

Figure 1: 30 TAC §293.57

STREET AND UTILITY CONSTRUCTION AGREEMENT

THE STATE OF TEXAS
COUNTY OF TRAVIS

THIS AGREEMENT is made and entered into as of this 1st day of December, 1980, by and between GREEN ACRES MUNICIPAL UTILITY DISTRICT of Travis County, Texas (the "District") and ALL AMERICAN HOMES, INC. (the "Developer").

Recital

The Developer is developing 300 lots in the Knot Holes West Subdivision which is located within the District. The District is preparing to sell its \$3,500,000 Waterworks and Wastewater Systems Combination Tax and Revenue Bonds, Series 1980 (the "Bonds") for the purpose of acquiring and/or constructing water, sewage, and drainage facilities to serve the Knot Holes West Subdivision. In order for the District's taxable valuations to increase to a level to support the debt service requirements on the Bonds, the Developer must complete the streets and utilities to service its 300 lots in the Knot Holes West Subdivision in the District. The purpose of this Agreement is to assure the District that the Developer will construct all streets and utilities to serve its 300 lots in the Knot Holes West Subdivision.

WITNESSETH

Green Acres Municipal Utility District and All American Homes, Inc. do hereby agree as follows:

1. The District agrees to proceed with the sale of the Bonds in accordance with the Order of the Texas Natural Resource Conservation Commission approving the Bonds and all applicable laws in an expeditious manner.
2. The District agrees that it will use the proceeds from the sale of such Bonds in accordance with the Order of the commission approving the Bonds, including reimbursement to the Developer of funds advanced to or on behalf of the District.
3. The Developer agrees that it will cause the completion of all streets and pay its share of costs associated with the water, wastewater and drainage construction to serve Developer's 300 lots within the Knot Holes West Subdivision in accordance with the plans and specifications prepared by ABC Engineers, Inc. and approved by the City of Megalopolis and Travis County not later than May 31, 1982.
4. The costs to construct the streets and pay its share of cost associated with the water, wastewater and drainage construction, including engineering and contingencies to serve Developer's 300 lots in the Knot Holes West Subdivision are estimated to be \$250,000.00. To assure the District and the Commission that adequate funds will be available to the District in the event that All American Homes, Inc. fails to construct the streets and utilities in accordance with the Agreement, the Developer will secure a letter of credit from ROCK OF GIBRALTAR BANK, Megalopolis, Texas in the amount shown above in favor of the District which shall provide that in the event the Developer fails to construct the streets and utilities in accordance with the terms and conditions of this Agreement that the District shall have the right to award and/or to assume existing construction contracts for the completion of the streets and utilities and to draw on the letters of credit for the purpose of making all payments due on the construction contracts for the streets and utilities; provided, however, the District shall not proceed in such a manner until the Commission has reviewed the matter and approved the District awarding the contract(s) or assuming existing contract(s) and utilizing the letter of credit. Such draw on a letter of credit shall be accompanied by an approved pay estimate by the District's engineer certifying that the amount is in order for payment. In addition, in the event that the letter of credit has not been renewed or replaced forty-five (45) days prior to its expiration date, the District shall have the right to draw down the lesser of the current cost, as estimated by the District's engineer, to construct the streets and utilities, or the entire remaining balance of a letter of credit. In the event that the Developer commences any proceeding voluntary or involuntary, or any proceeding is

commenced against the Developer involving the bankruptcy, insolvency, reorganization, liquidation, or dissolution of the Developer, or the Developer makes a general assignment for the benefit of creditors, the District shall have the immediate right to draw down the lesser of the current cost, as estimated by the District's engineer, to construct the streets and utilities, or the entire remaining balance of the letter of credit. The current estimated cost to construct the streets and utilities shall include construction contract amounts, engineering, surveying and testing fees and a 10% contingency. The District shall deposit such funds in a separate account and shall not commit or expend such funds until the Executive Director has authorized use of the funds as provided above. Within thirty (30) days after final completion of the streets and utilities, the District shall provide an accounting of the use of funds drawn pursuant to the provisions hereof and shall refund any remaining funds, including accrued interest, if any, to the Developer or his designee. In the event that a letter of credit is not sufficient to pay the entire cost of constructing the streets and utilities, the Developer shall be liable to the District for any costs in excess of the amount of the letter of credit.

5. Upon completion of the streets and utilities to serve Developer's 300 lots in the Knot Holes West Subdivision in accordance with this agreement, the District, upon written request by Developer and certification of completion by the District's engineer, shall authorize cancellation of the letter of credit for that section.

6. Developer and District agree that this agreement is being entered into for the purpose of complying with the condition provided in the Commission's Order to permit the District to advertise for the sale of Bonds in compliance with the Commission's Order and in accordance with §293.47(g) of this title (relating to Thirty Percent of District Construction Cost to be Paid by Developer) and as an inducement to the District to issue the Bonds.

Executed in multiple copies on the date shown above.

GREEN ACRES MUNICIPAL UTILITY DISTRICT
OF TRAVIS COUNTY, TEXAS

By:
President, Board of Directors

ATTEST:

Secretary, Board of Directors

ALL AMERICAN HOMES, INC.
By:
Title