

PROJECT DEVELOPMENT AGREEMENT

Between CFC- SO Training Facility, LLC,
an Arizona limited liability company,

and

Stonehenge Holdings, LLC,
a Texas limited liability company

Fort Bend County Sheriff Training Facility Project

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PROJECT DEVELOPMENT AGREEMENT

This Project Development Agreement (this “Agreement”), is made and entered into as of the 21st day of December, 2023, by and between CFC- SO Training Facility, LLC, an Arizona limited liability company (hereinafter referred to as “Owner”) whose sole member is Community Finance Corporation, an Arizona nonprofit corporation and an organization described in Section 501(c)(3) of the Code and exempt from taxation under Section 501(a) of the Code (the “Sole Member”), and Stonehenge Holdings, LLC, a Texas limited liability company (hereinafter referred to as “Developer”).

RECITALS:

Whereas, Owner has entered into that certain Ground Lease Agreement dated December 21, 2023 with Fort Bend County, Texas Public Facility Corporation (the “PFC”) as lessor, under which Owner leases from the PFC that certain real property (the “Land”) and the improvements (the “Improvements”) thereon, containing approximately thirty (30) acres, and being generally located at U.S. Highway 59 and N. Fairgrounds Road in the City of Rosenberg, Fort Bend County, Texas, and being legally described on **Exhibit “A”** attached hereto (the “Premises”); and

Whereas, Owner has entered into that certain Facilities Lease Agreement (the “Facilities Lease”) with Fort Bend County, whereby Owner has agreed to cause to be developed and constructed on the Premises a law enforcement training facility, including branch office buildings, County Sheriff’s offices, holding cells, and dispatch, County Emergency Medical Services facilities, and a regional certified Level-1 law enforcement training facility with supporting improvements and facilities (collectively, the “Project”), and to lease the Project to the County for its use; and

Whereas, Owner desires to retain the services of Developer for the development and oversight of the design, development, construction, and equipping of the Project; and

Whereas, Developer and Owner agree and understand that costs of the Project shall be provided through the issuance by PFC (the “Issuer”) of its Lease Revenue Bonds, Series 2023 (collectively, the “Bonds”) pursuant to a Trust Indenture dated as of December 1, 2023 (the “Indenture”) between the Issuer and Zions Bancorporation, National Association, as trustee (the “Trustee”); and

Whereas, the proceeds of the Bonds will be loaned by the Issuer to Owner pursuant to a Loan Agreement (the “Loan Agreement”) dated as of December 1, 2023 by and between Issuer and Owner; and

Whereas, the date that the proceeds of the Bonds are made available to the Owner for the purposes of the development and construction of the Project is referred to herein as the “Bond Closing”; and

Whereas, Developer has this day entered into (i) AIA Document B101-2017, Standard Form of Agreement between Owner and Architect with AUTOARCH Architects, LLC; (together with its successors and assigns in such capacity, “Architect”), who is duly licensed to practice architecture and/or engineering in the State of Texas, to provide design services with respect to the

Project; the foregoing design services agreement being referred to as the “Design Services Agreement”; and

Whereas, Developer has also this day entered into that certain AIA Form A133-2019 – Standard Form of Agreement Between Owner and Construction Manger as Constructor (the “Construction Contract”) with Satterfield & Pontikes Construction, Inc. (together with its successors and assigns in such capacity, “Contractor”), to construct, build, and install the Project; and

Whereas, for purposes of this Agreement, the term “Contract Documents” shall mean and include this Agreement, the Loan Agreement, the Indenture, the Design Services Agreement, the Plans and Specifications (as defined below), the Construction Contract, as all of the foregoing may, from time to time, be revised, amended, modified, supplemented, and/or restated, and all those additional agreements, contracts, and documents listed in **Exhibit “B”** attached hereto and made a part hereof for all purposes; and

Now, therefore, for and in consideration of the premises and the mutual covenants and agreements set forth herein, Developer and Owner hereby agree as follows:

SECTION I. DESCRIPTION OF THE PROJECT

The Project consists of the design, development and construction on the Land of branch office buildings, including (1) an approximately 90,000 sq. ft. County Sheriff Training Academy that will also house a portion of the County’s Emergency Medical Services (“EMS”), including office space, fitness room, dispatch area approved by Houston dispatch division, 250-person auditorium, multiple classroom spaces and room for expansion; and (2) a driving training course, K-9 kennel, certified rifle and pistol range, and a “SIMS” building and a storage facility for SWAT vehicles. The Project will become the permanent dispatch center for the County Sheriff and EMS. The Project will be hardened according to all standards against weather and other natural disasters and have back-up electricity generation for weeks at a time. The Developer shall cause the Work (defined below) of the Project to reach Substantial Completion (as defined in Section XII, Paragraph A hereof) on or before February 8, 2026 (the “Substantial Completion Date”). The Developer shall complete the Project in substantial accordance with the Plans and Specifications and the other Contract Documents. The term “Work” when used herein shall collectively mean the provision of all materials, supplies, apparati, appliances, equipment, fixtures, tools, implements and all other facilities (hereinafter collectively referred to as “Materials”), and all labor, supervision, transportation, utilities, storage, and all other construction services for the Project (hereinafter collectively referred to as “Services”) required of Developer or Contractor by the Contract Documents, or reasonably inferable from those Contract Documents, as and when required for or in connection with the design, development, engineering, demolition, construction, furnishing or equipping of, or for inclusion or incorporation, in the Project, and for securing all necessary permits, licenses and approvals for the occupancy of the Project all in accordance with the Plans and Specifications.

SECTION II. DESIGN SERVICES

A. For the design phase of the Work, Developer has entered into the Design Services Agreement with the Architect, whereby Architect shall assure that the Work as designed will meet all applicable ordinances, standards, and codes, and that the structures included within the Work of the Project will be adequate to meet the floor load established in the design criteria included in the Contract Documents (the "Design Criteria"); and that the electrical, plumbing, and mechanical systems will be adequate to meet the Design Criteria.

B. Reserved.

C. The design services to be provided by Architect under the Design Services Agreement ("Basic Design Services") shall include:

1. Preparation of all schematic and preliminary design documents for the Work consisting of drawings, renderings and other documents illustrating the scale and relationship of the Work to the Project to facilitate communication between the Developer and the Owner and the County.
2. Preparation of (i) design development documents consisting of drawings, renderings and other documents to fix and describe the size and character of the Work as to structural, mechanical and electrical systems, and including materials and such other essentials as may be appropriate or required to enable Owner and the County to establish final Design Criteria; and (ii) preparation of all drawings, renderings and specifications setting forth the requirements for construction of the Work in detail sufficient to enable Contractor and Subcontractors (as defined in Paragraph A of Section VIII hereof) and suppliers to bid their respective portions of the Work and to enable workmen of ordinary skill to construct the Project (collectively, the "Plans and Specifications").
3. Documentation of all changes in the Plans and Specifications made during the course of the Work, and provision of a complete set of as-built drawings at the conclusion of the Work.
4. Assistance in obtaining all governmental approvals required for the Work.

D. The Plans and Specifications and any changes thereto made during the course of the Project shall be subject to the written approval of Developer, Owner and the County for purposes of ensuring conformance to the requirements of this Agreement, the Facilities Lease and the Design Criteria. No Work of the Project shall commence or be performed pursuant to the Plans and Specifications or any changes thereto unless Developer, Owner and the County have provided written approval of such Plans and Specifications or any changes thereto (as applicable) for such Work, such written approval not to be unreasonably withheld. Any such Work commenced prior to such written approval shall be at Developer's risk for all costs required to conform such Work to the approved Plans and Specifications. Owner and the County shall have not less than ten (10) Business Days in which to review the One Hundred Percent (100%) complete Plans and Specifications (or a revision of the complete set of the Plans and Specifications) and not less than ten (10) Business Days in which to provide written approval of any change thereto. In the case of

a change, all such changes shall be clearly identified (by clouding changes in drawings and highlighting changes in text). If the Developer does not receive written approval from the Owner and the County within the times required herein after submission thereof to Owner and the County, such Plans and Specifications, or such changes thereto (as applicable), shall be deemed denied by the Owner and the County, respectively, for the purposes hereof.

E. All charges for Basic Design Services and all reproduction and other miscellaneous costs associated therewith are included in the total cost of development of the Project (the "Project Development Budget") attached hereto as **Exhibit "C"**. Services of Architect other than Basic Design Services shall constitute "Additional Design Services" and shall be performed only upon the mutual written agreement of Owner, the County, Developer and Architect. The cost of any Additional Design Services shall be agreed upon in writing prior to the performance thereof and shall be handled as a Change Order under Section VI hereof. In the event any portions of the Project shall be deleted or otherwise not constructed, compensation for such portions of the Project shall be payable to the extent Basic Design Services shall have been performed on such portions. The making of revisions in the Plans and Specifications or other design documents, when such revisions are required by the enactment or revision of codes, laws or regulations subsequent to the preparation of such documents, shall be considered Additional Design Services. Provided, however, Developer shall cause the Architect to provide evidence satisfactory to the Owner and the County that such changes were required by the enactment or revision of codes, laws or regulations subsequent to the preparation of such documents.

F. In addition to all other insurance requirements set forth in this Agreement, Developer shall require Architect to obtain and maintain professional errors and omissions coverage with respect to Design Services in accordance with **Exhibit "F"** attached hereto.

G. Developer shall require that the Architect employ the skill and expertise consistent with the standards of professional care in performing the Design Services in the locale where the Project is located.

H. At all times relevant hereto, the ownership of all design-related documentation for the Project ("Work Product") shall be that of Owner. Owner hereby grants to each of Developer and the County a perpetual, royalty-free license to use the Work Product for any use that is solely for each of their benefit including future renovations and repairs of the Project.

SECTION III. CONSTRUCTION

A. Subject to and in accordance with the terms and provisions of this Agreement and the Plans and Specifications, Developer shall cause Contractor to construct the Project. In order to cause the Work to be completed, Developer has entered into the Construction Contract with Contractor who will perform the Work described in the Construction Contract for a Guaranteed Maximum Price (as such term defined in the Construction Contract), in the amount of \$89,232,824.00.

B. Developer covenants that all the Work performed by Contractor shall be done in a good and workmanlike manner in compliance with the Contract Documents and all applicable codes and regulations, and that all Materials furnished and used in connection therewith shall be

new, except as otherwise provided for in the Plans and Specifications. Developer shall cause Contractor to provide all Materials and other parts of the Work to be readily available as and when required or needed for or in connection with the construction, furnishing and equipping of the Project.

C. Developer shall provide or cause Contractor to provide, competent, professional supervision of all phases of the Work and shall cause the Work to be performed in substantial accordance with the Plans and Specifications, all codes and regulations (including but not limited to all applicable building, life safety codes and laws and the Americans with Disabilities Act of 1990), and all things reasonably indicated or implied therefrom. As soon as reasonably possible after the execution of this Agreement, but no later than seven (7) days following the last to occur of (i) the Bond Closing or (ii) all permits being issued for the Work described in the Construction Contract, Developer shall cause Contractor to prepare and submit to Owner and the County a "Progress Schedule" (being herein so-called) for the Work. The Progress Schedule shall include the construction of all the Improvements to the extent required by the Contract Documents. The Progress Schedule shall indicate the dates for the commencement and completion of the various stages of construction and shall be revised as required by the conditions of the Work. The Progress Schedule shall be consistent with the Development Schedule (as defined in Paragraph A of Section IV hereof).

D. Developer shall require Contractor to prepare or cause to be prepared by the Architect as part of the Work, all shop drawings and other detail drawings not made a part of the Plans and Specifications that are required in the performance of the Work. Developer will also provide or cause to be provided and be responsible for all general conditions work such as hoists, safety equipment, and portable toilets.

E. Developer agrees to furnish the County with copies of all notices requesting approval or consent that are furnished to Owner under this Agreement.

F. Developer acknowledges that the Facilities Lease grants the County certain rights related to the design and construction of the Project, including, without limitation, the rights, interests and remedies set forth in Section 5.5 of the Facilities Lease, and the Developer agrees to be bound by and comply with such terms and conditions.

SECTION IV. TIME FOR PERFORMANCE

A. The Work shall commence within seven (7) Business Days after the Bond Closing or the date of issuance of all necessary permits for the Work, whichever event is later, and shall proceed according to the "Development Schedule" which is attached hereto as **Exhibit "D"** and made a part hereof for all purposes. The Project shall be Substantially Complete on or before the Substantial Completion Date, with Final Completion (as defined in Paragraph A of Section XIV hereof) of the Project to occur within sixty (60) days after the Substantial Completion Date (the "Final Completion Date"). If, however, Developer or Contractor is delayed in the performance of the Work by any act or omission of Owner or the County, or by an employee, agent, representative or separate contractor of Owner or the County (other than by reason of the proper exercise of their respective rights, duties and obligations under the Contract Documents), or by acts or occurrences of Force Majeure (as defined below), County Delay (defined below), or by changes ordered,

respectively, by the County or Owner (collectively referred to herein as “Excusable Delay”), then the Substantial Completion Date and the Final Completion Date for the Project shall be extended for a period of the number of days the Progress Schedule is impacted by such delays, but in no case less than the actual number of days that Developer is delayed, if within ten (10) days after the commencement of any such delay, Developer delivers to Owner and the County a written notice of such delay, stating the nature thereof, and within ten (10) days following the end of any such delay, provides a written request for extension of the Substantial Completion Date and Final Completion Date by reason of such delay. In the case of the continuing cause of delay of a particular nature, Developer shall be required to make only one such request with respect thereto.

