made to that certain Additional Authorized Improvements Reimbursement Agreement by and between the Town and MM Little Elm 43, LLC, a Texas limited liability company (the “Developer”) dated as of February 20, 2024 (the “Reimbursement Agreement”). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Reimbursement Agreement.

The undersigned is an agent for the Developer and requests reimbursement to the Developer (or to the person designated in writing by the Developer) from the Additional Authorized Improvements Assessment Fund as identified in the Reimbursement Agreement for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of the Additional Authorized Improvements providing a special benefit to property within the Spiritas East Public Improvement District (the “Additional Authorized Improvements Costs”) and accrued interest thereon.

In connection with the above referenced payment, the Developer represents and warrants to the Town as follows:

1. The Additional Authorized Improvements Costs set forth in this Reimbursement Payment Request relate to Additional Authorized Improvements Costs that have previously been paid by Developer and such request is in accordance with the provisions of the Reimbursement Agreement, including limitations regarding the maximum amount due to be reimbursed to the Developer contained therein.
2. The amount to requested to be paid pursuant to of the Reimbursement Payment Request is \$_____ (consisting of \$_____ in Additional Authorized Improvements Costs and \$_____ in accrued interest).

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment instructions

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the able requested payments.

I hereby declare that the above representations and warranties are true and correct.

MM LITTLE ELM 43, LLC

By: _____
Name: _____
Title: _____
Date: _____

APPROVAL OF REQUEST

The Town is in receipt of the attached Reimbursement Payment Request, acknowledges the Reimbursement Payment Request, and finds the Reimbursement Payment Request to be in order. After reviewing the Reimbursement Payment Request, the Town approves the Reimbursement Payment Request to the extent set forth below and authorizes payment in such amounts and from the accounts listed below, to the Developer or other person designated by the Developer in writing.

Principal Amount to be paid from the Additional Authorized Improvements Assessment Fund	Interest to be paid from the Additional Authorized Improvements Assessment Fund	Total Amount to be paid from the Additional Authorized Improvements Assessment Fund
\$ _____	\$ _____	\$ _____

TOWN OF LITTLE ELM, TEXAS

By: _____

Name: _____

Title: _____

Date: _____