

RIVERWALK! AT EULESS DEVELOPMENT AGREEMENT

**Between SLF IV – Eules Riverwalk JV, L.P., A TEXAS LIMITED PARTNERSHIP and the City
of Eules, Texas**

March 22, 2011

RIVERWALK! AT EULESS DEVELOPMENT AGREEMENT

This Development Agreement (this "Agreement") is executed between **SLF IV – Eules Riverwalk JV, L.P., A TEXAS LIMITED PARTNERSHIP** ("Owner"), and the City of Eules, Texas ("City") to be effective March __, 2011 (the "Effective Date").

RECITALS

WHEREAS, City is a home-rule municipal corporation located in Tarrant County, Texas; and

WHEREAS, Owner is a Texas limited partnership which has a contractual right to acquire approximately 190 acres of real property located at the northwest corner of State Highway 183 and State Highway 360 in the City as depicted on **Exhibit A** and described by metes and bounds on **Exhibit B** (the "Property"); and

WHEREAS, Owner or its assignees or successors, including future owners and developers, desire to undertake a project to improve and develop the Property as a regional mixed use development (the "Project"), creating multiple new employment opportunities, shopping opportunities, and additional revenue to City and other taxing jurisdictions in accordance with the Riverwalk! Planned Development District #10-02-PD (the "Riverwalk! PD") approved by City Ordinance No. 1904; and

WHEREAS, Owner and City are sometimes individually referred to as a "Party" and collectively as the "Parties"; and

WHEREAS, the Parties intend that the Property be developed: (i) as a high-quality, master-planned, community including parkland, open space, and other public and private amenities that will benefit and serve the present and future citizens of City pursuant to the Riverwalk! PD; and (ii) pursuant to binding, contractual development regulations set forth in the Protective Covenants (as defined herein) that are recorded in the deed records of the County (so as to bind Owner and all future owners of the Property or any portion thereof), and that will provide regulatory certainty as to the development of the Property; and

WHEREAS, because it is expected that all or part of the riverwalk amenity may be constructed by entities other than Owner, it is necessary to provide for the construction of the riverwalk amenity through cooperative joint action of subsequent owners and developers of the Property in accordance with the requirements of the Riverwalk! PD and this Agreement.

NOW THEREFORE, Pursuant to the terms and conditions of this Agreement, for good and valuable consideration, City and Owner mutually agree as follow with respect to the Property.

AGREEMENT

Section 1. Planned Development. City has approved the Riverwalk! PD by Ordinance 1904 which implements zoning, platting, and other regulations on the Property in accordance with specific guidelines set forth in the Riverwalk! PD. Under the Riverwalk! PD, the Property is intended to be an integrated residential, commercial, and mixed use project designed around a central riverwalk amenity that will serve as an integral component of the Project. This Agreement serves to further the implementation of the riverwalk amenity. It is anticipated that additional agreements may be entered into between the Parties and with developers of specific components of the Project to address specific issues related to the Project.

Section 2. Design Standards and Criteria for Riverwalk Amenity. Owner has proposed to construct a riverwalk amenity as a central element of the Project. All portions of the riverwalk amenity construction shall be in accordance with the Riverwalk! PD and this Agreement. The Riverwalk! PD allows flexibility in the timing and nature of the Project based on the phasing of construction of the riverwalk amenity. It is intended by the Parties that the following conditions shall apply to the construction of the riverwalk amenity.

(a) Riverwalk Amenity – Timing of initial phase construction. The initial phase of the riverwalk amenity shall be 750' in length (or longer, in Owner's sole discretion). Construction of the initial phase of the riverwalk amenity shall commence on the earlier of: i) commencement of construction of any mixed use structures within the T5b Sub-Zone; or ii) commencement of construction of any commercial structures within the T5c Sub-Zone where any exterior wall of such structure is located within 150' of the centerline of the proposed riverwalk amenity; and no such structures shall be constructed within the T5b Sub-Zone or within the T5c Sub-Zone where any exterior wall of such structure is located within 150' of the centerline of the proposed riverwalk amenity unless the initial phase of the riverwalk amenity has commenced. Notwithstanding the preceding sentence, the City may construct any portion of the riverwalk amenity in accordance with provisions contained in Section 4(a).