B. “Force Majeure”, as that term is used herein, shall mean act of God, war, act of terrorism, civil commotion, governmental action, fire, named storm, strike, walkout, epidemic, pandemic, court order, other disturbance, Weather Delay (as defined below), delay in delivery of materials, supplies, and/or equipment due to supply chain issues beyond the reasonable control of Developer, or any other cause beyond Developer’s reasonable control that could not have been reasonably anticipated by Developer based on Developer’s experience and expertise, but only to the extent that such event or occurrence actually prevents Developer from commencing or continuing the Work of the Project in accordance with the Development Schedule. A “Weather Delay” shall mean: adverse weather in excess of the average adverse weather reported on a monthly basis which is in excess of that occurring during the preceding five (5) years calculated on a quarterly basis.

C. “County Delay” means any verifiable delay in the performance of the County’s obligations under the Facilities Lease or this Agreement beyond the time periods permitted thereunder for such performance, including but not limited to (i) a failure to review Plans and Specifications within the time provided herein or in the Facilities Lease, (ii) failure to timely participate in instructional or training activities under Paragraph A of Section XIV hereof; and (iii) any other failure to act in accordance with the terms of the Facilities Lease or this Agreement which actually delays Developer’s obligations to the Owner hereunder.

D. “Business Day”, as that term is used herein, shall mean and refer to any of Developer’s normal eight (8) hour days, Monday through Friday of any given week, exclusive of customarily recognized national holidays.

E. In the event of a delay caused by Force Majeure or County Delay, Owner may direct that the Work be accelerated by means of overtime, additional crews or additional shifts or re-sequencing of the Work, and require acceleration to the extent such labor is reasonably available in the greater Houston metropolitan area. All acceleration will be subject to the Change Order procedure set forth in Section VI hereof. In no event shall any extension of time for completion of the Work on or before the Substantial Completion Date be granted for any reason other than Force Majeure or County Delay.

F. Notwithstanding Paragraphs A, B and C above, Developer understands and agrees that this Agreement permits no time extensions or any other Developer recovery of additional compensation of any kind or nature in the event of occurrences that might potentially cause delay or impact to the Substantial Completion Date and Final Completion Date. Therefore, in addition to the obligations and duties undertaken by Developer as set forth herein, it is further agreed that

under no circumstances will Developer be entitled to any additional compensation as a result of any event or omission that might cause delay or impact to the Substantial Completion Date or Final Completion Date.

G. Developer shall achieve or cause to be achieved Substantial Completion of the Project no later than the Substantial Completion Date, and achieve Final Completion of the Project no later than the Final Completion Date. The Developer acknowledges and agrees that, if the Developer fails to achieve Final Completion of the entire Work by the Final Completion Date, the Owner, the County and the Issuer will sustain extensive damages and serious loss as a result of such failure. The exact amount of such damages will be difficult to ascertain. Therefore, the Owner and Developer agree that, if the Developer shall neglect, fail, or refuse to achieve Final Completion of the Work by the date required by the Contract Documents for Final Completion of the Work, subject to adjustment as allowed under the Contract Documents, then the Developer (and the Developer's surety, if any, in the case of default) agrees to pay to the Owner as liquidated damages, and not as a penalty or forfeiture, the sum or sums for each day of such delay as set forth below:

\$14,231.00 per calendar day after the Final Completion Date that Developer does not achieve Final Completion.

Such liquidated damages are hereby agreed to be a reasonable pre-estimate of damages the Owner and/or the County will incur as a result of delayed completion of the Work or relevant portion thereof. Such liquidated damages shall be in lieu of and in place of those certain damages resulting from Developer's unexcused delay in performance, including all consequential damages such as any loss of use or capital, but shall not be in lieu of any actual, direct costs incurred by Owner and/or the County in supplementing, accelerating, completing, or correcting the Work resulting from Developer's breach of its obligations arising under the Contract Documents, including all design and consulting costs also arising therefrom. The Owner may deduct liquidated damages described in this Subsection from any unpaid amounts then or thereafter due the Developer under this Agreement, which deducted amounts shall be paid by Owner to Trustee with instructions that such liquidated damages shall be credited to the Debt Service Fund (as such term is defined in the Indenture). Any liquidated damages not so deducted from any unpaid amounts due the Developer shall be payable to the Trustee at the demand of the Owner or the County, together with interest from the date of the demand at a rate equal to Twelve Percent (12.0%) per annum, and shall be delivered to Trustee with instructions that such liquidated damages shall be credited to the Debt Service Fund.

SECTION V. PERMITS AND LICENSES

A. Unless otherwise provided in the Contract Documents, Developer, through Architect and Contractor, shall assist Owner in securing or causing to be secured the building permit and other construction permits, licenses, approvals, and inspections necessary for proper execution and completion of the Work that are customarily secured after execution of the Construction Contract and that are legally required, including those permits, licenses and inspections and any necessary governmental fees customarily included in the Project Development Budget.

B. Developer shall comply with and give notices in the manner required by applicable laws, codes, ordinances, rules, regulations, and lawful orders of public authorities (collectively “Applicable Laws”) bearing on performance of the Work.

C. If Developer causes Contractor to perform Work knowing it to be contrary to Applicable Laws, without providing advance written notice to Owner and subsequently providing the Owner at least ten (10) Business Days to provide a written response thereto, Developer shall assume full responsibility for such Work and shall bear the costs attributable thereto, including the cost to correct, remove, or modify such Work to be in compliance with Applicable Laws.

SECTION VI. DEVELOPMENT BUDGET AND CHANGE ORDERS

A. The Project Development Budget cannot, except under the circumstances described in this Section VI, exceed the sum of \$111,128,313.00, consisting of the following:

(i) \$89,232,824.00 budgeted and paid for construction (the “Project Construction Budget”) and payable pursuant to Section VII.C. through VII.R. below;

(ii) \$6,200,000.00 budgeted and paid for Design Services and Soft Costs (the “Design Services and Soft Costs Budget”) under the Design Services Agreement and any engineering services under related engineering services agreements, as well as the costs for a mortgagee policy of title insurance, materials testing, obtaining permits and performing inspections, and payable pursuant to Sections VII.C and VII.F below;

(iii) \$8,000,000.00 allowance for furniture, fixtures, and equipment (the “FF&E Allowance”) for the Project to be acquired directly from the vendors of such furniture, fixtures, and equipment and payable pursuant to Sections VII.C and VII.F. below;

(iv) \$292,000.00 budgeted and paid for predevelopment costs (the “Predevelopment Cost Budget”) relating to the Project and payable pursuant to Section VII.A.1 below;

(v) \$500,000.00 allowance for Project start-up expenses (the “Start-Up Expense Budget”) and payable pursuant to Section VII.S. below;

(vi) \$650,000.00 budgeted and paid for Project management expenses (the “Project-Management Expense Budget”) and payable pursuant to Section VII.T below;

(vii) \$6,253,489.00 as the “Developer’s Compensation” payable pursuant to Section VII.A.2. below.

B. DEVELOPER AGREES TO AND ACKNOWLEDGES THE FUNDING LIMITATIONS UNDER THIS AGREEMENT AND THE INDENTURE AND ACCEPTS THE RISKS ARISING OUT OF OR RELATING TO THE FACT THAT THAT UNDER NO CIRCUMSTANCES WILL THERE BE ANY ADDITIVE CHANGE ORDERS OR OTHER ADDITIONS OR MODIFICATIONS TO THE PROJECT, PROJECT DEVELOPMENT BUDGET, THE DEVELOPER’S COMPENSATION, OR THE DEVELOPMENT SCHEDULE.

The procedures described in this Section VI apply only for approved Change Orders that do not increase the Project Development Budget to an amount greater than \$111,128,313.00.

C. Any change in the Work that either Developer or Owner, at the request of the County, may deem necessary or desirable shall be requested of the other party in writing by way of a written change order request, setting forth in detail the nature of the requested change (“Change Order Request”). In the event that Owner, at the request of the County, submits a Change Order Request to Developer, then upon receipt of such Change Order Request, Developer shall cause Contractor, within ten (10) calendar days after receipt, to furnish to Developer, Owner, and the County a statement setting forth in detail, with a suitable breakdown by trades and work classifications, Contractor’s estimate of the changes in time and cost attributable to the changes set forth in such Change Order Request and any proposed adjustments of time and costs related to unchanged Work resulting from such Change Order Request. Upon agreement in writing by Owner, the County, Contractor, and Developer of any adjustment in time and/or costs for the Work necessitated by any Change Order Request, such Change Order Request and the associated estimated change in time and/or cost shall constitute a “Change Order” (being herein so-called). If such Change Order would, in and of itself, result in an increase in the amount of the Project Development Budget (an “Additive Change Order”), it will be valid and effective only (1) if Developer shall release a dollar-for-dollar amount of any unreleased portion of the Developer’s Contingency in the Schedule of Values, (2) if the Additive Change Order shall be paired with a Change Order that would reduce such budget or other budget(s) (a “Deductive Change Order”) by an amount such that the aggregated amount of the budgets, after accounting for the net effect of the paired Change Orders, would be no greater than the sum of (a) the original aggregate amount of the budgets plus (b) the amount of any released portion of the Developer’s Contingency and/or any used portion of the Developer’s Contingency (such sum, the “Revised Budgets”), or (3) if, as a result of net decreases in the aggregate amount of the budgets due to prior Deductive Change Orders, the Additive Change Order would not increase the aggregate amount of the budgets to an amount greater than the Revised Budgets. If such Change Order would, in and of itself, result in an increase in time for the Work, it will be valid only if it would not adjust or change the Substantial Completion Date to a date that is after February 8, 2026. Agreement on any Change Order shall constitute a final settlement on all direct costs covered therein, subject to performance thereof and payment therefore pursuant to the terms of this Agreement, and further subject to written approval of the County under the Facilities Lease.

D. Any Change Order arising under Paragraph (C) as a result of the submittal by Developer of a Change Order Request shall only be valid and effective if, with respect to changes in the Budgets or the Progress Schedule, it shall comply with the terms of Paragraph (C) of this Section VI.

E. Notwithstanding the foregoing, Developer may from time to time re-allocate funds from one category within the Schedule of Values (as defined below in Section VII, Paragraph B) to another category within the Schedule of Values, so long as the total Schedule of Values does not exceed the total Schedule of Values set forth on Schedule I to **Exhibit “C”** attached hereto. Furthermore, the Developer may re-allocate funds from one or more components of the overall Project Development Budget to another component of the Project Development Budget, provided that such re-allocation does not increase the Developer’s Compensation. Such re-allocation(s) shall not result in an extension of the Substantial Completion Date or the Final Completion Date.

Any one or more of such re-allocations is not a change order and does not require the approval of the Owner or the County.

SECTION VII. PAYMENTS

A. In consideration of the performance of the Work and all other obligations of Developer hereunder, Owner shall pay from amounts held in the Project Account (as such term is defined in the Indenture) under the Indenture to Developer a fixed sum of money equal to the Project Development Budget in accordance with the terms hereof which sum includes all amounts required to pay the Contractor, Architect, and their respective Subcontractors, and Sub-Subcontractors all costs relating to Work of the Project and the Developer's Compensation.

1. Developer and Owner agree that at the Bond Closing, Developer shall receive payment for the entirety of all pre-Bond Closing efforts taken, to be paid from the Predevelopment Cost Budget; including but not limited to the following:

- a. Estimating;
- b. Reprographics;
- c. Financial Planning;
- d. Accounting;
- e. Scope Determination;
- f. Fees associated with various legal counsel;
- g. Advertising; and
- h. Any and all payments made to third parties for work performed to advance the Project, including those related to the Bond Closing.

Payment of the foregoing is a reimbursement of costs incurred by Developer on behalf of Owner in accordance with the Predevelopment Cost Budget, and is not included in the Developer's Compensation. The amounts making up the Predevelopment Cost Budget shall be paid to the Developer in a single lump sum at the Bond Closing.

In addition to the foregoing, at Bond Closing Developer may submit an initial Request For Payment to the Owner and Trustee in order to fund initial construction mobilization costs, including but not limited to costs for permitting, field office, installing temporary utilities, establishing temporary access, securing and transporting equipment and materials to the Project site, in the amount of Five Percent (5.0%) of the Construction Budget.

2. Developer shall be paid (i) Forty Percent (40.0%) (\$2,501,395.60) of the Developer's Compensation at the Bond Closing, (ii) Fifty Percent (50.0%) (\$3,126,744.50) of the Developer's Compensation in equal monthly installments commencing with the first Request for Payment (as defined below), and (iii) the remaining Ten Percent (10.0%) (\$625,348.90) of the Developer's Compensation upon Final Completion.

