

DONATION AGREEMENT

IN CONSIDERATION of the mutual terms, provisions, covenants and agreements contained in this Donation Agreement ("Agreement"), the parties hereto agree as follows:

1. **PARTIES:** Subject to the terms hereof and the fulfillment by the Denton Independent School District (the "District") of its obligations set forth herein, H4 Little Elm LP, (as the developer of the residential community known as ("Union Park") (the "Grantor"), agrees to gift, donate, grant, and convey unto the District the Property (as defined below and described in Exhibit A attached hereto and incorporated herein) solely for a public elementary school by special warranty deed in the form attached hereto as Exhibit B (the "Deed"). Grantor, believing the growth of Union Park has and will continue to create the need for an elementary school, agrees to transfer the Property to District at Closing, as described in Section 12 below under the terms and conditions set forth in this Agreement. The District, acknowledging the present and continuing need for educational opportunities, and as additional consideration for such transfer, agrees that the Property shall be used only for the purpose of developing and operating a public elementary school (the "Elementary School") to provide an educational opportunity to residents of Union Park and surrounding area, unless otherwise approved in writing by Grantor. The Parties agree that the Deed conveying the Property to District shall contain an express covenant and restriction limiting the use of the Property to development and operation of the Elementary School facility. Such restrictive covenant shall run with the land for the benefit of Grantor, and shall burden the Property for a period of 25 years from the date of the Deed. The Property shall not be part of any restrictive covenants which require the payment by the owner thereof of any assessment, fee, reimbursement, or contribution, or which impose any restrictions or obligations other than the restrictions and obligations expressly set forth in the Deed attached hereto as Exhibit B.

2. **PROPERTY:**

a) The property ("Property") is an approximate 12.123-acre tract of land more particularly described in Exhibit A attached hereto and incorporated herein by reference, together with, all and singular, all improvements thereon and all rights and appurtenances pertaining thereto, including all right, title, and interest of Grantor in and to adjacent streets, alleys, and rights-of-way.

b) The Parties acknowledge that as Grantor plats the portions of Union Park surrounding the Property that Grantor may require District to make minor adjustments to the boundary lines of the Property in order to accommodate the requirements for development of such adjacent tracts, with the understanding, however, that no such adjustments shall reduce the Property to less than 10.5

acres without the approval of District to any such reduction. District shall cooperate with Grantor in making all such adjustments to the Property as required by Grantor. All necessary deeds, boundary line agreements or other instruments of conveyance required in order to make any such adjustments shall be in form and substance reasonably satisfactory to District and Grantor. The provisions of this Section 2 shall survive the Closing (defined below); with the understanding, however, that such requirements of District to cooperate in any such adjustments shall expire and terminate at such time as District has platted the Property for its development thereof.

c) Architectural Covenant. The architectural guidelines for the Property will be set forth and reserved by Grantor in the Deed. However, notwithstanding anything to the contrary in this Agreement, the Property will not be subject to the declaration of covenants, conditions, and/or restrictions providing for the establishment of assessments or owners associations governing Union Park, and to the extent the Property is now subject to such a declaration, the Property will be released from such declaration on or before Closing.

d) District shall be granted the right to construct a water well on the subject property, and use water produced therefrom solely for the purpose of irrigation and landscaping of the subject property, and in no event shall any water be removed by the District for sale or transfer. District shall also have the right to install a rainwater harvesting system on the Property for the purpose of irrigation and landscaping of the subject property provided that the design of the system is aesthetically compatible with Union Park, as reasonably approved by Grantor. All other rights and interests in the water rights associated with the Property (including without limitation, underground water from any and all depths and geological formations, surface water, diffuse surface flow and runoff and any and all permits, licenses or other governmental authorizations related to such water, oil, gas and other minerals that are in and under the Property and that may be produced from it shall be reserved from the conveyance, for Grantor and Grantor's successors and assigns. Grantor shall not have the right of ingress and egress over the surface of the Property for the purpose of mining, drilling, exploring, or developing the water, oil, gas or other minerals, but this exclusion of surface rights shall not be construed as a restriction or prohibition of pooling or unitization of the oil, gas, or sulfur with land other than the Property, or the exploration for or production of the oil or gas or sulfur by means of wells that are drilled on land other than the Property, but enter or bottom under the Property, so long as any such activities or operation are no less than five hundred feet (500') below the surface, and in no manner endanger the District's use of the Property or interfere with the surface or subsurface support of any improvements constructed, or to be constructed, on the Property

3. **GRANTOR'S WARRANTIES AND REPRESENTATIONS:** District has deemed it necessary to construct the new Elementary School within the District and within the U.S. 380 East corridor, which will serve the residents of Union Park. As inducement to District to accept the Property and construct the Elementary School thereon, Grantor makes the following express representations and warranties with respect to the Property as of the Effective Date, each of which is material and is relied upon by District and shall survive the Closing and delivery of the deed to the Property (but only as to events which occurred prior to the Closing and were not known to District as of the Closing) for a period of 6 months after the date of Closing. Grantor makes no representations or warranties other than those set forth below, and no further representations or warranties are implied or shall be inferred. For purposes of this Agreement and each of the documents executed in connection herewith, references to "Grantor's knowledge," or the "actual knowledge of Grantor" or phrases of similar construction and import shall specifically mean and be limited to the actual (and not constructive) knowledge (without duty of investigation or inquiry) of Elaine Ford as of the Effective Date and any reference to Grantor's receipt of "notice" shall mean the receipt of notice by Elaine Ford; provided, however, Elaine Ford shall not have any personal liability in connection with any representations or warranties of Grantor.

a) **Litigation.** To Grantor's actual knowledge, there is no pending or threatened litigation or condemnation affecting the Property. Grantor shall promptly advise the District of any litigation, condemnation or assessment affecting the Property which is instituted after the execution of this Agreement.

b) **Material Defect.** To Grantor's actual knowledge, Grantor has disclosed to the District any and all conditions of a material nature with respect to the Property which would adversely affect the health or safety of any occupant of the Property.

4. **INFRASTRUCTURE IMPROVEMENTS.** Pending completion of design and plan approvals from local governmental entities, Grantor intends to construct the following infrastructure improvements ("Road and Utility Improvements") in sufficient capacity, as reasonably determined by District, for the operation of an Elementary School:

- i. Roadway improvements consisting of and located approximately as follows: approximately 650 linear feet of roadway along Union Park Blvd and fronting the Property; approximately 850 linear feet of roadway adjacent to the western boundary of the Property; and approximately 600 linear feet of roadway adjacent to the eastern boundary of the Property (all as more particularly shown on the attached **Exhibit C**).
- ii. Waterline along Union Park Blvd from FM 1385;

- iii. Sanitary sewer main and sanitary sewer service through the Union Park 4a phase;
- iv. Natural gas service to be available on the southern side of property site.

Grantor agrees to use reasonable good faith efforts to complete the design and construction of the Road and Utility Improvements. If, despite such efforts, Grantor is unable to obtain all necessary approvals to install the foregoing Road and Utility Improvements, District and Grantor agree to cooperate with each other provide for construction of alternate infrastructure as necessary to permit the construction of the District's planned Elementary School. Grantor agrees District shall not be required to locate or relocate any infrastructures underground or elsewhere.