(b) Riverwalk – Construction of Abutting Development. The portion of the riverwalk amenity that any commercial or mixed-use structure is proposed to abut must be constructed in conjunction with construction of the proposed structure.

(c) Dedication of Riverwalk. Owner shall dedicate the riverwalk amenity on the final plat as a common area to be maintained by the Property Owners' Association (subject to Section 4 (c) below).

(d) Design; Construction Plans. The design of the riverwalk amenity shall be prepared by Owner and subject to approval of City to ensure conformity with the Riverwalk! PD. The design should accommodate the following: open space; pedestrian activities adjacent to the riverwalk amenity; and, use of the riverwalk amenity by the public for recreational activities.

(e) Reclaimed Water; Future Use. If, at the time of final land platting by a developer of a parcel within the Property as required by Chapter 84, Article IX of the City of

Eules Unified Development Code, all necessary infrastructure, properly sized, for a Type I Reclaimed Water system has been installed by the City and is available to tap into at the property line of the southeast corner of Midway Road and Bear Creek Parkway of such developer's parcel, such developer shall be required to install the appropriate service lines within its parcel to facilitate use and to utilize the Type I Reclaimed Water for all landscape irrigation purposes, except for residential irrigation at individual homes, in accordance with all applicable local, state, and federal regulations. The requirement to use Type I Reclaimed Water is conditioned upon the volume charge per 1,000 gallons of metered reclaimed water being less than the volume charge per 1,000 gallons of metered potable water. The schedule of rates and charges for water service by the City is governed by Chapter 30, Section 35 of the City of Eules Comprehensive Code of Ordinances. To the extent deemed beneficial to the Project, Owner and City shall explore the possibility of utilizing reclaimed water for the purpose of providing an adequate water source to maintain the viability of the riverwalk amenity.

Section 3. Assessments. The Protective Covenants (as defined below) will provide for the assessment of all parcels within the Property as provided below. Such assessments shall be based on the proposed use of the parcel. Such assessments shall be collected at the time of building permit issuance by City for the applicable lot or parcel.

(a) Residential Assessments. Parcels that will be used for single family residential development (including any attached or detached single family home lot) will be assessed \$1,000 per residential lot. Multi-Family Dwelling developments (including Multi-Family residential uses located within a mixed-use structure) will be assessed \$375 per unit.

(b) Commercial Assessments. Parcels that will be used for commercial uses (including retail and other commercial uses in mixed-use development) will contribute to the construction of the riverwalk amenity as follows: Any commercial or mixed-use development that contains a structure with an exterior wall within 150' of the centerline of the approved riverwalk alignment shall at Owner's option either: (i) pay into the Escrow Fund the amount of \$200 per linear foot of the platted lot abutting the riverwalk amenity, as determined in accordance with the drawing attached hereto as Exhibit D, or (ii) build the riverwalk amenity section that abuts the lot line of such development in accordance with Section 13 of the Riverwalk! PD. Any owner of a parcel which is developed as commercial or mixed-use development will be required to install the landscape and hardscape portions of the riverwalk amenity along the sections of the riverwalk amenity abutting such owner's parcel at the time of construction of any building on the parcel abutting such section of the riverwalk amenity.

(c) Protective Covenants. In addition to the requirements of this Agreement and the Riverwalk! PD, the Property shall be privately regulated by protective covenants ("Protective Covenants") established by Owner (which include development standards agreed to between City and Owner in accordance with the Riverwalk! PD). The Protective Covenants shall provide for the placement of liens on any parcels that have not paid the required assessment for the construction of the riverwalk amenity. The Protective Covenants shall also provide for the creation of a Property Owners' Association ("POA") which will have the right and responsibility to collect any assessments on all parcels of land within the Property and the foreclosure of liens securing such assessments. The Protective Covenants shall be filed of record

in the Real Property Records of Tarrant County, Texas upon final plat approval of any phase of the Project and prior to the sale of any lots or parcels within the Property.