B. Attached hereto as Schedule I to **Exhibit "C"** and made a part hereof for all purposes is a schedule of various portions of the Work aggregating the total Project Development Budget, divided so as to facilitate progress payments (hereinafter referred to as the "Schedule of Values"). The Schedule of Values shall be used as the basis for Developer's Requests for Payment, the timing of which shall substantially coincide with the associated milestones set forth in the

Development Schedule. Notwithstanding anything to the contrary appearing herein, the Schedule of Values is for the purpose of facilitating payments to Developer and to assist Developer, Owner and Contractor in tracking costs. It is understood and agreed that the Schedule of Values is for accounting purposes only and does not necessarily correspond to the exact costs of the various line items making up the Schedule of Values. The Schedule of Values shall not be considered as a line item guarantee by Developer of the costs of any individual line item in the Schedule of Values.

C. On or before the Twenty-Fifth (25th) day of each month during the performance of the Work, the Developer, Owner's Representative (as such term is defined in Section XXVII Paragraph A hereof) and Architect shall inspect the Project. Subsequent to such inspection, the Developer shall cause Contractor to submit to Developer an application for payment as set forth in paragraph F. below on or before the first day of the calendar month subsequent to such inspection. Upon receipt of the Contractor's application for payment, Developer shall timely submit to Owner for approval a certified request for payment in the form attached hereto as **Exhibit "E"** (each, a "Request for Payment"). Each Request for Payment shall set forth the value of the Work completed according to the Schedule of Values and the sum of all prior payments, and shall request payment in such amount, less the aggregate of all prior payments. Notwithstanding anything to the contrary appearing herein, with respect to the Change Orders, Developer's costs shall be segregated and detailed in a manner reasonably satisfactory to Owner.

D. Requests for Payment shall include the cost of Materials not incorporated in the Work, but delivered and suitably stored at the site of the Project or at some other mutually agreed-upon location. Title to all such Materials shall pass to Owner upon payment therefor or incorporation in the Work, whichever shall first occur, and Developer shall cause Contractor to prepare and execute all documents necessary to effect and perfect such transfer of title.

E. Each Request for Payment shall also be accompanied by such evidence reasonably required to demonstrate the amounts claimed are then payable, together with a duly executed waiver of mechanic's lien forms from Developer, Contractor, and each Subcontractor providing labor or materials waiving all liens or claims for payment for the work covered by previous Requests for Payment and waiving all liens or claims for payment for the work covered by the Request for Payment being submitted, to the extent of payment received. Such lien waiver documents shall be in the form(s) required by the Texas Property Code.

F. Requests for Payment for Work performed by the Contractor pursuant to the Construction Contract shall be accompanied by the application for payment submitted to the Developer by the Contractor for such Work, with such supporting documentation as required by the Construction Contract. Except with the consent of the Owner and the County, no Request for Payment shall seek payment for retainage Developer is entitled or required to withhold from the Contractor under the Construction Contract. However, retainage, not to exceed five percent (5.0%) of the cost of the materials and labor making up the Work, shall be paid by Owner to Developer upon Final Completion. Requests for Payment that seek funds from the FF&E Allowance and/or the Design Services and Soft Cost Budget shall be accompanied by supporting documentation from the vendor, supplier, or Contractor providing such goods and/or services, in such detail as required to allow Owner and the County to verify the accuracy of the Requests for Payment.

G. Developer shall, not later than the first day of the second calendar month following the Bond Closing, and thereafter, on or prior to the fifteenth (15th) day of each calendar month until the Substantial Completion Date of the Project, cause the Contractor to further submit a monthly progress report to Owner and the County that shall set forth in detail the status of the Project as of that date. The exact format of the progress report shall be mutually agreed upon by Developer, Contractor, the County, and Owner prior to submission of the initial Request for Payment; however, the progress reports shall describe those aspects of the Work that have been commenced and the status thereof, set forth the schedule for major portions of the Work for the coming month, include Developer's appraisal of the progress of the Work and any recommendations as to any action that is required by Owner, and shall, at a minimum include (1) a calculation of the cumulative percentage of completion of the Project as a whole as of the last day of the immediately preceding month, which shall include (a) the status of the construction of the Project in accordance with the Plans and Specifications and the requirements of the Construction Contract and the Progress Schedule (as defined in and attached to the Construction Contract), and (b) any variances from the Plans and Specifications or the Progress Schedule, and (2) to the extent that the Work shall not have proceeded in strict accordance with the Development Schedule to the date of such monthly progress report, a schedule recovery plan designed to bring the Work in conformance with the Development Schedule. Additionally, Developer shall provide Owner and the County with monthly progress photos of the Work.

H. Following Owner's receipt of Developer's fully completed Request for Payment (unless such date falls on a weekend or holiday, then on the next Business Day), and approval thereof by the Architect and the County, the Owner shall have ten (10) calendar days to review the Request for Payment and respond with any objections or request for clarifications from Developer or Contractor, or alternatively, to approve the Request for Payment. Immediately upon the approval of a Request for Payment, Owner shall requisition the Trustee to timely pay the Request for Payment in accordance with the terms of the Indenture. Owner agrees to use commercially reasonable efforts to cause an approved Request for Payment to be paid to Developer no later than fifteen (15) calendar days following Owner's receipt of Developer's fully completed Request for Payment (unless such date falls on a weekend or holiday, then on the next Business Day).

I. Upon Substantial Completion of the Project, Developer shall submit a Request for Payment that shall set forth all amounts due and remaining unpaid, including Ninety Percent (90%) of funds retained by Owner under Paragraph F of Section VII hereof, less an amount equal to One Hundred and Fifty Percent (150%) of the estimated value of Punch List items. Owner shall make payment upon such Request for Payment in the manner set forth herein for other Requests for Payment.

J. Owner shall pay the final remaining balance of Developer's Compensation to Developer once the Punch List (as such term is defined in Paragraph B of Section XII hereof) items are addressed by Developer, subject to the inspection and approval of the County and Owner's Representative. Final payment (including the remainder of the funds retained under Paragraph F of Section VII and Paragraph I of Section VII hereof) shall not be made, however, until Developer shall deliver or cause Contractor to deliver to Owner and the County a complete release of all liens arising out of the Project and an affidavit from Developer and Contractor, providing that such release includes and covers all Materials and Services for which a lien could be filed; but Developer may, if any Subcontractor or Sub-Subcontractor (as defined in Section VIII

hereof) refuses to furnish a release in full, furnish a mechanic's lien bond or other indemnification reasonably satisfactory to Owner and the County to indemnify Owner and the County against any lien.

K. Developer shall, and shall cause Contractor to, defend, indemnify and hold Owner, Issuer, Sole Member, and the County harmless, including reasonable attorneys' fees, court cost and expenses, for and against any and all lien claims asserted against Owner, the County, the Land and/or the Improvements by the Contractor, any Subcontractor or Sub-Subcontractor, or anyone claiming under any of them; provided, however, Owner shall have paid Developer all amounts properly payable under the terms of this Agreement and as set forth in all Requests for Payment submitted by Developer.

L. In no event shall any interest be due and payable by Owner to Developer, Contractor, any Subcontractor or any other party on any of the sums rightfully retained by Owner pursuant to any of the terms or provisions of any of the Contract Documents.

M. Any provision hereof to the contrary notwithstanding, Owner may retain such funds from any progress payment in an amount reasonably sufficient to protect Owner if any one or more of the following conditions exists:

1. After Owner provides reasonable written notice and an opportunity to cure, Developer shall be in material default of any of its obligations hereunder or otherwise shall be in material default under any of the Contract Documents;

2. Any part of such payment is attributable to Work that is defective or not performed in substantial accordance with the Plans and Specifications; provided, however, such payment shall be made as to the part thereof attributable to Work that is performed in accordance with the Plans and Specifications and is not defective; or

3. Developer or Contractor has failed to make payments in accordance with its contracts with Developer, Contractor, Subcontractors, or Sub-Subcontractors or for Material or Services for which Owner has made payment to Developer.

N. In the event that Owner elects to withhold from payment to Developer any amounts that Owner may be entitled to withhold as above provided, then Owner shall only withhold the fair market value of such Work, claims or payments; and in no case, shall it withhold more than such total value.

O. No partial payment made hereunder shall be or construed to be final acceptance or approval of that part of the Work to which such partial payment relates, or relieve Developer of any of its obligations hereunder with respect thereto.

P. If any portion of a fully-completed Request for Payment meeting all the requirements of this Agreement is not paid within fifteen (15) calendar days after the submission thereof by Developer to Owner, and such nonpayment is not permitted under Paragraph M of this Section VII, such failure shall constitute an Excusable Delay, and Developer may, on a temporary basis, stop the Work of the Project without terminating this Agreement until such payment is made

to Developer, and any such stoppage by the Developer shall operate to extend the Substantial Completion Date on a day-for-day basis.

Q. Developer shall use the sums advanced to it pursuant to this Section VII solely for the purpose of performance of the Work and the design, development, construction, furnishing and equipping of the Improvements in accordance with the Plans and Specifications. However, no provision hereof shall be construed to require Owner to see to the proper disposition or application of the monies so advanced to Developer.

R. Developer shall, within a reasonable time following receipt of payment from Owner and within the time period allowed under any applicable contract or agreement, pay all bills for Services and Materials performed and furnished by others in connection with the design, development, construction, furnishing and equipping of the Project and the performance of the Work, and upon written request by Owner shall provide Owner with evidence of such payment.

S. The Start-Up Expense Budget will be paid to the County to compensate the County for expenses incurred in commencing operations of the Project.

T. The Project-Management Expense Budget will be paid to the County for the County's construction monitoring expenses, as incurred. The County shall submit a Request for Payment from the Project-Management Expense Budget to the Owner for construction monitoring. Requests for Payment that seek funds from the Project-Management Expense Budget shall be accompanied by supporting documentation as may be reasonably requested by the Owner to verify the accuracy of the Requests for Payment. Owner agrees to use commercially reasonable efforts to cause an approved Request for Payment to be paid to the County no later than fifteen (15) calendar days following Owner's receipt of County's fully completed Request for Payment (unless such date falls on a weekend or holiday, then on the next Business Day).

SECTION VIII. SUBCONTRACTORS

A. Definitions. A "Subcontractor" is a person or entity who or that has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. A "Sub-Subcontractor" is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work. The term "Sub-Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-Subcontractor or an authorized representative of the Sub-Subcontractor.

B. Award of Subcontracts and Other Contracts for Portions of the Work. When Subcontractors are identified, Developer will, or will cause the Contractor to, submit such a list of Subcontractors to Owner and the County for review and Owner and/or the County shall inform Developer in writing of any person or entity with whom or which Owner and/or the County has a reasonable objection to Contractor entering into a contract for any portion of the Work. Developer shall cause Contractor not to contract with a proposed person or entity to which Owner and/or the County has made reasonable and timely objection. If Owner or the County has reasonable objection to a person or entity proposed by Contractor, Developer shall cause Contractor to propose another to whom Owner and the County has no reasonable objection.

C. Contractor. Developer has retained Contractor to perform the construction responsibilities of Developer under this Agreement. The hiring of the Contractor shall not relieve Developer of its duties, obligations, responsibilities and liabilities to Owner under this Agreement; provided, however, that Developer may meet its duties, obligations, responsibilities and liabilities through the Contractor, its Subcontractors and Sub-Subcontractors.

D. Sub-contractual Relations. By appropriate agreement Developer shall cause Contractor to require its Subcontractors, to the extent of the Work to be performed by its Subcontractors, to be bound to Developer by the terms of the Contract Documents, and to assume toward Developer all the obligations and responsibilities that Developer, by the Contract Documents, assumes toward Owner. Each subcontract agreement shall preserve and protect the rights of Owner under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting therefor will not prejudice such rights and shall allow to the Subcontractors, unless specifically provided otherwise in the subcontract agreements, the benefit of all rights, remedies and redress against Developer that Developer, by the Contract Documents, has against Owner. Where appropriate, Developer shall cause Contractor to require its Subcontractors to enter into similar agreements with their Sub-Subcontractors. Developer shall require Contractor to make available to each proposed Subcontractor prior to the execution of any subcontract agreement, copies of the Contract Documents to which the Subcontractors will be bound. Subcontractors shall similarly make copies of applicable portions of such documents available to their respective proposed Sub-Subcontractors.

E. Contingent Assignment of Subcontracts. Each subcontract agreement for a portion of the Work is hereby assigned by Developer to Owner and the Trustee, as their interests may appear, and Developer shall cause the Contractor to assign each Subcontract for a portion of the Work to the Owner and Trustee, as their interests may appear; provided that: (1) Such assignment is effective only after termination of this Agreement by Owner for cause; and (2) Such assignment is subject to the prior rights of the surety, if any, obligated under a bond relating to such subcontract.