5. **TEMPORARY EASEMENTS.** In the event that, in connection with construction of the Road and Utility Improvements, it is necessary for Grantor (or its contractors) to enter onto District's property, District hereby grants to Grantor such temporary construction easements on such portions of District's property, for such periods of time and from time to time as may be necessary or appropriate for the purpose of performing the Road and Utility Improvements.

6. **FUTURE EASEMENTS.** District agrees to cooperate with Grantor and any applicable governmental entities or utilities to do all things as are reasonable and necessary (without the incurrance of any expense except as provided in this Agreement) to assist Grantor in the development of Union Park and to complete the Road and Utility Improvements, including providing to Grantor such storm sewer, water line, sanitary sewer or road easements as may be necessary and appropriate.

7. **TITLE.** Within 18 days after the Effective Date of this Agreement, Grantor shall order a title commitment on the Property (the "Title Commitment") from Republic Title of Texas, Inc., 2626 Howell Street, Tenth Floor, Dallas, Texas 75204-4064, (214) 855-8888 Attention: Melissa Schuelke (the "Title Company"). All matters shown on Schedule B of the Title Commitment shall be deemed "Permitted Encumbrances" for purposes of the Deed. As a condition precedent to the Closing, Grantor shall cause the Title Commitment to evidence that the Property is free of liens except for any ad valorem tax liens. At Closing, Grantor shall cause the Title Company to issue or agree irrevocably to issue to District an owner's policy of title insurance in amount at least equal to _____ per square foot contained within the Property, and District shall pay the associated premiums for the title insurance at its sole cost. Grantor shall neither cause nor permit any additional encumbrances on title to the Property between the Effective Date and the Closing other than those affecting the Property as of the Effective Date and those mutually agreed between Grantor and District.

8. DISCLAIMER. Grantor agrees to provide to District a true and correct copy of the Phase 1 Environmental Assessment that Grantor contracted to have prepared for its development of the area. Grantor makes no representations or warranties as to the accuracy of the Environmental Assessment or to District's ability to rely on the disclosures in the Environmental Assessment. **DISTRICT ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR ANY EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS AND DISTRICT IS NOT RELYING ON ANY REPRESENTATIONS, WARRANTIES (OTHER THAN THE SPECIAL WARRANTY OF TITLE AS SET OUT IN THE DEED), PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH DISTRICT MAY CONDUCT THEREON, (C) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (D) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN, ON OR UNDER THE PROPERTY OF HAZARDOUS MATERIALS. ADDITIONALLY, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NO PERSON ACTING ON BEHALF OF GRANTOR IS AUTHORIZED TO MAKE, AND BY EXECUTION HEREOF, DISTRICT ACKNOWLEDGES THAT NO PERSON HAS MADE, ANY REPRESENTATION, AGREEMENT, STATEMENT, WARRANTY, GUARANTY OR PROMISE REGARDING THE PROPERTY OR THE TRANSACTION CONTEMPLATED HEREIN; AND NO SUCH REPRESENTATION, WARRANTY, AGREEMENT, GUARANTY, STATEMENT OR PROMISE, IF ANY, MADE BY ANY PERSON ACTING ON BEHALF OF GRANTOR SHALL BE VALID OR BINDING UPON GRANTOR UNLESS EXPRESSLY SET FORTH HEREIN. DISTRICT FURTHER ACKNOWLEDGES THAT GRANTOR HAS ADVISED DISTRICT TO CONSULT WITH ITS OWN PROFESSIONALS AND EXPERTS WITH EXPERIENCE IN EVALUATING THE CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, REGARDING THE PRESENCE OF HAZARDOUS OR TOXIC SUBSTANCES AND THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, DISTRICT WILL BE RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY GRANTOR.**

EXCEPT AS EXPRESSLY SET FORTH HEREIN, GRANTOR SHALL HAVE NO LIABILITY TO DISTRICT, AND DISTRICT IS DEEMED TO HAVE RELEASED

GRANTOR FROM ANY LIABILITY (INCLUDING CONTRACTUAL AND/OR STATUTORY ACTIONS FOR CONTRIBUTION OR INDEMNITY), FOR, CONCERNING OR REGARDING (1) THE NATURE AND CONDITION OF THE PROPERTY, INCLUDING THE SUITABILITY THEREOF FOR ANY ACTIVITY OR USE; (2) ANY IMPROVEMENTS OR SUBSTANCES LOCATED THEREON; (3) THE COMPLIANCE OF THE PROPERTY WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY GOVERNMENT OR OTHER BODY; OR (4) THE AVAILABILITY OF UTILITIES TO THE PROPERTY.

AS USED HEREIN, THE TERM "HAZARDOUS MATERIAL" SHALL MEAN ANY SUBSTANCE, WHETHER SOLID, LIQUID OR GASEOUS: (i) WHICH IS LISTED, DEFINED OR REGULATED AS A "HAZARDOUS SUBSTANCE," "HAZARDOUS MATERIAL," "HAZARDOUS WASTE," "EXTREMELY HAZARDOUS WASTE," "TOXIC SUBSTANCE," "SOLID WASTE," OR OTHERWISE CLASSIFIED AS HAZARDOUS OR TOXIC, IN OR PURSUANT TO ANY ENVIRONMENTAL LAW (WHERE "ENVIRONMENTAL LAW" INCLUDES, WITHOUT LIMITATION, ALL PRESENT AND FUTURE FEDERAL, STATE, OR LOCAL LAWS, STATUTES, ORDINANCES, CODES, RULES, REGULATIONS, LICENSES, PERMITS, AUTHORIZATIONS, DECISIONS, ORDERS, INJUNCTIONS OR DECREES, WHICH PERTAIN TO THE HEALTH, SAFETY OR THE ENVIRONMENT) OR (ii) WHICH IS OR CONTAINS ASBESTOS, RADON, ANY POLYCHLORINATED BIPHENYL, UREA FORMALDEHYDE FOAM INSULATION, EXPLOSIVE OR RADIOACTIVE MATERIAL, CRUDE OIL OR NATURAL GAS OR ANY FRACTION OR MIXTURE THEREOF, OR MOTOR FUEL OR OTHER REFINED OR PROCESSED PETROLEUM HYDROCARBONS; OR (iii) WHICH CAUSES OR THREATENS TO CAUSE A CONTAMINATION OR NUISANCE ON THE PROPERTY OR ANY ADJACENT PROPERTY OR A HAZARD TO THE ENVIRONMENT OR TO THE HEALTH OR SAFETY OF ANY PERSON(S) ON OR ABOUT THE PROPERTY OR ANY ADJACENT PROPERTY.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, DISTRICT HEREBY ACCEPTS THE PROPERTY IN ITS PRESENT CONDITION ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS", INCLUDING ENVIRONMENTAL, BASIS, AND ACKNOWLEDGES THAT (i) WITHOUT THIS ACCEPTANCE, THIS SALE WOULD NOT BE MADE, (ii) THAT GRANTOR SHALL BE AND IS UNDER NO OBLIGATION WHATSOEVER TO UNDERTAKE ANY REPAIR, ALTERATION, REMEDIATION OR OTHER WORK OF ANY KIND WITH RESPECT TO ANY PORTION OF THE PROPERTY, (iii) THAT THE CONSIDERATION PAID BY DISTRICT REFLECTS THE EXISTING CONDITIONS OF THE PROPERTY, INCLUDING THE PRESENCE OF ANY ENVIRONMENTAL CONTAMINATION THEREON, AND (iv) DISTRICT'S USE OR INTENDED USE OF THE PROPERTY MAY BE IMPAIRED BY ITS ENVIRONMENTAL CONDITION. DISTRICT AND ITS SUCCESSORS AND ASSIGNS HAVE, AND SHALL BE DEEMED TO HAVE, ASSUMED ALL RISK AND LIABILITY