Section 4. Escrow Fund. City shall establish an escrow fund (the “Escrow Fund”) for the purpose of depositing the assessments and payments described in Sections 3(a) and 3(b) above. The Escrow Fund shall be an interest bearing account and interest earned shall be added to the Escrow Fund. Use of funds from the Escrow Fund will require the submittal of invoices/draws to City for payment. The Escrow Fund shall only be used for “Eligible Expenses” which shall be defined as reasonable and customary costs related to the design and construction of the riverwalk amenity or other amenities approved by City and Owner.

(a) Escrow funds may be used by City for Eligible Expenses in the event there is a default by a developer.

(b) Escrow funds may be used in City’s discretion for any Eligible Expenses in the event of the following: If the initial phase of the riverwalk amenity has not been constructed after six (6) years from the date City determines that (i) building permits have been issued for lots constituting seventy five percent (75%) of the single-family residential acreage within the T4b and T4a residential Sub-Zones; and (ii) building permits have been issued for 375 or more multi-family units within the T5a Sub-Zone.

(c) Any funds remaining in the Escrow Fund after completion of construction of the riverwalk amenity may be used for other Eligible Expenses as defined above in this Section 4. Any construction costs for the construction of any portion of the riverwalk amenity that are in excess of available funds in the Escrow Fund shall be the responsibility of the party constructing such portion of the riverwalk amenity.

Section 5. Riverwalk Design, Construction, and Maintenance. Owner shall dedicate the riverwalk amenity on the final plat as a common area to be maintained by the POA.

Owner (or such parcel owner constructing such portion of the riverwalk amenity, as applicable) (“Constructing Owner”) shall be responsible for and shall pay for Constructing Owner’s engineering design of the riverwalk amenity. Constructing Owner shall be entitled to be reimbursed for Eligible Expenses from the Escrow Funds and shall submit a written request to City for such purpose and reasonable written documentation as to the estimated costs for same. Additionally, it shall be the responsibility of Constructing Owner and Constructing Owner’s engineer to secure all necessary permits and approvals needed from state and federal authorities having jurisdiction over waterways within the Project. It is the responsibility of Constructing Owner and Constructing Owner’s engineer to determine the required permits for the riverwalk amenity. Constructing Owner agrees to abide by all local, state, and federal laws in the construction of such portion of the riverwalk amenity. The POA shall be responsible for the operation and maintenance of the riverwalk amenity. The Protective Covenants must be approved by the City to ensure compliance with this Agreement and adequate protection of City, and which shall include at a minimum the following POA responsibilities:

(a) The removal of any trash or debris which may adversely affect the operation of the riverwalk amenity; and

(b) The monitoring and continual maintenance of the riverwalk amenity to ensure that stagnant water does not become a nuisance problem. This may include a periodic cleaning of the riverwalk, installing and maintaining aeration devices to oxygenate and move the water in the riverwalk, or other methods approved by City.

Section 6. Development Fees. Development of the Property shall be subject to payment to City of the reasonable fees and charges applicable to City's normal review and approval process according to the fee schedule adopted by the city council and in effect on the date of submittal of each application. The fee schedule applicable to the Property shall be uniformly applicable to all development within the corporate limits of City.

Section 7. Impact Fees. It is understood and agreed that the development of the Property shall be subject to all applicable impact fees and other charges normally applicable to development within the city limits of City, in addition to any assessments for the riverwalk amenity as provided in Section 3 above.

Section 8. Determination of Rough Proportionality. Owner hereby agrees that any land or property it donates to City, construction of infrastructure, and fees and assessments required by this Agreement and by the current Riverwalk! PD are roughly proportional to the need for such dedication, construction or fee and Owner hereby waives any claim therefor that it may have. Owner further acknowledges and agrees that all prerequisites to such a determination of rough proportionality have been met, and that any costs incurred relative to said dedication, construction or fee are related both in nature and extent to the impact of the improvements. Owner waives and releases all claims, on behalf of Owner and any subsequent purchasers of land within the Property, which Owner may have against City related to any and all rough proportionality and individual determination requirements mandated by Subchapter Z of Chapter 212, Texas Local Government Code or the U.S. and Texas Constitutions, as well as other requirements of a nexus between development conditions and the projected impact of the public improvements, solely with respect to the donation of land, construction of infrastructure and fees and assessments described in the first sentence of this Section 8.