F. No Obligations. Nothing contained in the assignment made under Paragraph E of this Section VIII shall be deemed to relieve Developer of any of its duties, obligations, responsibilities and liabilities to Owner under this Agreement if Developer is found to have been in material default of this Agreement and this Agreement is rightfully terminated for cause by Owner.

SECTION IX. INSURANCE AND BONDS

A. Developer's Liability Insurance. Developer shall purchase and maintain, or cause the Contractor and Architect to purchase and maintain, from an insurance company or companies lawfully authorized to do business in the State of Texas, such insurance in at least the minimum amounts set forth on **Exhibit "F"** attached hereto and made a part hereof for all purposes as will protect Developer, Owner, the Issuer, the Trustee and the County from any liability that may arise out of or result from Developer's, Architect's and Contractor's operations under this Agreement and for which Developer, Architect and/or Contractor may be legally liable, whether such operations be by Developer, Architect, Contractor or by anyone for whose acts any of them may be liable, including but not limited to the following:

1. Claims under workers' or workmen's compensation disability benefit and other similar employee benefits acts that are applicable to the Work to be performed;
2. Claims for damages because of bodily injury, occupational sickness or disease, or death of Developer's and/or Contractor's and/or Architect's employees;
3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than Developer's and/or Contractor's and/or Architect's employees;
4. Claims for damages insured by usual personal injury liability coverage that are sustained (a) by a person as a result of an offense directly or indirectly related to employment of such person by Developer, Architect, and/or Contractor, or (b) by another person;
5. Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom; and
6. Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle.

Accord Certificates of Insurance shall be filed with Owner prior to commencement of the Work. These certificates and the insurance policies required above shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least thirty (30) days' prior written notice has been given to Owner or the Trustee and shall name the Trustee as additional insured and loss payee.

B. Owner's Liability Insurance. Owner shall be responsible for purchasing and maintaining Owner's liability insurance in accordance with the provisions of the Loan Agreement.

C. Property Insurance.

1. Until the Substantial Completion Date, Developer and/or Contractor shall purchase or cause to be purchased and maintained as a cost of the Work, from a company or companies lawfully authorized to do business in the State of Texas, Builder's Risk - completed value form insurance insuring all buildings, structures, boilers, equipment, facilities, fixtures, supplies, and other property constituting the Project on an "all risk of loss or damage basis," currently referred to as "special form," including coverage for soft costs and lost rents due to damage and destruction prior to completion in an amount not less than \$3,000,000.00, including perils of fire, lightning, and all other risks covered by the extended coverage endorsement then in use in the State of Texas to the full replacement cost of the Project. Such policy or policies of insurance shall name Owner, the Trustee, the Issuer, and the County as additional insureds, as their respective interests may appear, and shall name the Trustee as mortgagee under the Standard New York Mortgagee Endorsement or an equivalent endorsement or loss payable provision providing that no act or omission by the named insured shall in any way prejudice the rights of the Trustee thereunder. All such policies or copies thereof or certificates that such insurance is in full force and effect shall be delivered to Owner and any other related financial parties at or prior to the Bond Closing.

2. Owner shall purchase and maintain, or cause the purchase and maintenance by the County of, such insurance as is required by the terms of the Ground Lease, the Facilities Lease and/or the Loan Agreement.

3. Owner and Developer waive all rights against each other, the Contractor, and any of the Subcontractors, Sub-Subcontractors, agents and employees, each of the other, and Architect and Architect's consultants, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to and meeting the requirements in this Section IX or other property insurance applicable to the site where the Work is being performed, as well as the Work, both during construction and after completion thereof, except such rights as they have to proceeds of such insurance held by Contractor as fiduciary. Developer shall require of the Architect and Architect's consultants, Contractor, Subcontractors, Sub-Subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged. This provision shall survive termination of this Agreement and/or completion of the Project.

4. A loss insured under Builder's Risk insurance shall be adjusted by Owner and made payable to the Trustee as loss payee and thereafter to the other beneficiaries as their interests may appear, and will be subject further to the terms of the Loan Agreement and the Facilities Lease.

5. Partial occupancy or use of the Project shall not commence until the insurance company or companies providing insurance shall have consented to such partial occupancy or use by endorsement or otherwise. Owner and Developer shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

6. The insurance provisions in this Agreement, including, but not limited to, any additional insured provisions are intended to comply with Applicable Law and shall be read as broadly as permitted to satisfy that intent. It is agreed that with respect to any legal limitations now or hereafter in effect and affecting the validity and enforceability of any additional insured obligation under this Section IX, such legal limitations are made a part of the additional insured obligation to the minimum extent necessary to bring this Section IX into conformity with the requirements of such limitations, and as so modified, the naming of additional insured obligation shall continue in full force and effect.

D. Performance Bond and Payment Bond. Contractor will furnish, at or prior to the Bond Closing a Payment and Performance Bond in an amount not less than the Guaranteed Maximum Price set forth in the Construction Contract to guarantee the faithful performance of the construction of the Project, which Payment and Performance Bond names Owner, the Trustee, Developer, and the County as dual obligees thereunder.

SECTION X. INDEMNIFICATION

To the fullest extent permitted by law, Developer shall, and shall cause Architect and Contractor to, defend, indemnify and hold harmless Owner, the Sole Member, the County, Trustee, Issuer, and their respective agents, servants, employees, owners, directors, officers, managers, members, mortgagees, and lenders, in full from and against all claims, demands, causes of action, injuries to or death of any person or damage to any property, liabilities, damages, penalties, losses and expenses (solely for purposes of this Section X, individually a “Claim” and collectively “Claims”), including but not limited to, attorneys’ fees and expenses, arising out of or resulting from, in whole or part, the negligent acts, omissions, or willful misconduct of Developer, Architect, Contractor, their directors, officers, employees, agents, invitees, guests, Subcontractors, Sub-Subcontractors, suppliers or anyone directly or indirectly employed by any of them or anyone for whose acts they may be liable, REGARDLESS OF WHETHER SUCH CLAIM, DEMAND, CAUSE OF ACTION, DAMAGE, LIABILITY, LOSS OR EXPENSE IS CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENT ACTS OR OMISSIONS OF OWNER, THE SOLE MEMBER, THE COUNTY, TRUSTEE, ISSUER, OR ANYONE FOR WHOSE ACTS OWNER, SOLE MEMBER, TRUSTEE, ISSUER, OR THE COUNTY MAY BE LIABLE, BUT ONLY IF SUCH NEGLIGENCE OF OWNER, SOLE MEMBER, TRUSTEE, ISSUER, OR THE COUNTY IS BASED UPON A CLAIM THAT OWNER, SOLE MEMBER, TRUSTEE, ISSUER, AND/OR THE COUNTY OR ANYONE FOR WHOSE ACTS OWNER, SOLE MEMBER, TRUSTEE, ISSUER, OR THE COUNTY MAY BE LIABLE, FAILED TO SUPERVISE OR MONITOR THE ACTIVITIES OF DEVELOPER IN OR ABOUT THE PROJECT. IT IS UNDERSTOOD AND AGREED THAT THIS INDEMNITY AND RELEASE COVERS CLAIMS BASED ON THE NEGLIGENCE (INCLUDING WITHOUT LIMITATION THE CONTRIBUTORY OR SOLE NEGLIGENCE), AND/OR STRICT LIABILITY OF OWNER, SOLE MEMBER, TRUSTEE, ISSUER, OR THE COUNTY AND OTHER INDEMNIFIED PARTIES TO THE EXTENT SUCH CLAIMS ARE BASED UPON A FAILURE BY OWNER, SOLE MEMBER, TRUSTEE, ISSUER, OR THE COUNTY OR ANYONE FOR WHOSE ACTS OWNER, SOLE MEMBER, TRUSTEE, ISSUER, OR THE COUNTY MAY BE LIABLE TO SUPERVISE OR MONITOR THE ACTIVITIES OF DEVELOPER IN OR ABOUT THE PROJECT.

SECTION XI. PROTECTION OF PERSONS AND PROPERTY

A. Safety Precautions and Programs.

1. Developer shall cause Contractor to be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Construction Contract.

2. In the event Developer, Contractor, or Subcontractors encounter on the Project site material reasonably believed to be asbestos or polychlorinated biphenyl (PCB) that has not been rendered harmless, petroleum waste, biohazardous substances, radioactive waste or any other substance falling within the category of hazardous or toxic waste under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or any other state or federal environmental statute or regulation, hereinafter collectively referred to as “Hazardous Materials,”

Developer shall immediately stop work in the area affected and report the condition to Owner and the County in writing. Owner shall thereafter, as soon as reasonably possible, and, subject to the availability of funds for such purposes from the proceeds held under the Indenture, cause thorough investigation to be conducted by a qualified professional to determine if the suspected material in the affected area is in fact Hazardous Materials. Developer may require a certification that such material is not Hazardous Material or if such material is in fact Hazardous Material that such Hazardous Material has been abated and that it is safe to return to the affected area and resume the Work. Developer may also require Owner to furnish copies of reports of tests conducted by a qualified testing laboratory acceptable to Developer verifying the absence of such Hazardous Material before Developer will be required to resume work. The Substantial Completion Date for the Project shall thereafter be equitably adjusted to account for the time lost due to the encountering of the Hazardous Materials.

B. Safety of Persons and Property.

1. Developer shall require Contractor to take reasonable precautions for the safety of, and to provide reasonable protection to prevent damage, injury or loss to:

(a) employees on the Work and other persons who may be affected thereby;

(b) the Work and Materials and equipment to be incorporated therein, whether in storage on or off the site of the Project, under care, custody or control of Developer, Contractor, or their Subcontractors or Sub-Subcontractors; and

(c) other property at the site of the Project or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

2. Developer shall require Contractor to, give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on the safety of persons or property or their protection from damage, injury or loss.

3. Developer shall require Contractor to, erect and maintain, as required by existing conditions and performance of this Agreement, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying Owner and users of adjacent sites and utilities.

4. When use or storage of explosives or other Hazardous Materials or equipment or unusual methods are necessary for execution of the Work, Developer shall cause Contractor and their Subcontractors to exercise utmost care and carry on such activities under supervision of properly qualified personnel.

SECTION XII. SUBSTANTIAL COMPLETION

A. For purposes of this Agreement, "Substantial Completion" shall be deemed to have been achieved on the date the Project has met the following requirements:

(i) the Improvements have been substantially completed as required by the Plans and Specifications and all applicable legal requirements;

(ii) all fixtures, furniture and equipment and all life-safety systems are operational and functioning, and have been installed in substantial accordance with the Plans and Specifications;

(iii) a certificate of occupancy or a temporary certificate of occupancy has been issued in the name of Owner by the City of Rosenberg, Texas or other appropriate authority, and all other permits and approvals necessary for the use and occupancy of the Project (such as elevator permits) have been issued in the name of Owner by the appropriate governmental authority; provided that if Developer achieves Substantial Completion based on a temporary certificate of occupancy, Developer shall diligently pursue issuance of a permanent certificate of occupancy;

(iv) the Project is sufficient, suitable, and ready to be occupied for its intended purposes as evidenced by a certificate from the Architect and the approval thereof by the Owner and the County, such approval not to be unreasonably withheld;

(v) the Project substantially meets the requirements of the Facilities Lease, as evidenced by a signed acknowledgement of the County;

(vi) a Punch List of unfinished items has been prepared by Developer and provided to the Owner pursuant to Paragraph B below; and

(vii) Developer has delivered or caused the delivery to Owner of all waivers of mechanic's lien from Developer, Contractor, Architect, and all Subcontractors and Sub-Subcontractors for all prior Requests for Payment to the extent paid by Owner.

B. When the Work is Substantially Complete, Developer shall coordinate with Contractor to prepare and submit to Owner a list of items to be completed or corrected (the "Punch List"). Developer shall cause Contractor to proceed promptly to complete and correct items on the Punch List. Failure to include an item on such Punch List does not alter the responsibility of Developer to cause Contractor to complete all Work in substantial accordance with the Contract Documents. Upon receipt of the Punch List, Owner together with Developer and Contractor will make an inspection to determine whether the Work or designated portion thereof has achieved Substantial Completion. If Owner's inspection discloses any item, whether or not included on the Punch List, that is not substantially in accordance with the requirements of the Contract Documents, Developer shall cause Contractor, before issuance of the certificate of Substantial Completion, to complete or correct such item upon notification by Owner; or, upon mutual agreement, such item shall be added to the Punch List. Developer shall then cause Contractor to submit a request for another inspection by Owner, Developer and Contractor to determine if the Work or portion thereof has achieved Substantial Completion. When the Work or designated portion thereof is Substantially Complete, Owner, Contractor, and Developer shall jointly prepare a certificate of Substantial Completion that shall establish the date of Substantial Completion, shall transfer responsibilities of Developer and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance to Owner, and shall fix the time within which Developer shall cause Contractor to complete all items on the Punch List accompanying the certificate of Substantial Completion, which time shall in all cases be reasonable, but in no event later than sixty

(60) days after the date of Substantial Completion. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof, respectively, unless otherwise provided in the certificate of Substantial Completion; or in the alternative, on the date that Owner or the County beneficially occupies the Project or portion thereof, whichever is earlier. The certificate of Substantial Completion shall be signed by the Owner, Developer, Contractor and the Architect evidencing acceptance of responsibilities assigned to them in such certificate and provide for a written acknowledgement thereof by the County prior to the Project being fully certified as Substantially Complete. Upon Substantial Completion, Developer shall assign, or shall cause Contractor to assign, all warranties to Owner, including the Contractor's agreement to correct defective Work, it being the intent of the parties that the County is a third-party beneficiary of any and all warranties during the term of the Facilities Lease.