WITH RESPECT TO THE PRESENCE OF HAZARDOUS MATERIAL ON OR WITHIN OR UNDER THE SURFACE OF THE PROPERTY, WHETHER KNOWN OR UNKNOWN, APPARENT, NON-APPARENT OR LATENT, AND WHETHER EXISTING PRIOR TO, AT OR SUBSEQUENT TO, TRANSFER OF THE PROPERTY.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, DISTRICT, ON BEHALF OF ITSELF AND ITS SUCCESSOR OWNERS AND ASSIGNS OF THE PROPERTY, HEREBY RELEASES GRANTOR, ITS PARTNERS, EMPLOYEES, OFFICERS, AGENTS, AND THEIR SUCCESSORS AND ASSIGNS (THE "GRANTOR RELEASE PARTIES") FROM AND, TO THE EXTENT PERMITTED BY LAW, INDEMNIFIES AND COVENANTS NOT TO SUE THE GRANTOR RELEASE PARTIES FOR ANY AND ALL RESPONSIBILITY, LIABILITY, OBLIGATIONS AND CLAIMS, KNOWN OR UNKNOWN, INCLUDING WITHOUT LIMITATION ANY OBLIGATION TO TAKE THE PROPERTY BACK OR REDUCE THE PRICE, OR ACTIONS FOR CONTRIBUTION OR INDEMNITY, THAT DISTRICT OR ITS SUCCESSORS AND ASSIGNS MAY HAVE AGAINST GRANTOR OR THAT MAY ARISE IN THE FUTURE, BASED IN WHOLE OR IN PART, UPON THE PRESENCE OF HAZARDOUS MATERIAL ON OR WITHIN OR UNDER THE SURFACE OF THE PROPERTY, INCLUDING WITHOUT LIMITATION, ALL RESPONSIBILITY, LIABILITY, OBLIGATIONS AND CLAIMS THAT MAY ARISE UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT, AS AMENDED 42 U.S.C. § 9601 ET SEQ. DISTRICT AND ITS SUCCESSORS AND ASSIGNS FURTHER COVENANT THAT IN THE EVENT ANY REMEDIATION OR OTHER ACTIONS ARE REQUIRED AS A RESULT OF THE ENVIRONMENTAL CONDITION OF THE PROPERTY, DISTRICT, ITS SUCCESSORS AND ASSIGNS, SHALL BE FULLY RESPONSIBLE FOR SUCH ACTIONS. THE FOREGOING INCLUDES A RELEASE OF GRANTOR FROM CLAIMS BASED ON GRANTOR'S NEGLIGENCE IN WHOLE OR IN PART AND CLAIMS BASED ON STRICT LIABILITY.

THE TERMS AND PROVISIONS OF THIS SECTION 4 SHALL SURVIVE THE CLOSING OR ANY EARLIER TERMINATION OF THIS CONTRACT AND SHALL BE INCORPORATED INTO THE SPECIAL WARRANTY DEED TO BE DELIVERED BY GRANTOR TO DISTRICT AT CLOSING.

9. **PLAT.** Grantor and the District agree to cooperate with each other in accomplishing the platting process to facilitate the construction of an Elementary School. The District will be solely responsible for preparing and managing the platting process for the Property and shall bear all costs associated with the platting of the Property.

10. **DISTRICT'S WARRANTIES AND REPRESENTATION.** The District covenants, agrees, represents and warrants to Grantor the following as of Closing:

- a) Standing and Authority of District. District has the right, power and authority to enter into this Agreement and to purchase the Property in accordance with the terms and conditions hereof this Agreement, when executed and delivered by District, will be a valid and binding obligation of District in accordance with its terms. The Parties understand and agree that this Agreement is expressly conditioned upon the ratification and approval by District's Board of Trustees of this Agreement and this transaction. Failure of this condition on or before the Closing Date shall terminate this Agreement and this Agreement shall be null and void and shall be of no further force or effect.
- b) Construction Conditions. Prior to Closing, District shall have:
 - i. Submitted to Grantor copies of construction drawings and specifications for the Elementary School approved by the Town of Little Elm, and ready for issuance of a building permit;
 - ii. Provided Grantor with a copy of District's fully executed construction contract for the construction of the Elementary School; and
 - iii.. Provided Grantor with evidence reasonably satisfactory to Grantor that District possesses sufficient funds to pay for the cost of completion of the Elementary School.

11. **ARCHITECTURAL STYLE AND MATERIALS; DISTRICT OBLIGATIONS:** Grantor desires to maintain the aesthetic continuity of Grantor's planned development in both architecture and building materials. Therefore, the District agrees to the following:

- a) The design of the Elementary School and all other improvements to be constructed upon the Property including, without limitation, all unattached improvements, any rainwater harvesting system, gymnasium, etc., shall be aesthetically compatible with, and shall be of the similar architectural style, type and quality of exterior materials used in the schools of the District located in the neighborhood of Cross Oaks Ranch which is the District's prototype elementary school. It is also the intent of both Grantor and District to make all reasonable attempts, without increasing construction or design costs, to utilize materials as those utilized within the Union Park development, in order to tie the façade of the campus to the aesthetics of Union Park.

b) The District agrees to construct 8-foot sidewalks on the Property and along all public streets adjacent to the Property.

c) The District will be responsible for installation and maintenance of all school zone related signage and markings, including all required cross-walks and street signage necessary for operating the Elementary School or for the benefit of the Elementary School, whether located adjacent to the Property or within other areas of Union Park.

12. CLOSING:

a. Closing Date. Subject to the terms hereof, Grantor shall convey the Property to the District on a date (the "Closing Date") to be mutually agreed between the parties, but no later than December 29th, 2017.

b. Grantor's Closing Documents. At closing, Grantor shall deliver to District, at Grantor's expense:

i. A duly executed Special Warranty Deed conveying the Property in fee simple according to the legal description prepared by the surveyor as shown on the survey, subject only to the permitted exceptions provided for in this Agreement;

ii. An updated Title Commitment committing the underwriter for the Title Company to issue promptly after closing an Owner's Policy of Title Insurance, at District's cost and expense, pursuant to the Title Commitment, subject only to the permitted exceptions provided for in this Agreement and in an amount to be agreed upon by the parties, dated as of the date of Closing;

iii. Possession of the Property;

iv. Evidence of Grantor's authority and capacity to close this transaction; and

v. All other documents reasonably required by Title Company to close this transaction.

c. District's Closing Documents. At closing, District shall deliver to Grantor, at District's expense:

i. A certified copy of the minutes of the District's Board of Trustee's meeting evidencing District's approval of this Agreement; and

- ii. All other documents reasonably required by Title Company to close this transaction.

13. **CLOSING COSTS.** District shall pay the costs of any survey and all premiums for an owner's title insurance policy. Grantor shall pay the recording fees applicable to the transfer; each Party shall pay its own attorney's fees relative to such transfer, and any other costs and expenses of such Closing shall be allocated as is customary in closing of a sale and purchase of similar property in Denton County, Texas.