C. Upon Substantial Completion of the Work, or designated portion thereof, and upon submittal of a Request for Payment therefor by Developer and Contractor, Owner shall make payment, less the cost to correct Punch List items, and reflecting adjustment in retainage, if any, for such Work, or portion thereof, as provided herein.

SECTION XIII. PARTIAL OCCUPANCY OR USE

A. Owner or the County may occupy or use any completed or partially completed portion of the Work at any stage (when such portion is designated by separate agreement with Developer), provided such occupancy or use is in writing consented to by the applicable insurer(s) and authorized in writing by public authorities having jurisdiction over the Work. Such partial occupancy or use may commence whether or not the portion is Substantially Complete, provided Owner and Developer have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When Developer considers a portion Substantially Complete, Developer and Contractor shall prepare and submit a Punch List to Owner and the County as provided in Section XII hereof. Consent of Developer to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement among Owner, the County and Developer; provided, however, that such partial use or occupancy shall by no means whatsoever delay or interfere with the progress of the Work.

B. Immediately prior to such partial occupancy or use, Owner, the County, Developer, and Contractor shall jointly inspect the area to be occupied, or portion of the Work to be used, in order to determine and record the condition of the Work.

SECTION XIV. FINAL COMPLETION AND FINAL PAYMENT

A. Upon receipt of written notice from Developer, Contractor, and Architect that the Work is ready for final inspection and acceptance and upon receipt of a final Request for Payment for the Project, Owner and the County will promptly make such inspection. "Final Completion" (being herein so-called) shall be the time at which Owner and the County reasonably find the Work acceptable and fully performed under the Contract Documents and this Agreement, and all Punch

List items have been completed. Upon such determination, Owner and the County will then promptly issue final payment to Developer, including any remaining funds that were withheld for Punch List items. Final payment shall not become due, however, until Developer submits to Owner and the County (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which Owner or Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or will be paid or otherwise satisfied out of the final payment, (2) a certificate evidencing the date that insurance required by the Contract Documents is to expire, (3) consent of surety, if any, to final payment; (4) documentation evidencing completion of the Punch List items; (5) other data establishing payment or satisfaction of obligations, including but not limited to receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of this Agreement in such form as may be required by Owner, provided that any such releases and waivers of lien, as the case may be, shall be in compliance with the requirements of Texas law as applicable; and (6) Developer and/or Contractor has provided all manuals and warranties to the County with respect to the Project, and instructed the appropriate County personnel or personnel of the County's designated third party operator in the operation and maintenance of all systems and equipment included in the Project. If Contractor or a Subcontractor refuses to furnish a release or waiver of lien required hereunder, Developer may furnish a mechanic's lien bond or other indemnity in compliance with state mechanic's lien statutes, or that is otherwise satisfactory to Owner and the County, to indemnify Owner and the County against such lien. If any laborers', materialmen's, mechanics', or other similar lien or claim thereof is filed, and if Owner is not then in default, then, as Owner in its sole discretion may require, Developer shall either: (i) cause such lien to be released and discharged within fifteen (15) days after notice from Owner to do so, or (ii) within such fifteen (15) day period complete and record in the real property records of Fort Bend County, Texas a mechanic's lien bond, in form and substance satisfactory to Owner, and in accordance with the provisions of Chapter 53, Subchapter H of the Texas Property Code, bonding against the lien claim. If Developer or Contractor fails to cause such lien to be released and discharged forthwith or fails to execute and record such bond forthwith, whichever Owner may require, then Owner shall have the right to take all action and pay all sums necessary to obtain the release and discharge of such lien claim and Developer shall be responsible for the payment to Owner of its costs and expenses incurred in connection with such release or discharge.

B. If, after Substantial Completion of the Work, Final Completion is materially delayed due to Force Majeure or due to approved and executed Change Orders affecting Final Completion, the Owner shall, upon application by the Developer and Contractor and without terminating the Contract, make payment of the balance due for the portion of the Work fully completed and accepted. Such payment shall in no event constitute a waiver of claims by the Owner, except as provided in Paragraph D of Section XV below. If the remaining balance for Work not fully completed or corrected is less than the retainage stipulated in the Contract Documents and if bonds have been furnished, then the written consent of the surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Developer to the Owner and Owner shall make payment to Developer of the difference.

C. Acceptance of final payment by Developer, Contractor, all Subcontractors or suppliers of Materials shall constitute a waiver of Claims against Owner by that payee except those Claims previously made in writing and identified in writing by that payee as unsettled at the time of the final Request for Payment.

SECTION XV. CLAIMS AND DISPUTES

A. Definition. A “Claim” is a demand or assertion by one of the parties seeking, as a matter of right, adjustment or interpretation of the terms of this Agreement, payment of money, extension of time or other relief with respect to the terms of this Agreement. The term “Claim” also includes other disputes and matters in question between Owner and Developer arising out of or relating to this Agreement. Claims must be made by written notice. The responsibility to substantiate Claims shall rest with the party making the Claim.

B. Time Limits on Claims. Claims by either party must be made within twenty-one (21) calendar days after occurrence of the event giving rise to such Claim or within twenty-one (21) calendar days after the party raising the Claim first recognizes, or should have recognized through the exercise of ordinary care, the condition giving rise to the Claim, whichever is later. Claims must be made by written notice. An additional Claim for the same subject matter made after the initial Claim has been implemented by Change Order will not be considered unless submitted in a timely manner.

C. Continuing Contract Performance. Pending final resolution of a Claim of less than Fifty Thousand and No/100 dollars (\$50,000.00), unless otherwise agreed in writing, Developer shall cause Contractor to proceed diligently with performance of this Agreement and Owner shall continue to make payments in accordance with the Contract Documents. Notwithstanding the foregoing, Developer and Contractor shall not be required to continue performance in the event of Owner’s unexcused failure to timely pay to Developer all sums of money to which it may be entitled under the Contract Documents.

D. Waiver of Claims; Final Payment. The making of Final Payment shall constitute a waiver of Claims by Owner except those arising from:

1. liens, security interests or encumbrances arising out of this Agreement and unsettled;
2. terms of warranties required by the Contract Documents;
3. latent defects that Owner could not have discovered through the use of reasonable diligence prior to final payment;
4. Claims by suppliers, Subcontractors, Sub-Subcontractors, laborers, or materialmen claiming by through or under Developer or Contractor or Architect;
5. Warranty claims in accordance with Section XVII hereof; and
6. Pending and/or unresolved Claims brought under this Section XV.

E. Claims for Concealed or Unknown Conditions. Developer acknowledges that it has performed its own due diligence with respect to the Land to its satisfaction, including, without limitation, the securing of a land survey, environmental studies, soils reports, an archeological report, and a geotechnical report. Accordingly, Developer agrees that it shall be responsible for

any and all cost overruns and delays caused by any conditions actually existing on the Land which could have been discovered by the Developer or Contractor through the use of commercially reasonable observations, inspections, investigations or testing by the Developer and/or Contractor prior to the effective date of this Agreement ("Unknown Site Conditions"). If unknown conditions other than Unknown Site Conditions are encountered at the Project site which are (1) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Contract Documents; (2) unknown physical conditions of an unusual nature which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, archeological finds, graveyards or other subterranean conditions, or (3) naturally occurring sink holes, then written notice by the observing party shall be given to the other party promptly before conditions are disturbed or in no event later than ten (10) calendar days after first observance of the conditions. The Owner will promptly investigate such conditions and, if they differ materially and cause an increase or decrease in the Developer's cost of, or time required for performance of, any part of the Work, an equitable adjustment in the cost of the Project or Substantial Completion Date, shall be granted Developer. If the Owner determines that the conditions at the site are Unknown Site Conditions or do not otherwise entitle Developer to a time extension or additional money under the Contract Documents and that therefore, no change in the terms of the Contract Documents is justified, the Owner shall so notify the Developer in writing, stating the reasons. Claims by Developer in opposition to such determination must be made within twenty-one (21) calendar days after the Owner has given written notice of the decision. If the Owner and Developer cannot agree on an adjustment in the cost of the Project or Substantial Completion Date, the Developer shall proceed in accordance with this Section XV.

F. Claims for Additional Cost. If the Developer wishes to make a Claim for an increase in the Project Development Budget, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property. If the Developer believes additional cost is involved for reasons including but not limited to (1) an order by the Owner to stop the Work where the Developer was not at fault, (2) a written order for a minor change in the Work issued by the Owner, (3) failure of payment by the Owner, (4) termination of this Agreement by the Owner, (5) Owner's suspension, or (6) other reasonable grounds, a Claim shall be filed in accordance with the procedure established above.

G. Claims for Additional Time. If, as a result of a County Delay, an event or occurrence of Force Majeure, or Excusable Delay, Developer wishes to make a Claim for an extension of the Substantial Completion Date, written notice as provided herein shall be given. Developer's Claim shall include an estimate of cost and of the probable effect of delay on progress of the Work. In the case of a continuing delay, only one claim is necessary. Such Claim shall be documented by data substantiating the County Delay or the event or occurrence of Force Majeure or other Excusable Delay.

H. Injury or Damage to Person or Property. If either Developer or Owner suffers injury or damage to person or property because of an act or omission of the other party, or any of the other party's employees or agents, or of others for whose acts such other party is legally liable, written notice of such injury or damage, whether or not insured, shall be given to the other party within seven (7) days after first observance. The notice shall provide sufficient detail to enable

the other party to investigate the matter. If a Claim for additional costs or time related to this claim is to be asserted, it shall be filed as provided herein.

I. Mutual Waiver of Consequential Damages. Except for the liquidated damages provisions in Paragraph G of Section IV hereof, Developer and Owner waive all claims against each other and against Architect and its consultants and employees, and Contractor and its agents and employees, for incidental, special, indirect and/or consequential damages or losses, (hereinafter collectively referred to as “Consequential Damages”), arising out of or relating to this Agreement. This mutual waiver of Consequential Damages includes damages incurred by Owner for loss of use, loss of income, loss of financing, rental expense, loss of management or employee productivity or of the services of such persons, loss of profits and loss of business and reputation and all other incidental, special, indirect and/or consequential damages or losses that could have been claimed by Owner and/or Developer, arising out of or in any way connected with the Project. This mutual waiver of consequential damages or losses includes damages incurred by Developer and its Subcontractors for home office and home office personnel expense, loss of profits, loss of financing, damage to business or reputation, loss of bonding capacity, labor inefficiencies, stacking of trades, dilution of superintendence and related impact claims, and all other incidental, special, indirect, and/or consequential damages or losses that could have been claimed by Developer or its Subcontractors against Owner in connection with this Project. This mutual waiver is applicable without limitation to Consequential Damages and losses under this Section XV. Nothing contained herein precludes the enforceability by Owner of a liquidation of damages provision contained in this Agreement, of any liquidated damaged provision in any agreement with a Subcontractor or any Sub-Subcontractor, nor shall it bar any recovery by Developer for its direct damages in the event of a breach of this Agreement by Owner.

J. Resolution of Claims and Disputes.

1. Owner will review Claims and take one or more of the following preliminary actions within ten (10) days of receipt of a Claim: (a) request additional supporting data from the party making the claim, (b) submit a schedule to Developer indicating when Owner expects to take action, (c) reject the Claim in whole or in part, stating reasons for rejection, (d) approve the Claim, or (e) suggest a compromise.

2. If a Claim has been resolved, Developer will prepare appropriate written documentation and provide copy of such documentation to the party making the Claim.

3. If a Claim has not been resolved, the party making the Claim shall, within ten (10) days after Owner’s preliminary response, take one or more of the following actions: (a) submit additional supporting data requested by Owner, (b) modify the initial Claim, or (c) notify Owner that the initial Claim stands.

4. If a Claim has not been resolved after consideration of the foregoing and of further evidence presented by the parties or requested by Owner, the aggrieved party may submit the Claim to mediation as hereinafter provided.

SECTION XVI. DISPUTE RESOLUTION

A. Controversies and Claims Subject to Mediation.

1. All Claims, disputes, and other matters in question between Developer, Contractor and Owner arising out of or relating to the Contract Documents or the breach thereof, except for claims that have been waived by the making or acceptance of final payment, shall be submitted for non-binding mediation in accordance with the Commercial Mediation Rules of the American Arbitration Association (“AAA”) then in effect unless the parties mutually agree otherwise. Such mediation shall include by consolidation, joinder or joint filing, any additional person or entity not a party to this Agreement to the extent necessary to the final resolution of the matter in controversy, and Developer and Contractor shall include appropriate mediation provisions in all the subcontracts for the Project. The Parties may agree upon a mediator, however, if the Parties cannot agree, the Parties shall submit a request for mediation to AAA.

2. The request for mediation shall be filed in writing with the party making the Claim that is the basis for the dispute, and the other party to this Agreement. Such request shall be made within ninety (90) days after the Claim, dispute or other matter in question has arisen, and in no event, shall it be made after the date when institution of legal or equitable proceedings based on such Claim, dispute, or other matter in question would be barred by the applicable statute of limitations.

3. Unless otherwise agreed to in writing and subject to the \$50,000.00 threshold in paragraph XV.C above, Developer shall cause the Contractor to carry on the Work and maintain its progress during any mediation proceedings, and Owner shall continue to make payments to Developer in accordance with the Contract Documents.

4. The location for mediation proceedings conducted pursuant to this Agreement shall be in Fort Bend County, Texas, or such other location as the parties may mutually agree.

5. Parties to the mediation proceedings shall be responsible for the payment of their respective attorneys’ fees, costs, and expenses and shall share equally in all cost, expenses and fees of mediation and of mediators, regardless of the outcome of the mediation proceedings.

B. Controversies and Claims Subject to Litigation. Any controversy or Claim arising out of or related to the Work, the Project, the Contract Documents or the breach thereof that are not settled by mediation, shall be resolved by litigation in a court of competent jurisdiction in the location of the Project. The prevailing party in such litigation shall be entitled to recover the reasonable attorneys’ fees (including paralegals and experts) and costs associated with litigating any dispute hereunder. Owner and Developer hereby waive trial by jury in any action, proceeding or counterclaim brought by either party against the other on any matters in any way arising out of or connected with this Agreement, the Project, the Contract Documents, or the enforcement of any remedy under any applicable law, rule, statute, order, code or ordinance.

C. Contract Performance During Litigation. During litigation proceedings, Owner and Developer shall comply with Paragraph C of Section XV hereof.

SECTION XVII. WARRANTY

Developer shall cause Contractor to warrant to Owner and the County that Materials furnished under the Contract Documents will be of good quality and new unless otherwise required

or permitted by the Contract Documents, that the Work for a period of one (1) year following the date of Final Completion of the Project will be free from defects in materials or workmanship not inherent in the quality required or permitted, and that the Work will substantially conform with the Plans and Specifications and the requirements of the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. Contractor's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage. Except as set forth in Paragraph G of Section IV hereof, Developer shall not under any circumstances be liable to Owner or any third parties for any special, indirect or consequential damages as a result of any breach hereof by Developer, or anyone for whom Developer is responsible, it being Developer's sole responsibility to cause Contractor to repair or replace any Work found to be defective. Developer agrees to cause the Construction Contract, and all agreements with any Subcontractors to contain a similar warranty provision requiring correction of defects in labor or materials supplied for one (1) year after final completion of the respective work thereunder, which warranty may be enforced by Developer or Owner. Developer shall cause the Contractor's warranty to be assignable to and directly enforceable by the Owner, the County, the Trustee or a Permitted Assignee (as such term is defined in the Facilities Lease).

THE ABOVE AND FOREGOING WARRANTY IS IN LIEU OF ANY OTHER WARRANTIES EITHER EXPRESSED OR IMPLIED.

SECTION XVIII. TAXES

Subject to the provisions of Paragraph N of Section XXIX hereof, Developer shall pay all applicable non-exempt sales, consumer, use and similar taxes (if any) for the Work or portions thereof provided by Developer that are legally enacted when bids are received, whether or not yet effective or merely scheduled to go into effect.

SECTION XIX. PROJECT MANAGER

Developer shall cause Contractor to employ a competent "Project Manager" (being herein so-called) and necessary assistants who shall spend sufficient time at the Project site during performance of the Work to remain fully apprised and familiar with the Work. The initial Project Manager shall be Charles Fote and such person shall remain Project Manager until the Developer shall provide to Owner and the County written notice of the removal, and request for the replacement, of Project Manager, which notice and request shall identify with reasonable particularity the reason that Developer has removed the then-current Project Manager and identifying the proposed replacement Project Manager. Any such replacement of the Project Manager shall be subject to the prior written approval of Owner and the County, which approval shall not be unreasonably withheld, conditioned, or delayed. The Project Manager shall represent Developer and Contractor, and communications given to the Project Manager shall be as binding as if given to Developer. Important communications shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case.

SECTION XX. USE OF THE SITE

Developer shall cause the Contractor to confine operations at the Project site to areas permitted by Applicable Law and the Facilities Lease and shall not unreasonably encumber the site with Materials.

SECTION XXI. INDEPENDENT CONTRACTOR

In performing its obligations hereunder, Developer shall be deemed an independent contractor and not an agent or employee of Owner. Developer shall have exclusive authority to manage, direct and control the Work. Owner acknowledges that Developer is solely responsible for every aspect of the Work and methods used in achieving the results contemplated by this Agreement.

SECTION XXII. INSPECTION

A. Developer represents that it has inspected, and it has caused the Contractor to, inspect, the location or locations of the Work and has satisfied itself as to the condition thereof and that the Developer's Compensation is just and reasonable compensation for all the Work, including all reasonably foreseeable risks, hazards and difficulties in connection therewith.

B. Owner at all reasonable times shall have access to the Work for inspection thereof, but shall not be obligated to conduct any such inspection, unless expressly required herein. The County shall have the rights of inspection and access as described in the Facilities Lease. Developer shall cause Contractor, to the extent practical, to provide proper and safe facilities for such access and inspection. If any of the Work is required to be inspected or approved by any public authority, Developer shall cause such inspection or approval to be performed.

C. Inspections performed or failed to be performed by Owner hereunder or by the County under the Facilities Lease shall not, in and of themselves, be a waiver of any of Developer's obligations hereunder, limit any of Contractor's obligations, limit any warranty obligations hereunder, or be construed as an approval or acceptance of the Work or any part thereof unless Owner and the County expressly approve such Work.

SECTION XXIII. TERMINATION

A. If Developer shall fail to cause the Contractor to commence the Work in accordance with the provisions of this Agreement and the other Contract Documents; Developer or Contractor shall fail to prosecute the Work to completion thereof in a diligent, efficient and workmanlike manner and in substantial accordance with the provisions of the Contract Documents; Developer or Contractor shall fail to use an adequate amount or quality of personnel or equipment to complete the Work without undue delay; Developer or Contractor shall do, or omit to do, anything whereby safety or proper construction may be endangered or whereby damage or injury may result to person or property; Developer or Contractor shall fail to perform any of its obligations under the Contract Documents; or Developer shall fail to make payments to the Contractor in accordance with the Construction Contract, or Contractor shall fail to make payments to the Subcontractors under the applicable subcontract agreements or to make payments to vendors or laborers and Developer's and Contractor's failure shall not otherwise be excused under the provisions of this Agreement;

then Owner shall have the right, if Developer shall not cure any such failure after ten (10) days' written notice thereof (or, if such failure is of such a nature as to be incapable of cure within such period shall not commence action to cure said failure within such period and thereafter diligently and continuously pursue such action to complete such cure promptly), without prejudice to any other remedy Owner may have, to (1) terminate this Agreement, (2) take possession of and use all or any part of the Materials and use such property in the completion of the Work, (3) complete the Work in any manner it reasonably deems desirable, including engaging the services of other parties therefor (such parties to be acceptable to Owner and the County), and/or (4) make good all work, omissions or deficiencies. Any such act by Owner shall not be deemed a waiver of any other right or remedy of Owner and shall not affect any of the other rights or remedies of Owner granted by the Contract Documents or by law, or relieve Developer from any consequences or liabilities arising from such acts or omissions. If after exercising any such remedy, the cost to Owner of the performance of the balance of the Work is in excess of the corresponding part of the Project Development Budget, Developer shall be liable for and shall reimburse Owner for such excess.

B. If Owner shall fail to make any payments to Developer as required hereunder or shall otherwise commit a breach that causes Developer actual damages other than those waived under Section XV, Paragraph I that are not paid through a Change Order, Developer shall have the right to give Owner a written notice thereof, stating the nature of the default complained of; and if Owner shall not cure such failure within ten (10) business days after receipt of such notice (except in the case of unexcused non-payment by Owner to Developer), Developer shall have the right to terminate this Agreement by giving Owner written notice thereof at any time thereafter while such default remains uncured. If terminated by Developer, payment shall be made to Developer for all Work executed and for any loss sustained upon any Materials and reasonable demobilization costs. In the case of unexcused failure of payment by Owner, Developer shall have the right to suspend Work at the end of ten (10) business days following written notice to Owner and to terminate this Agreement upon thirty (30) calendar days' notice if the Work is suspended by Owner for a period of forty-five (45) consecutive days for a reason other than Developer's default. If Work is suspended by Developer due to Owner's failure to pay Developer in accordance with this Agreement, and thereafter Owner shall pay Developer all sums accrued to that date before the suspension of the Work, then in such case, Developer shall resume Work.

C. It is recognized that if Developer is adjudged as bankrupt, or makes a general assignment for the benefit of creditors, or if a receiver is appointed for the benefit of its creditors, or if a receiver is appointed on account of its insolvency, such could impair or frustrate Developer's performance of this Agreement. Accordingly, it is agreed that upon the occurrence of any such event, Owner shall be entitled to request of Developer or its successor in interest adequate assurance of future performance in accordance with the terms and conditions hereof. Failure to comply with such request within fourteen (14) calendar days of delivery of the request shall entitle Owner to terminate this Agreement and to the accompanying rights set forth above in Paragraph A of this Section XXIII. In all events, pending receipt of adequate assurance of performance and actual performance in accordance therewith, Owner shall be entitled to proceed with the Work with its own forces or with other contractors on a time and material or other appropriate basis, the cost of which will be back charged against the cost of the Project.

D. It is recognized that if Owner is adjudged as bankrupt, or makes a general assignment for the benefit of creditors, or if a receiver is appointed for the benefit of its creditors,

or if a receiver is appointed on account of its insolvency, such could impair or frustrate Developer's performance of this Agreement. Accordingly, it is agreed that upon the occurrence of any such event, Developer shall be entitled to request of Owner or its successor in interest adequate assurance of future performance in accordance with the terms and conditions hereof. Failure to comply with such request within fourteen (14) calendar days of delivery of the request shall entitle Developer to terminate this Agreement and to the accompanying rights set forth above in Paragraph B of this Section XXIII. In all events, pending receipt of adequate assurance of performance and actual performance in accordance therewith, Developer shall be entitled to suspend the Work.

E. The rights and remedies of Owner and Developer under this Section XXIII shall be non-exclusive, and shall be in addition to and cumulative of all the other remedies available to such parties at law or in equity, but in all events the limitations on damages set forth in Paragraph I of Section XV hereof.

SECTION XXIV. NOTICES AND PAYMENTS

All notices, demands, requests, consents, approvals or other communications required or permitted to be given by this Agreement shall be in writing and shall be (a) personally delivered with a written receipt of delivery; (b) sent by a nationally-recognized overnight delivery service requiring a written acknowledgement of receipt or providing a certification of delivery or attempted delivery; (c) sent by certified or registered mail, return receipt requested; or (d) sent by confirmed facsimile transmission or electronic mail delivery. Said notices shall be deemed received and effective on the earlier of (i) the date actually received (which, in the case of facsimile notice, shall be the date such facsimile is transmitted, in the case of electronic mail notice, shall be deemed to be the date such electronic mail is transmitted and, in the case of notices sent by overnight courier, shall be deemed to be the Business Day following delivery of such notices to such overnight courier), or (ii) three (3) Business Days after being placed in the United States Mail as aforesaid. Any notice sent by facsimile, electronic mail, or personal delivery and delivered after 5:00 p.m. local time where the Project is located shall be deemed received on the next Business Day. For purposes of notice, the addresses of the parties will, until changed, be the address of such party set forth on the signature page(s) hereof. All payments to be made hereunder shall be by check, wire transfer or Automated Clearing House transfer.

SECTION XXV. WAIVER

No consent or waiver, express or implied, by either party to this Agreement to or of any breach or default by the other in the performance of any obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default by such party hereunder. Failure on the part of any party hereto to complain of any act or failure to act of the other party or to declare the other party in default hereunder, irrespective of how long such failure continues, shall not constitute a waiver of the rights of such party hereunder. Inspection by, payment by, or tentative approval or acceptance by Owner or the failure of Owner to perform any inspection hereunder, shall not constitute a final acceptance of the Work or any part thereof and shall not release Developer or any of its obligations hereunder unless and until such Work is accepted or deemed accepted by Owner.

SECTION XXVI. CONFLICTS

In case of conflicts between the provisions of this Agreement, any ancillary documents executed contemporaneously herewith or prior hereto, or any other of the Contract Documents (other than the Facilities Lease), the provisions of this Agreement (including all Exhibits) shall prevail.