14. **PRORATIONS.**

a) Ad valorem taxes and assessments upon the Property shall be prorated between the Parties as of the date of the Closing. All ad valorem taxes, special taxes and assessments related to the Property that are due and payable at the time of the Closing shall be paid by Grantor. Grantor shall not be responsible for payment of any and all "roll-back" taxes or other taxes assessed or becoming due and payable by virtue of any change in land usage or ownership of the Property and applicable or allocable to any period of time prior to or after the date of the Closing. District does not hereby waive any exemption or other exception it may have from roll-back taxes pursuant to Texas Tax Code 23.55(f) or other applicable law. If the amount of such taxes and assessments is not then known, the apportionment of taxes and assessments shall be estimated upon the basis of best information then available, with due provision for an adjustment to be made upon the final tax assessment and determination of tax rates for the year of sale. All prorations required under this Agreement shall be computed as of the date of the Closing. The provisions of this Section 10 shall survive the Closing.

b) Texas Property Code Section 5.010 Notice:

**NOTICE REGARDING POSSIBLE
LIABILITY FOR ADDITIONAL TAXES**

If for the current ad valorem tax year the taxable value of the land that is the subject of this Agreement is determined by a special appraisal method that allows for appraisal of the land at less than its market value, the person to whom the land is transferred may not be allowed to qualify the land for that special appraisal in a subsequent tax year and the land may then be appraised at its full market value. In addition, the transfer of the land or a subsequent change in the use of the land may result in the imposition of an additional tax plus interest as a penalty for the transfer or the change in the use of the land. The taxable value of the land and the applicable method of appraisal for the

current tax year is public information and may be obtained from the tax appraisal district established for the county in which the land is located.

15. **SEWER AND WATER INFRASTRUCTURE FEES.**

a) Upon completion of the construction of the Road and Utility Improvements, and acceptance by the Town of Little Elm, the District shall reimburse Grantor an amount equal to 50% of the costs for such Road and Utility Improvements. Costs shall include but not be limited to water, sewer, storm drainage, concrete, grading, engineering, geotech and any associated fees from the Town of Little Elm, the Mustang Special Utility District and the Upper Trinity Regional Water District ("UTRWD").

b) The District shall pay all necessary water and sewer tap fees required to service the Elementary School, to the Mustang Special Utility District and UTRWD, as applicable, consistent with the rates set by the Mustang Special Utility District and the UTRWD.

16. **DEFAULT:**

a) **District's Remedies.** If Grantor fails to close this Transaction or timely complete the Road and Utility Improvements for any reason except District's default, Grantor shall be in default and District may elect, as its sole and exclusive remedy, to enforce specific performance of this Agreement.

b) **Grantor's Remedies.** If District fails to close this Transaction or timely complete its obligations hereunder for any reason except Grantor's default, the District shall be in default and Grantor may terminate this Agreement. Furthermore, the Deed to District shall expressly provide that if the District fails to construct the Elementary School as its next elementary school along the 380 East corridor upon the Property, the District shall be in default and Grantor may elect, but is not required, as its sole remedy, to terminate this Agreement, and title to the Property shall automatically revert to the Grantor.

17. **BROKERS:** There are no real estate brokers involved in this transaction, and no broker or agent is entitled to a real estate commission.

18. **POST CLOSING OBLIGATIONS:**

a) Signage. Within 60 days after the conveyance, District will erect a sign on the Property stating that the Elementary School will be built on the site. District and Grantor will mutually agree upon the location, size, design, and text of the sign.

b) Maintenance of the Property Following Closing. Following the Closing, District shall maintain the Property in good condition and repair, with a neat and orderly appearance, and will keep the Property and streets that are adjacent to the Property free from clutter and debris caused by District, its agents, subcontractors, suppliers or vendors as required by ordinances of the local municipal authority. District will not at any time use the Property for the purpose of storage/bus barn for school buses. Notwithstanding the forgoing Grantor agrees District may periodically during the regular school year station overnight up to two buses on the Property and District agrees to station overnight no more than two buses on the Property at any time during the regular school year. At such time as District shall commence construction of school or playground/park facilities on the Property, District shall cause all vehicles related to its construction to enter the Union Park development through designated construction entrances (of which Grantor provides District advance notice) and such vehicles shall be parked without obstructing traffic or disturbing any landscaped areas maintained by Grantor or the homeowner's association for the Union Park Development (the "Union Park HOA"). Grantor shall reserve in the Deed, for the benefit of Grantor and the Union Park HOA, an easement to maintain the perimeter landscaping of the Property should the District fail to do so. The provisions of this Section shall survive the Closing.

c) Purpose and Name: District covenants and agrees that the Property shall be used solely for the construction of the Elementary School, which shall be named "Union Park Elementary School" or such other name as Grantor requests and District approves.

d) School Opening. District covenants that following acceptance of the Property, the Elementary School will be the next elementary school that the District constructs along the US 380 East Corridor. The District estimates that it will break ground on the Elementary School in January 2018, with an anticipated opening date in Fall of 2019.

e) Shared Facilities. Following completion of construction of the District agrees to allow the residents of Union Park to use recreational facilities of the Elementary School during non-school hours. Facilities to also include parking on the south side of the school site. The District will also be allowed to use Union Park public open space park areas for school related efforts so long as they coordinate with the Union Park HOA manager. Also, to the extent the open space park facilities adjacent to the Elementary School are included within property owned by the Highway 380 Municipal Management District No. 1 ("MMD"), Grantor and District will also use reasonable good faith efforts to facilitate an agreement between the District and the MMD for use of such park facilities to be shared.

19. MISCELLANEOUS PROVISIONS.

- a. Effective Date. Effective Date means the latter of the two dates on which this Agreement is signed by Grantor and the District. If the last party to execute this Agreement fails to complete the date of execution below that party's signature, the Effective Date shall be the date this fully executed Agreement is delivered to and date-stamped by District's counsel, Randolph W. Stout, Randolph W. Stout, P.C., 513 West Oak Street, Denton, Texas 76201; telephone number 940-535-5748; email address: rstout@csplaw.net.
- b. Notices. All notices and other communications required or permitted under this Agreement must be in writing and, shall be deemed delivered, whether actually received or not, on time earlier of: (a) actual receipt, or (b) upon deposit in the United States Mail, first class, postage prepaid, and properly addressed to the intended recipient at the address set forth below. Any party may change its address for notice purposes by delivering written notice of its new address to all other parties in time manner set forth above.