SECTION XXVII. REPRESENTATIVES

A. Owner has designated in writing as set forth in **Exhibit “G”** the name of the party or parties who is or are to be “Owner’s Representative” with full authority to execute any and all instruments requiring Owner’s signature and to act on behalf of Owner with respect to all matters arising out of this Agreement.

B. Developer has likewise designated in writing as set forth in **Exhibit “G”** the name of the party or parties who is or are to be “Developer’s Representative” with full authority to execute any and all instruments requiring Developer’s signature and to act on behalf of Developer with respect to all matters arising out of this Agreement.

C. Either party may change its designated representative by notifying the other party in writing.

SECTION XXVIII. NONDISCRIMINATION

Developer agrees that in the performance of the Work under this Agreement it will not violate any applicable laws or regulations prohibiting discrimination in employment.

SECTION XXIX. MISCELLANEOUS PROVISIONS

A. **Construction of Terms.** Unless the context clearly intends the contrary, words singular or plural in number shall be deemed to include the other and pronouns having a masculine or feminine gender shall be deemed to include the other. The term “person” shall be deemed to include an individual, corporation, partnership, trust, unincorporated organization, government and governmental agency or subdivision, as the context shall require.

B. **Captions.** The captions, if any, used for the Sections, Paragraphs, or subparagraphs in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the intent of this Agreement or any Section, Paragraph, or subparagraph hereof.

C. **Severability.** In the event any portion or provision of this Agreement is held by a court of competent jurisdiction to be void, in violation of public policy or unenforceable as a matter of law, such ruling shall not affect the validity or enforceability of the remainder of the Agreement that is not void, in violation of public policy or unenforceable.

D. **Governing Law; Venue.** This Agreement shall be exclusively governed by and construed in accordance with the laws of the State of Texas, exclusive of such state’s rules governing choice of law. If any court action is brought among the parties with respect to this

Agreement, the parties agree that exclusive jurisdiction and venue for any such action shall be in the appropriate court in Fort Bend County, Texas.

E. Entire Agreement. The Contract Documents constitute the entire agreement between the parties hereto with respect to the matters covered thereby. All prior negotiations, representations and agreements with respect thereto not incorporated in such Contract Documents are hereby canceled. Subject to Section XXIX, Paragraph O hereof, this Agreement can be modified or amended only by a document duly executed on behalf of the parties hereto.

F. Reserved.

G. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. This Agreement shall be deemed personal to Developer and Owner and as such may not be voluntarily or involuntarily assigned by either Developer or Owner without the approval of the other, which approval may be withheld by the other Party in its absolute and sole discretion; provided, however, the Parties acknowledge that this Agreement may be collaterally assigned to the Trustee. Developer also covenants that it shall cause the Architect to agree to the collateral assignment of the Developer's rights under the Design Services Agreement to the Trustee as additional security pursuant to the Bond Indenture. Developer shall continue to perform its obligations under this Agreement following any such assignment.

H. Survival. This Agreement will remain in effect until Developer fulfills all of its obligations under this Agreement, and the Project is Finally Complete, and all warranty obligations and indemnity obligations have been satisfied, or as otherwise provided in this Agreement.

I. Time. Time is of the essence of this Agreement. If the last day of any time period on which notice is to be given or action is to be taken under this Agreement falls on a weekend or a holiday, the deadline for giving any such notice or taking such action shall be extended to the next day which is not a weekend or holiday.

J. Attorney's Fees. Any signatory of this Agreement who is the prevailing party in any legal proceeding against any other signatory brought under or with relation to this Agreement or the transactions contemplated hereby shall be additionally entitled to recover court costs and reasonable attorney's fees from the non-prevailing party or parties.

K. Further Assistance. Each Party will execute other documents and take other actions as may be reasonably required by the other Party to carry out the purposes of this Agreement.

L. Limited Liability of Owner. Any liability, payment obligation, or indemnification obligation of Owner under this Agreement shall be limited to Owner's interest in the Project, the proceeds thereof, and the proceeds of the Bonds. No recourse under or upon any obligation, covenant, or agreement contained in this Agreement or for any Claim based thereon, or under any judgment obtained against the Owner, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent hereof, shall be had against any incorporator, director, member, officer, or agent whether past, present, or future of the Owner or the Sole Member, or any incorporator, director, member, officer or agent of any

successor entity, as such, either directly or through the Owner or any successor entity, or otherwise, for the payment of any sum that may be due and unpaid by the Owner under this Agreement.

M. Bond Documents. Owner has disclosed to Developer that Owner's rights and obligations with respect to the development of the Project and the Owner's ability to fund its obligations with respect to payments under this Agreement are subject to the terms of the Ground Lease, the Facilities Lease, the Indenture, the Loan Agreement, and other documents relating to the financing of the Project. In connection with the issuance of the Bonds, the Parties hereto acknowledge that this Agreement may require amendment to reflect the particular terms and conditions of the definitive Indenture. Developer agrees to work together with the Owner and the County in good faith with respect to such amendment and Developer will not unreasonably withhold its consent to such amendment so long as it does not materially adversely impact the rights of Developer under this Agreement or materially increase the obligations of Developer under this Agreement.

N. Tax Exemption Certificate. From time to time, upon Developer's request, Owner shall provide to Developer a Texas Sales and Use Tax Exemption Certificate on Form 01-339, or its substitute, provided by the Comptroller of the State of Texas with contents reasonably acceptable to Developer.

O. Third Party Beneficiary. The parties hereto agree that the County is an intended third-party beneficiary to Owner's rights under this Agreement, and, as such, this Agreement shall not be modified or amended, and Owner shall not waive any of its rights hereunder or take an action to terminate this Agreement, unless the County shall have first consented to such modification, amendment, waiver, termination in writing. The County may exercise any and all rights of Owner hereunder upon a default by Owner under the Facilities Lease, provided that if Developer receives conflicting approvals, requests, consents or instructions from the Owner and the County, then Developer, after providing written notice of such conflict to the Owner and the County, may rely on the communication from the County, and Developer will not be in breach of this Agreement if Developer complies with the communications from the County. Further, Developer agrees to promptly notify the County of any breach of this Agreement by Owner. Owner agrees to promptly notify County of any breach of this Agreement by Developer of which the Owner has actual knowledge.

P. Limitation of Owner's Liability.

(i) Notwithstanding anything herein to the contrary, except as set forth in this Section, the liability of Owner under this Agreement or any other Bond Document (as such term is defined in the Facilities Lease) shall be "non-recourse" and, accordingly, Developer's sole source of satisfaction of payment of such obligations shall be limited to the Owner's interest in the Project and Rental Payments (as such term is defined in the Facilities Lease), and any assets, income, or proceeds related thereto or arising therefrom, and Developer shall not seek to obtain payment through any judicial process or otherwise from any person or entity comprising Owner or the Sole Member or from any assets of Owner or the Sole Member other than those described in this Section, notwithstanding the survival of any obligation of Owner beyond the term hereof.

(ii) Notwithstanding the foregoing, Owner shall be liable for (i) any (A) gross negligence, fraud or intentional misrepresentation or breach of any applicable laws, rules, regulations ordinances, orders, licenses or permits by Owner or any of its officers in connection with its performance of its obligations under this Agreement or any other Bond Document, or (B) intentional failure by Owner or any of its officers to disclose a material fact actually known by Owner or any of its officers in connection with this Agreement, to the extent of actual losses or damages actually suffered by Developer as a result of such gross negligence, fraud, intentional misrepresentation, breach of any applicable laws, rules, regulations, ordinances, orders, licenses or permits or intentional failure to state a material fact; and (ii) misapplication after the date hereof of (A) net proceeds of any insurance covering any portion of the Project actually received by Owner or any of its officers, (B) net proceeds from the sale or condemnation of any portion of the Project actually received by Owner or any of its officers, or (C) rentals or other proceeds from any portion of the Project actually received by Owner or any of its officers, including the Rental Payments due under the Facilities Lease.

(iii) No recourse under or upon any obligation, covenant, or agreement contained in this Agreement, in any of the Bond Documents, or in any other documents delivered in connection with this Agreement, or for any claim based thereon, or under any judgment obtained against Owner, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent hereof, shall be had against any authorized representative of Owner, any incorporator, organizer, director, member, officer, or agent as such, past, present, or future of Owner or the Sole Member, or any incorporator, director, member, officer or agent of any successor entity, as such, either directly or through Owner, the Sole Member, or any successor entity, or otherwise, for the payment for or to Owner or any receiver thereof, of any sum that may be due and unpaid by Owner under this Agreement, any of the Bond Documents or any other documents delivered in connection with this Agreement.

In Witness Whereof, this Development Agreement is hereby executed as of the date first above set forth.

Owner:

CFC- SO Training Facility, LLC, an Arizona
limited liability company

By: Community Finance Corporation, Inc., an
Arizona nonprofit corporation, its sole member

By: 
Name: Michael S. Hammond
Its: President


Address for Notice Purposes:

5049 E. Broadway Boulevard, Suite 156
Tucson, AZ 85711
Tel: (520) 623-3377 EXT. 122
Fax: (520) 624-1728
Email: info@communityfinancecorp.org

(Signature Page of Owner – Project Development Agreement)

Developer:

Stonehenge Holdings, LLC,
a Texas limited liability company

By: 
Name: KEVIN MATOCHA
Title: PRESIDENT

Address for Notice Purposes:

1600 Highway 6 South, Suite 245
Sugar Land, Texas 77478
Telephone: 713-491-4840
Facsimile: _____
Email: aschatte@americusholdings.com and
kmatocha@americusholdings.com

(Signature Page of Developer-- Project Development Agreement)

EXHIBIT "A"

Legal Description of Land

A FIELD NOTE DESCRIPTION of 30.703 acres of Land (1,337,431 square feet) being a portion of the Fort Bend County original call 66.9852 acre tract (Volume 2154, Page 2217; Official Records of Fort Bend County, Texas) being in the S.A. Stone Survey (B.B.B. & C. Railroad Company Survey Section No. 10), Abstract No. 392, City of Rosenberg, Fort Bend County, Texas. The bearing basis for this description is referenced to the Texas Coordinates System of 1983 (South Central Zone) and was determined by Global Positioning System methods;

BEGINNING at a one-and-one half inch diameter iron pipe found for the West corner of said original call 66.9852 acre tract; Said corner being the North corner of the Steve Wleczyk call 121.55 acre tract (Tract No. 4) out of the Partition of the Katy Wleczyk call 463.97 acre tract (Case No. 46-CPR-003208 – Volume 13, Pages 326-335; Probate Minutes of Fort Bend County, Texas), being the East corner of the original Anton W. Wleczyk call 94.67 acre tract out of said Partition (Tract No. 3), and being the most Southerly corner of an original call 16.612556 acre tract (Volume 2494, Page 984; Official Records of Fort Bend County, Texas and Exhibit "B" - Volume 723, Page 826; Deed Records of Fort Bend County, Texas); Said corner being the South corner of the Fort Bend County call 0.31 acre tract (Tract U – 6 feet wide; Fort Bend County Clerk's File No. 9824711), bears South 47 degrees, 19 minutes, 28 seconds East – 2245.73 feet along the Southwesterly line of said call 0.31 acre tract with the Southwesterly right-of-way line of Klauke Road (also known as "Stella Road", no dedication information available – deed calls total 120.43 feet wide) as occupied on the ground and being partially along the Northeasterly line of a call 14.333 acre tract (Tract 2; Fort Bend County Clerk's File No. 2021139229) from a 5/8 inch diameter iron rod inside a two-inch inside diameter iron pipe found for the West corner of said call .31 acre tract; Said beginning corner being the West corner of this 30.703 acre tract;

THENCE; North 43 degrees, 7 minutes, 9 seconds East, at 6.00 feet pass a point for the East corner of said call 0.31 acre tract and for the South corner of the Fort Bend County call 3.121 acre tract of Land (Tract B – 60 feet wide; Fort Bend County Clerk's File No. 9530027 and No. 9530028), at 66.00 feet pass a point for the East corner of said call 3.121 acre tract and for the South corner of the Fort Bend County call 4.791 acre tract of Land (Tract C – 134.43 feet wide; Fort Bend County Clerk's File No. 9530027 and No. 9530028), in all 69.05 feet crossing said right-of-way of Klauke Road as occupied on the ground along the Northwesterly line of said original call 66.9852 acre tract with the Southeasterly line of said original call 16.612556 acre tract to a 5/8 inch diameter iron rod with plastic cap (labeled "1943 4349 5829", typical) set for the most Northerly Northwest corner of this tract; Said corner being the Southwest corner of a 120-foot wide tract of Land to be dedicated for road right-of-way;

THENCE; Easterly, crossing said original call 66.9852 acre tract along the Southerly line of said 120-foot wide tract with the following courses and distances:

Northeasterly, along a non-tangent curve to the left, the radius point bears North 19 degrees, 24 minutes, 21 seconds East, with the following curve data Radius: 850.00 feet Delta: 51 degrees, 16 minutes, 57 seconds Length: 760.79 feet Tangent: 408.00 feet Chord: North 83 degrees, 45 minutes, 53 seconds East - 735.65 feet to a 5/8 inch diameter iron rod with plastic cap set for point of tangent corner of this tract;