To The Denton Independent School District:

James K. Wilson, III, Ed.D.
Superintendent
Denton Independent School District
1307 North Locust
Denton, Texas 76201

with copy to:

Paul Andress
Executive Director of Operations
Denton Independent School District
230 Mayhill Road
Denton, Texas 76208-4004

To H4 Little Elm, L.P.:

Attn: Patrick Cowden
Hillwood
3000 Turtle Creek Blvd
Dallas, TX 75219

With copy to:

Michele Ringnald
Hillwood
3000 Turtle Creek Blvd
Dallas, TX 75219

- c. Forms. In case of a dispute as to the form of any document required under this Agreement, the most recent form promulgated by the State Bar of Texas, modified as necessary to conform to the requirements of this Agreement, shall be deemed reasonable.
- d. Attorney's Fees. The prevailing party in any legal proceeding brought in relation to this Agreement or transaction shall be entitled to recover from the non-prevailing party court costs, reasonable attorney's fees, and all other reasonable litigation expenses.
- e. Integration. This Agreement and the Special Warranty Deed (when recorded) contain the complete agreement between the parties with respect to the Property and cannot be varied except by written agreement. The parties agree that there are no other oral or signed agreements, understandings, representations, or warranties made by the parties which are not expressly set forth herein and in the Special Warranty Deed.
- f. Right of Entry. Upon reasonable advance notice and during normal business hours, District and District's representatives have the right to enter upon the Property prior to conveyance for the purposes of viewing, inspecting, and conducting studies of the Property, so long as they do not unreasonably interfere with the use of the Property by Grantor or cause any damage to the Property. Prior to any entry onto the Property by District or its agents or contractors, District or its agents shall obtain and deliver to Grantor an insurance certificate (in form and substance reasonably acceptable to Grantor) evidencing that District shall have in full force and effect during the term of this Agreement a policy of general liability insurance with limits of not less than \$2,000,000 combined single limit, covering liabilities for personal injury, death and property damage arising out of activities on or about the Property by District and its agents and contractors, which policy shall: (i) name Grantor and its mortgagee (as disclosed by Grantor to District) as additional insureds; (ii) be underwritten by an insurance company licensed to do business in the State of Texas and having a Best's rating of AVII or better; (iii) include a

contractual liability endorsement with respect to District's indemnification obligations hereunder; and (iv) not be cancelable or subject to amendment without at least 30 days' advance written notice to Grantor. District shall use its best efforts to minimize damage to the Property and shall cause the Property to be restored to substantially the condition existing immediately prior to entry thereon by District, its agents, representatives and contractors.

- g. Governing Law. This Agreement shall be construed under and governed by the laws of the State of Texas and all obligations of the parties created under this Agreement are to be performed in Denton County, Texas.
- h. Mediation. If any dispute arises relating to this Agreement either party may give written notice to the other party requiring all involved parties to attempt to resolve the dispute by mediation. Within seven days after receiving the mediation notice, each party must deliver a written designation to the other party stating the names of one or more individuals with authority to resolve the Dispute on such party's behalf. Within 10 days after the date of designation, the parties shall make a good faith effort to select a qualified mediator to mediate the Dispute. If the parties are unable to timely agree upon a mutually acceptable mediator, the parties shall request any closely available public alternative dispute resolution service coordinator to appoint a mediator. In consultation with the mediator, the parties shall promptly designate a mutually convenient time and place for the mediation which is to be held no later than 30 days after selection of the mediator. In the mediation, each party shall be represented by persons with authority and discretion to negotiate a resolution of the dispute, and may be represented by counsel. The mediation shall be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code, and such other rules as the mediator may prescribe. The fees and expenses of the mediator shall be shared, equally by all parties included in the dispute.
- i. Survival. The obligations of the parties set forth in this Agreement shall survive the conveyance of the Property from Grantor to the District.
- j. Successors. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their successors and assigns. The District may not assign its rights under this Agreement without the express written consent of Grantor, which consent shall be given or withheld in its sole and absolute discretion. The District acknowledges that Grantor may sell all or any portion of the Property to third parties. In the event of such

sale, this Agreement and the Grantor's obligations hereunder may be assigned by Grantor (and assumed by any such third parties) by written instrument. However any such assignment shall not relieve Grantor of its obligations hereunder unless expressly released by the District. Further, the benefits of this Agreement shall inure to the benefit of any assignee of Grantor.

The foregoing Donation Agreement was offered by _____, seconded by _____ and after discussion was adopted by the Board of Trustees of the Denton Independent School District at a regular meeting duly called, posted, and held in Denton, Denton County, Texas, on September __, 2017, at which _____ Trustees were present, by the following vote: _____ For, Against, and _____ Abstaining.

GRANTEE:

DENTON INDEPENDENT SCHOOL DISTRICT

Mia Price, President
Board of Trustees

ATTEST:

Jeanetta Smith, Ed.D., Secretary
Board of Trustees

GRANTOR:

By: Elaine Ford
Printed Name: Elaine Ford
Title: Senior Vice President

Date: 11-6, 2017

TITLE COMPANY ACCEPTANCE.

The Title Company acknowledges receipt of this Agreement on this the ____ day of April, _____ and accepts same subject to the terms and conditions of this Agreement.

Title Company

Republic Title of Texas, Inc.

By: _____

Name: _____

Title: _____

Address:

Republic Title of Texas, Inc.
Commercial Division
Attn: Melissa Schuelke
2626 Howell Street
Tenth Floor
Dallas, Texas 75204-4064
Direct Dial: 214-855-8835

Exhibit A

Description of Property

Exhibit B

Form of Deed

SPECIAL WARRANTY DEED

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS THAT:
COUNTY OF DENTON §

THAT _____, a _____ ("Grantor"), for and in consideration of the sum of TEN AND NO/100 Dollars (\$10.00) and other good and valuable consideration paid by **Denton Independent School District** ("Grantee"), having a mailing address of 1307 North Locust, Denton, Texas 76201, the receipt and sufficiency of which are hereby acknowledged and confessed, subject to the reservations, exceptions, limitations, liens, encumbrances, terms, and provisions hereinafter set forth and described, has GRANTED, BARGAINED, SOLD AND CONVEYED, and by these presents does GRANT, BARGAIN, SELL AND CONVEY unto Grantee that certain tract of land located in Collin County, Texas, and more particularly described on Exhibit A (the "Property").

Grantee agrees and accepts this Deed subject to the following restrictive covenant: for a period of 25 years beginning on the effective date hereof, no part of the Property shall be used directly or indirectly for any purpose whatsoever except for development and operation of a public elementary school facility (the "Use Covenant"). The Use Covenant shall touch, concern, run with and burden the Property and shall inure to the benefit of and be enforceable by Grantor and Grantor's successors and assigns for the benefit of Grantor's retained property described on Exhibit B. In the event any one or more persons, firms, or other entities shall violate or attempt to violate the Use Covenant, the benefited party may institute and prosecute any proceeding at law or in equity to abate, prevent, or enjoin any such violation or attempted violation. No delay in enforcing the provisions of the Use Covenant with respect to any breach or violation thereof shall impair, damage, or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times. Each contract for sale, deed, deed of trust, or other instrument which may hereafter be executed with respect to all or any part of the Property shall be deemed to have been executed, delivered, and accepted subject to all of the provisions contained herein and all such provisions shall, without further action, be incorporated by reference therein, regardless of whether any such instrument specifically refers to or recites all or any part of the Use Covenant.

PROVIDED, HOWEVER, as security for Grantee's obligation to construct a public elementary school facility on the Property, Grantor hereby reserves the possibility of reverter pursuant to which the conveyance of the Property shall be automatically terminated and forfeited without the necessity of any notice (except as expressly provided in this Deed), election or re-entry by Grantor (the "Reversionary Right") in the event should Grantee, or its successor or

assigns, fail on or before June 1, 2018, to commence construction as evidenced by the pouring of the foundation for a building for the public elementary school. If the condition described in the preceding sentence occurs (i.e. Grantee fails to commence construction within the required timeframe), and if such condition continues to exist for a period of 30 days after written notice from Grantor to Grantee, then the estate conveyed by this Deed to the Grantee (together with all improvements then located on the Property) shall be automatically forfeited to and immediately revert to and vest in the Grantor and its successors and this instrument shall be null and void, the foregoing Use Covenant shall immediately terminate and Grantor and its successor shall be entitled to immediate possession of such premises and the improvements thereon and Grantor shall file in the Real Estate Records of Collin County, Texas a notice referencing this Deed and stating that the Property has automatically reverted to and vested in Grantor. In the event Grantor files such notice, although the Property shall automatically revert to and vest in the Grantor without any further action required of Grantee or Grantor, Grantee shall, if requested by Grantor, execute and deliver to Grantor a recordable release or quitclaim of Grantee's rights in the Property. The Reversionary Right reserved herein to Grantor shall terminate and shall be of no further force or effect 21 years less one day after the death of the last survivor of any of the descendants of Queen Elizabeth II of England living on the date of execution of this Deed. The Reversionary Right reserved by Grantor in this Deed shall be the property of and shall inure to the benefit of Grantor, its successors and assigns, and are not appurtenant to any tract of property (other than the Property).

This Deed is executed by Grantors and accepted by Grantee subject to the following: (a) the Use Covenant; (b) the Reversionary Right, (c) the Restrictive Covenants contained in Exhibit D attached hereto and made a part hereof, and (d) any and all restrictions, reservations, covenants, conditions, rights-of-way, easements, and encumbrances listed in Exhibit C hereto and all matters shown on the survey of the Property dated _____, 2017, prepared by Kimley Horn, R.L.P.S. No. _____ (collectively, the "Permitted Encumbrances" and together with the Use Covenant, the Reversionary Right and the Restrictive Covenants, the "Covenants and Conditions").

All notices, demands or other communications given in connection with or required under this Deed must be in writing and delivered to the person to whom it is directed and may be given by (a) overnight delivery using a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with such courier, or (b) United States certified mail, return receipt requested, postage prepaid, addressed to the addressee, in which case notice shall be deemed delivered three business after deposit of such notice, postage prepaid, in a mailbox under the care, custody or control of the United States Postal Service. All notices, demands and other communications shall be given to Grantor or Grantee, as the case may be, at the addresses set forth below, or at any other addresses that they have theretofore specified by written notice delivered in accordance herewith.

- (a) Notice to Grantor shall be delivered as follows:

H4 Little Elm, L.P.:
Attn: Patrick Cowden
Hillwood
3000 Turtle Creek Blvd
Dallas, TX 75219

With copy to:

Michele Ringnald
Hillwood
3000 Turtle Creek Blvd
Dallas, TX 75219

- (b) Notice to Grantee shall be delivered as follows:

Denton Independent School District:
James K. Wilson, III, Ed.D.
Superintendent
Denton Independent School District
1307 North Locust
Denton, Texas 76201

with copy to:

Paul Andress
Executive Director of Operations
Denton Independent School District
230 Mayhill Road
Denton, Texas 76208-4004

All provisions of this Deed applicable to Grantor and Grantee shall be applicable to their respective successors and assigns.

TO HAVE AND TO HOLD the Property, subject to the Covenants and Conditions, unto Grantee, its successors and assigns, forever; and Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the Property, subject to the Covenants and Conditions, unto Grantee, its successors by, through, or under Grantor, but not otherwise.

EXECUTED this ____ day of _____, 2017, to be effective the ____ day of _____,
2017.

GRANTOR

By: _____
Name: _____
Title: _____

**Exhibit A to Special Warranty Deed
Description of the Property**

Exhibit B to Special Warranty Deed

Description of Benefited Property

[Insert legal for Union Park]

Exhibit C to Special Warranty Deed

Permitted Encumbrances

[Add Permitted Encumbrances pursuant to this Agreement].

Grantor, for itself and the Union Park Residential Community Association, Inc. (the "HOA"), reserves a perpetual easement on and across the perimeter of the Property for the purposes of maintaining and replacing landscaping, bushes, turf and trees installed on the perimeter of the Property (the "Landscaping") in good repair in the event Grantee or any owner of the Property fails to maintain the Landscaping in a condition comparable, in Grantor's discretion, to the landscaping maintained in the surrounding Union Park community. Prior to Grantor's or the HOA's entry onto the Property, Grantor or the HOA, as applicable, shall notify Grantee of its intent to perform the maintenance. The easement reserved in this Exhibit "C" is an easement in gross for the benefit of Grantor and its successors and assigns. Grantor or its assignee shall restore or repair any damage to the Property resulting from such use by Grantor or its assignee. By its acceptance of this Deed, Grantee agrees to execute such further instruments confirming or evidencing the easement reserved in this Exhibit "C" as Grantor from time to time may reasonably request although such execution is not necessary for the exercise of any rights under this Exhibit "C".

DISCLAIMER. GRANTEE ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR ANY EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN THAT CERTAIN SCHOOL PROPERTY PURCHASE AGREEMENT (THE "AGREEMENT") BY AND BETWEEN GRANTOR AND GRANTEE, GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS AND GRANTEE IS NOT RELYING ON ANY REPRESENTATIONS, WARRANTIES (OTHER THAN THE SPECIAL WARRANTY OF TITLE AS SET OUT IN THIS DEED), PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON, (C) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (D) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN, ON OR UNDER THE PROPERTY OF HAZARDOUS MATERIALS. ADDITIONALLY, NO PERSON ACTING ON BEHALF OF GRANTOR IS AUTHORIZED TO MAKE, AND BY EXECUTION HEREOF, GRANTEE ACKNOWLEDGES THAT NO PERSON HAS MADE, ANY REPRESENTATION, AGREEMENT, STATEMENT, WARRANTY, GUARANTY OR PROMISE REGARDING THE PROPERTY OR THE TRANSACTION CONTEMPLATED HEREIN; AND NO SUCH REPRESENTATION, WARRANTY, AGREEMENT, GUARANTY, STATEMENT OR

PROMISE, IF ANY, MADE BY ANY PERSON ACTING ON BEHALF OF GRANTOR SHALL BE VALID OR BINDING UPON GRANTOR UNLESS EXPRESSLY SET FORTH HEREIN OR IN THE AGREEMENT. GRANTEE FURTHER ACKNOWLEDGES THAT GRANTOR HAS ADVISED GRANTEE TO CONSULT WITH ITS OWN PROFESSIONALS AND EXPERTS WITH EXPERIENCE IN EVALUATING THE CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, REGARDING THE PRESENCE OF HAZARDOUS OR TOXIC SUBSTANCES AND THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE AGREEMENT, GRANTEE WILL BE RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY GRANTOR.

EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE AGREEMENT, GRANTOR SHALL HAVE NO LIABILITY TO GRANTEE, AND GRANTEE IS DEEMED TO HAVE RELEASED GRANTOR FROM ANY LIABILITY (INCLUDING CONTRACTUAL AND/OR STATUTORY ACTIONS FOR CONTRIBUTION OR INDEMNITY), FOR, CONCERNING OR REGARDING (1) THE NATURE AND CONDITION OF THE PROPERTY, INCLUDING THE SUITABILITY THEREOF FOR ANY ACTIVITY OR USE; (2) ANY IMPROVEMENTS OR SUBSTANCES LOCATED THEREON; (3) THE COMPLIANCE OF THE PROPERTY WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY GOVERNMENT OR OTHER BODY; OR (4) THE AVAILABILITY OF UTILITIES TO THE PROPERTY.