North 58 degrees, 7 minutes, 25 seconds East – 268.76 feet to a 5/8 inch diameter iron rod with plastic cap set for point of curve of this tract;

Southeasterly, along a tangent curve to the right with the following curve data: Radius: 780.00 feet Delta: 74 degrees, 38 minutes, 12 seconds Length: 1016.07 feet Tangent: 594.60 feet Chord: South 84 degrees, 33

minutes, 29 seconds East - 945.74 feet to a 5/8 inch diameter iron rod with plastic cap set for point of tangent corner of this tract;

South 47 degrees, 14 minutes, 22 seconds East – 114.30 feet to a 5/8 inch diameter iron rod with plastic cap set for the East corner of this tract; Said corner being the most Easterly Southeast corner of said 120-foot wide tract, bears South 42 degrees, 18 minutes, 46 seconds West – 478.27 feet along the Southeasterly line of said original call 66.9852 acre tract with the Northwesterly line of the Fort Bend County original call 81.200 acre Fairgrounds tract (Volume 518, Page 14; Deed Records of Fort Bend County, Texas) being along the Northwesterly line of West Fairgrounds Road (no dedication information available) as occupied on the ground from a 5/8 inch diameter iron rod found for the South corner of a call 1.85 acre tract (Fort Bend County Clerk's File No. 9829704);

THENCE; South 42 degrees, 18 minutes, 46 seconds West, at 1342.65 feet pass a one-inch inside diameter iron pipe found for the North corner of Fairpark Village Section 5 subdivision (Fort Bend County Plat No. 20130272), in all 1456.99 feet along the Southeasterly line of said original call 66.9852 acre tract with the Northwesterly line of the original Hattie Leffler call 80 acre tract (Volume 372, Page 109; Deed Records of Fort Bend County, Texas) to a two-and-one-half inch inside diameter iron pipe found for the South corner of this tract; Said corner being the South corner of said original call 66.9852 acre tract and being the East corner of said call 121.55 acre tract in the Northwesterly line of Restricted Reserve "B" of said Fairpark Village Section 5;

THENCE; North 47 degrees, 13 minutes, 49 seconds West – 1432.11 feet along the Southwesterly line of said original call 66.9852 acre tract with the Northeasterly line of said call 121.55 acre tract to the PLACE OF BEGINNING and containing 30.703 acres of land.

EXHIBIT “B”

ENUMERATED CONTRACT DOCUMENTS

- Architect’s Agreement
- Design Criteria
- Construction Contract
- Plans and Specifications
- Facilities Lease
- Loan Agreement
- Indenture

EXHIBIT "C"

PROJECT DEVELOPMENT BUDGET
AND
SCHEDULE OF VALUES

PROJECT DEVELOPMENT BUDGET:

Construction Budget	\$	89,232,824.00
Design Services and Soft Cost Budget	\$	6,200,000.00
Developer's Compensation	\$	6,253,489.00
Predevelopment Costs Budget	\$	292,000.00
FF&E Allowance	\$	8,000,000.00
Start-up Expense Budget	\$	500,000.00
Project-Management Expense Budget	\$	650,000.00
TOTAL PROJECT DEVELOPMENT BUDGET	\$	\$111,128,313.00

SCHEDULE I TO EXHIBIT "C"

SCHEDULE OF VALUES

	Description	Cost (\$)
1	GENERAL REQUIREMENTS	\$6,711,726.98
2	EXISTING CONDITIONS	\$226,239.70
3	BUILDING CONCRETE	\$14,795,264.18
4	MASONRY	\$1,381,384.80
5	METALS	\$10,878,944.77
6	WOODS, PLASTICS, COMPOSITES	\$640,755.79
7	THERMAL AND MOISTURE PROTECTION	\$5,832,008.41
8	OPENINGS	\$3,213,205.58
9	FINISHES	\$8,377,566.14
10	SPECIALTIES	\$1,159,491.51
11	EQUIPMENT	\$646,088.37
12	FURNISHINGS	\$1,262,313.10
13	SPECIAL CONSTRUCTION	\$642,641.12
14	CONVEYING EQUIPMENT	\$137,774.18
15	FIRE SUPPRESSION	\$773,017.54
16	PLUMBING	\$3,995,092.88
17	H.V.A.C.	\$8,363,530.58
18	ELECTRICAL	\$8,658,860.40
19	COMMUNICATIONS	\$1,700,400.18
20	ELECTRONIC SAFETY AND SECURITY	\$1,340,448.46
21	EARTHWORK	\$3,387,108.50
22	EXTERIOR IMPROVEMENTS	\$2,809,092.17
23	UTILITIES	\$2,299,868.67
	Total	\$89,232,824.00

EXHIBIT "D"

DEVELOPMENT SCHEDULE



FORT BEND SHERIFF'S TRAINING FACILITY PROJECT SCHEDULE				2023			2024												2025												2026												
Description	Beginning Date	Duration (days)	Ending Date	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct		
Project Funding	12/23/23	1	12/24/23																																								
Final Design & Permitting	12/24/23	120	04/22/24																																								
Gun Range and SIM's Construction	12/24/23	723	12/16/25																																								
Academy Construction	02/01/24	738	02/08/26																																								
Substantial Completion	02/08/26	1	02/09/26																																								
Final Completion	03/08/26	1	03/09/26																																								

EXHIBIT "E"

REQUEST FOR PAYMENT
Request for Payment No.: _____

_____, 20__

CFC- SO Training Facility, LLC
5049 E. Broadway Blvd., Suite 156
Tucson, AZ 85711

Re: Disbursement from Project Fund

Ladies and Gentlemen:

This Request for Payment is provided to you pursuant to Paragraph C of Section VII of the Development Agreement, dated as of _____, 2023 (the "Agreement"), between CFC- SO Training Facility, LLC (the "Company") and Stonehenge Holdings, LLC (the "Developer"), and Section ____ of the Loan Agreement, for requesting payment to the Developer or its vendors as provided herein. The capitalized terms used in this Request for Payment have the same meanings given such terms in the Agreement or in the Loan Agreement dated _____, 2023 between Fort Bend County Public Facilities Corporation (the "Issuer") and the Company.

(a) (i) There has been expended, or is being expended concurrently with the delivery of this certificate, on account of Project Costs, as defined in the Loan Agreement an amount at least equal to the amount requisitioned below for disbursement;

(ii) No Event of Default under the Agreement has occurred and is continuing;

(iii) No other Request for Payment in respect of the expenditures set forth in clause (i) above is being or has previously been delivered to the Company;

(iv) You are hereby directed to requisition the amount of \$_____ from the Project Account of the Project Fund in the amounts and to the parties as set forth in the attached Schedule A. Of such amount, \$_____ shall be held as retainage, resulting in a disbursement amount of \$_____; and to pay to the persons listed on Schedule A amounts not to exceed those set forth on Schedule A, as shown on the individual invoices attached to Schedule A.

(v) Such payment will constitute payment of or reimbursement for a properly incurred obligation, is a proper charge against the Project Fund (as defined in the Loan Agreement), is unpaid or not reimbursed to the Company, and has not been the basis of any previous withdrawal or payment.

(vi) The payment of the amount requested herein will not result in a breach of any covenant of the Developer contained in the Agreement.

(c) All other items required by the Agreement to be delivered to the Company in connection with this Request for Payment have been delivered to the Company.

(d) To the best of the undersigned's knowledge, there has not been filed with or served upon the Developer or the Company notice of any lien, right or attachment upon, or claim affecting the right of any such Persons to receive payment of the respective amounts stated in this Request for Payment, which has not been released or will not be released simultaneously with the payment of such obligation.

(f) We further certify that (A) obligations as stated on this Request for Payment have been properly incurred, (B) such work was actually performed or such materials or supplies were actually furnished or installed in or about the Project, (C) if contested, bond has been made by the Developer and (D) either such materials or supplies are not subject to any lien or security interest or any such lien or security interest will be released or discharged upon payment of this Request for Payment.

(g) All rights, title and interest to any and all personal property acquired with the proceeds of this disbursement is vested in the Company.

STONEHENGE HOLDINGS, LLC

By: _____

Name: _____

Title: Authorized Representative

EXHIBIT “F”

INSURANCE REQUIREMENTS

GENERAL.

Developer shall maintain or cause Contractor and/or Architect as applicable, to maintain the insurance coverages set forth below:

Limits

Commercial General Liability (CGL)

\$2,000,000 Each Occurrence
\$4,000,000 General Aggregate – Per Project Aggregate
\$4,000,000 Products/Completed Operations Aggregate
\$2,000,000 Personal and Advertising Injury

Business Automobile

\$1,000,000 Combined Single Limit

Workers’ Compensation/Employers’ Liability (Stop Gap)

Statutory Workers’ Compensation – Coverage A

\$1,000,000 Each Accident
\$1,000,000 Disease – Policy Limits
\$1,000,000 Disease – Each Employee

Umbrella Policy

\$5,000,000 Each Occurrence and General Aggregate

Builder’s Risk

Up to the full value of the Project

Contractor’s Pollution Liability

\$1,000,000 Aggregate

Employer’s Liability

\$1,000,000 per occurrence

Professional Liability - Errors and Omissions

\$1,000,000 per occurrence
\$2,000,000 aggregate

Other Requirements

1. **Commercial General**

(a) Contractor’s CGL insurance shall be written on ISO occurrence for CG 00 01 (12/04) or its equivalent (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, death, bodily injury, property damage, personal injury and advertising injury and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

(b) The Owner, Issuer, County, and Trustee (also referred to herein as the “Additional Insureds”) shall be included as additional insureds under the CGL and excess umbrella liability coverages. The insurance policies required herein shall be primary to and not excess or

contributory with respect to any other insurance or self-insurance that may be maintained by Owner, and will contain Severability-of-Interest or Separation of Insured clauses, and in the case of the general liability insurance, broad form blanket contractual liability coverage and coverage for "XCU" Hazards. The commercial general liability policy shall include Endorsement CG 20 10 for premises coverage of ongoing operations listing Owner as additional insured, and Endorsement CG 20 37 for completed operations listing Owner as additional insured.

(c) If the CGL coverage contains a General Aggregate Limit, such General Aggregate Limit shall apply separately to each project.

2. **Completed Operations Liability Insurance.** The completed operations coverage shall be maintained for the Contractor and all additional insureds for the duration of the Project and maintain such coverage for the general contractor and all additional insureds for at least three (3) years following Final Completion of the Work.

3. **Business Auto**

(a) Such insurance shall cover liability arising out of any auto (including owned, hired and non-owned autos).

(b) Business auto coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or substitute form providing equivalent liability coverage if approved in advance and in writing by Owner. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.

4. **General/Certificates of Insurance.**

(a) All policies shall: (1) be written by insurance companies authorized to do business in the state where the Project is located and having a financial size of VII or higher and a rating of not less than A minus or better in the latest version of Best's Insurance Guide, published by A.M. Best & Company; and (2) all certificate of insurance shall provide that coverage shall not be suspended, voided, canceled, non-renewed, reduced in scope or limits except after thirty (30) days' prior written notice by certified mail, return receipt requested has been given to Owner.

(b) Prior to the commencement of the Work, Contractor shall file with Owner valid Certificates of Insurance evidencing that the above required insurance has been obtained and related rights have been granted. The Certificates of Insurance shall be in a form and substance satisfactory to Owner and shall affirmatively list the Persons and entities referred to in Section B(1)(b) above as being additional insureds to the CGL, excess umbrella liability policies required above. At Owner's request, Contractor shall deliver to Owner, the County, Issuer and Trustee the actual insurance policies and any endorsements or riders thereto. The endorsements or amendatory riders shall include cross-claim and severability of interests endorsements.

(c) **Waiver of Subrogation-** Contractor waives all rights against Owner, Architect, and all of their respective agents, officers, directors, members, managers, and employees for the recovery of damages to the extent such damages are covered by commercial general liability, commercial umbrella liability, business auto liability, or workers' compensation and employer's liability insurance maintained per the requirements as stated above.

5. **Deductibles.** CGL and Workers' Compensation/Employer's Liability (Stop Gap) policies shall not include a deductible or self-insured retention of more than \$5,000.00 per claim which shall be the sole and exclusive obligation of the Contractor or any Subcontractor, as applicable, without reimbursement by Owner.

Attached to each certificate of insurance shall be a copy of the CG 20 10 and CG 20 37 Additional Insured Endorsement that is part of the Contractor's Commercial General Liability Policy along with the Additional Insured Endorsement that is part of the Commercial Umbrella Policy and Business Auto Policy. Attached to each certificate of insurance shall be a copy of the Waiver of Subrogation endorsement that is part of the Contractor's Commercial General Liability Policy, Commercial Umbrella Policy, Business Auto Policy and Workers' Compensation Policy.

EXHIBIT "G"

OWNER'S & DEVELOPER'S REPRESENTATIVES

Owner hereby designates the following individual as its representative:

Gary Molenda

Developer hereby designates the following individual as its representative:

Chris Surface