AS USED HEREIN, THE TERM "HAZARDOUS MATERIAL" SHALL MEAN ANY SUBSTANCE, WHETHER SOLID, LIQUID OR GASEOUS: (i) WHICH IS LISTED, DEFINED OR REGULATED AS A "HAZARDOUS SUBSTANCE," "HAZARDOUS MATERIAL," "HAZARDOUS WASTE," "EXTREMELY HAZARDOUS WASTE," "TOXIC SUBSTANCE," "SOLID WASTE," OR OTHERWISE CLASSIFIED AS HAZARDOUS OR TOXIC, IN OR PURSUANT TO ANY ENVIRONMENTAL LAW (WHERE "ENVIRONMENTAL LAW" INCLUDES, WITHOUT LIMITATION, ALL PRESENT AND FUTURE FEDERAL, STATE, OR LOCAL LAWS, STATUTES, ORDINANCES, CODES, RULES, REGULATIONS, LICENSES, PERMITS, AUTHORIZATIONS, DECISIONS, ORDERS, INJUNCTIONS OR DECREES, WHICH PERTAIN TO THE HEALTH, SAFETY OR THE ENVIRONMENT) OR (ii) WHICH IS OR CONTAINS ASBESTOS, RADON, ANY POLYCHLORINATED BIPHENYL, UREA FORMALDEHYDE FOAM INSULATION, EXPLOSIVE OR RADIOACTIVE MATERIAL, CRUDE OIL OR NATURAL GAS OR ANY FRACTION OR MIXTURE THEREOF, OR MOTOR FUEL OR OTHER REFINED OR PROCESSED PETROLEUM HYDROCARBONS; OR (iii) WHICH CAUSES OR THREATENS TO CAUSE A CONTAMINATION OR NUISANCE ON THE PROPERTY OR ANY ADJACENT PROPERTY OR A HAZARD TO THE ENVIRONMENT OR TO THE HEALTH OR SAFETY OF ANY PERSON(S) ON OR ABOUT THE PROPERTY OR ANY ADJACENT PROPERTY.

EXCEPT AS EXPRESSLY SET FORTH IN THE AGREEMENT AND HEREIN, GRANTEE HEREBY ACCEPTS THE PROPERTY IN ITS PRESENT CONDITION ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS", INCLUDING ENVIRONMENTAL, BASIS, AND ACKNOWLEDGES THAT (i) WITHOUT THIS ACCEPTANCE, THIS SALE WOULD NOT BE MADE, (ii) THAT GRANTOR SHALL BE AND IS UNDER NO OBLIGATION WHATSOEVER

TO UNDERTAKE ANY REPAIR, ALTERATION, REMEDIATION OR OTHER WORK OF ANY KIND WITH RESPECT TO ANY PORTION OF THE PROPERTY, (iii) THAT THE CONSIDERATION PAID BY GRANTEE REFLECTS THE EXISTING CONDITIONS OF THE PROPERTY, INCLUDING THE PRESENCE OF ANY ENVIRONMENTAL CONTAMINATION THEREON, AND (iv) GRANTEE'S USE OR INTENDED USE OF THE PROPERTY MAY BE IMPAIRED BY ITS ENVIRONMENTAL CONDITION. EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE AGREEMENT, GRANTEE AND ITS SUCCESSORS AND ASSIGNS HAVE, AND SHALL BE DEEMED TO HAVE, ASSUMED ALL RISK AND LIABILITY WITH RESPECT TO THE PRESENCE OF HAZARDOUS MATERIAL ON OR WITHIN OR UNDER THE SURFACE OF THE PROPERTY, WHETHER KNOWN OR UNKNOWN, APPARENT, NON-APPARENT OR LATENT, AND WHETHER EXISTING PRIOR TO, AT OR SUBSEQUENT TO, TRANSFER OF THE PROPERTY.

EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE AGREEMENT, GRANTEE, ON BEHALF OF ITSELF AND ITS SUCCESSOR OWNERS AND ASSIGNS OF THE PROPERTY, HEREBY RELEASES GRANTOR, ITS PARTNERS, EMPLOYEES, OFFICERS, AGENTS, AND THEIR SUCCESSORS AND ASSIGNS (THE "GRANTOR RELEASE PARTIES") FROM AND, TO THE EXTENT ALLOWED BY LAW, INDEMNIFIES AND COVENANTS NOT TO SUE THE GRANTOR RELEASE PARTIES FOR ANY AND ALL RESPONSIBILITY, LIABILITY, OBLIGATIONS AND CLAIMS, KNOWN OR UNKNOWN, INCLUDING WITHOUT LIMITATION ANY OBLIGATION TO TAKE THE PROPERTY BACK OR REDUCE THE PRICE, OR ACTIONS FOR CONTRIBUTION OR INDEMNITY, THAT GRANTEE OR ITS SUCCESSORS AND ASSIGNS MAY HAVE AGAINST GRANTOR OR THAT MAY ARISE IN THE FUTURE, BASED IN WHOLE OR IN PART, UPON THE PRESENCE OF HAZARDOUS MATERIAL ON OR WITHIN OR UNDER THE SURFACE OF THE PROPERTY, INCLUDING WITHOUT LIMITATION, ALL RESPONSIBILITY, LIABILITY, OBLIGATIONS AND CLAIMS THAT MAY ARISE UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT, AS AMENDED 42 U.S.C. § 9601 ET SEQ. EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE AGREEMENT, GRANTEE AND ITS SUCCESSORS AND ASSIGNS FURTHER COVENANT THAT IN THE EVENT ANY REMEDIATION OR OTHER ACTIONS ARE REQUIRED AS A RESULT OF THE ENVIRONMENTAL CONDITION OF THE PROPERTY, GRANTEE, ITS SUCCESSORS AND ASSIGNS, SHALL BE FULLY RESPONSIBLE FOR SUCH ACTIONS. THE FOREGOING INCLUDES A RELEASE OF GRANTOR FROM CLAIMS BASED ON GRANTOR'S NEGLIGENCE IN WHOLE OR IN PART AND CLAIMS BASED ON STRICT LIABILITY.

Exhibit D to Special Warranty Deed

Restrictive Covenants

Grantor owns other tracts around the Property and desires that the Property be developed in a manner that will enhance and not detract from the desirability of such other tracts. Therefore Grantor hereby declares that the Property shall be, and the Property is hereby donated and conveyed, subject to the covenants and restrictions set forth in this Exhibit D (the "Restrictions") which shall run with the land and be binding on Grantee and all parties having or acquiring any right, title or interest in the Property or any part thereof, and which shall inure to the benefit of Grantor, Grantee and each owner of any portion of the Property.

1. Grantee will name and operate the public elementary school to be located on the Property as "Union Park Elementary School". If requested by Grantor, Grantee will consider another name for the school.
2. Grantee will zone the Union Park development described in Exhibit "D-1" attached hereto (the "Development") so that the residents of the Development will attend the elementary school that is as close as practical to the Development in accordance with Grantee's zoning and busing policies in effect from time to time. Grantee will provide bus service to students within the Development in accordance with the District's busing policies in effect from time to time.
3. Each owner of any portion of the Property hereby agrees that the building improvements made on the Property will be similar in style, elevation, site plan and material consistent with the Development. Each owner shall submit architectural renderings of and a general list of materials to be used for any proposed improvements, including landscaping and signage, to Grantor for Grantor's review and approval, which approval shall not be unreasonably withheld, delayed or conditioned.
4. Each owner of any portion of the Property will maintain its portion of the Property in good condition and repair, with a commercially-reasonable neat and orderly appearance, and will keep its portion of the Property and streets that are adjacent to its portion of the Property materially free from clutter and debris caused by such owner, its agents, subcontractors, suppliers or vendors as required by ordinances of the local municipal authority. At such time as an owner shall commence construction of the public elementary school or playground/park facilities on the Property, the owner shall cause all vehicles related to its construction to enter the Union Park development through designated construction entrances (of which Grantor shall provide to owner advance notice) and such vehicles shall be parked without materially obstructing traffic or materially disturbing any landscaped areas maintained by Grantor or the homeowner's association for the Development. At no time will the Property be used for long-term storage of buses or as a bus barn.

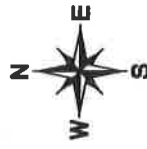
5. Following completion of construction of the school, Grantee agrees to allow residents of the Development to use the school's outdoor recreational facilities and parking on the south side of the school site during non-school hours.

After providing written notice to Grantee of any violation, and failure by Grantee to cure such violation after a reasonable period, Grantor shall have the right, but not the obligation, to enforce the covenants, conditions and restrictions set out in these Restrictions. Enforcement may be made by any proceedings at law or in equity against any Person violating any part of these Restrictions, as such may be amended, either to restrain or enjoin violations or to recover damages. Damages shall not be deemed adequate compensation for any breach or violation of any provision of these Restrictions, and Grantor shall be entitled to relief by way of injunction, as well as any other remedy either at law or in equity. The rights, powers and remedies provided in these Restrictions shall be cumulative and not restrictive of other remedies at law or in equity, and the exercise by a Person of any particular right, power or remedy shall not be deemed an election of remedies or to preclude such Person's resort to other rights, powers or remedies available to it.

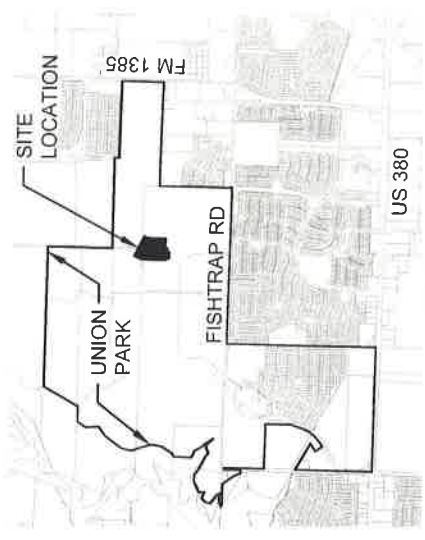
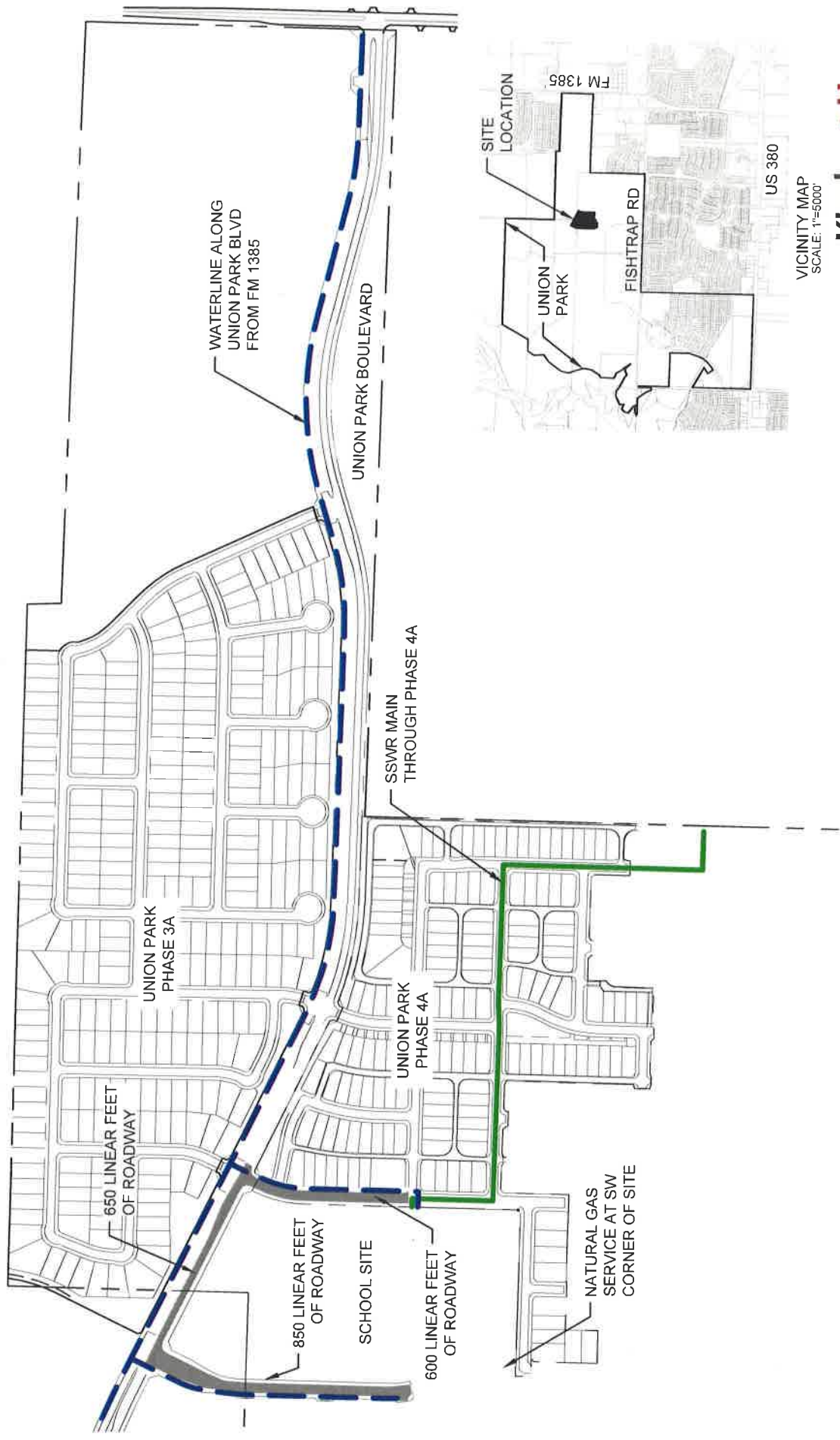
No delay or failure on the part of Grantor to invoke any available right, power or remedy in respect to a breach of these Restrictions shall be held to be a waiver by that party (or estop that party from asserting) any right, power or remedy available to it upon the recurrence or continuance of said breach or the occurrence of a different breach. Neither Grantor, or its officers or directors, shall be under any obligation to take any action to enforce the terms of these Restrictions.

**Exhibit D-1
Union Park**

Exhibit C
Location of Road and Utility Improvements



- LEGEND**
- PROP. SSWR
 - PROP. WATER



VICINITY MAP
SCALE: 1"=5000'

Kimley»Horn
 13455 Nicol Road
 11th Floor, Office Tower, Suite 700
 Dallas, TX 75240
 972-776-1300
 State of Texas Registration No. F-928
NOT A PROFESSIONAL ENGINEERING SEAL OR REGISTERED PROFESSIONAL ENGINEER'S SEAL

Denton ISD - Union Park

Little Elm, Texas
 September 2017