Section 9. Payment of Taxes. Owner shall not be delinquent in ad valorem taxes or any other tax payments due City or other taxing entities.

Section 10. Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than 30 days after written notice of the alleged failure has been given). In addition, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. Notwithstanding the foregoing, however, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made within five business days after it is due.

Section 11. Remedies. If a Party is in default, the aggrieved Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief legally available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, specific performance, mandamus, and injunctive relief. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL:

(a) entitle the aggrieved party to terminate this Agreement; or

(b) entitle the aggrieved Party to suspend performance under this Agreement unless the portion of the Property for which performance is suspended is the subject of the default (for example, City shall not be entitled to suspend its performance with regard to the payment of Escrow Funds to the developer of “Tract X” which constructed a portion of the riverwalk amenity on its tract based on the grounds that the owner of another tract within the Property is in default with respect to any other tract or based on the grounds that any developer is in default with respect to any other tract); or

(c) entitle the aggrieved Party to seek or recover monetary damages of any kind, provided, however, that this paragraph shall not prohibit Owner, its assignees or transferees, or the City from recovering or utilizing funds from the Escrow Fund for the purposes set forth herein so long as the aggrieved party is not in default hereunder.

Section 12. Assignment by Owner to Successor Owners. Owner has the right (from time to time without the consent of City, and upon written notice to City) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Owner under this Agreement, to any person or entity (an “Assignee”) that is or will become an owner of any portion of the Property or that is an entity that is controlled by or under common control with Owner. Each assignment shall be in writing executed by Owner and the Assignee and shall obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to all Parties within 15 days after execution. From and after such assignment, City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee’s failure to perform the assigned obligations. No assignment by Owner shall release Owner from any liability that resulted from an act or omission by Owner that occurred prior to the effective date of the assignment unless City approves the release in writing. Owner shall maintain written records of all assignments made by Owner to Assignees, including a copy of each executed assignment and the Assignee’s Notice information as required by this Agreement, and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity.

Section 13. Assignment by City. City has the right (from time to time with the consent of Owner, and upon written notice to Owner) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of City under this Agreement.

Section 14. Encumbrance by Owner and Assignees. Owner and Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with prompt written notice to, City. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided City has been given a copy of the documents creating the lender's interest, including Notice (hereinafter defined) information for the lender, then that lender shall have the right, but not the obligation, to cure any default of its borrower under this Agreement and shall be given a reasonable time to do so in addition to the cure periods otherwise provided to the defaulting Party by this Agreement; and City agrees to accept a cure offered by the lender as if offered by the defaulting Party. A lender is not a Party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement and shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured.

Section 15. Assignees as Parties. An Assignee shall be considered a "Party" for the purposes of this Agreement to the extent provided in Section 12 above.

Section 16. Estoppel Certificates. From time to time upon written request of Owner, an appropriate representative of City will execute a written estoppel certificate identifying any obligations of Owner under this Agreement that are in default or, with the giving of notice or passage of time, would be in default, or stating, that to the best knowledge and belief of City, Owner is in compliance with its duties and obligations under this Agreement; provided, however, that Owner shall pay City's reasonable professional fees and expenses associated with the review and issuance of such estoppel certificate.

ADDITIONAL PROVISIONS

Section 17. Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) are legislative findings of the City Council, and (d) reflect the intent of the Parties with regard to the subject matter of this Agreement.

Section 18. Notices. All notices required or contemplated by this Agreement (or otherwise given in connection with this Agreement) (a "Notice") shall be in writing, shall be signed by or on behalf of the Party giving the Notice, and shall be effective as follows: (a) on the third business day after being deposited with the United States mail service, Certified Mail, Return Receipt Requested with a confirming copy sent by FAX; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt

signed by any person at the delivery address (whether or not such person is the person to whom the Notice is addressed); or (c) otherwise on the day actually received by the person to whom the Notice is addressed, including, but not limited to, delivery in person and delivery by regular mail. Notices given pursuant to this section shall be addressed as follows:

To City: City Manager
City of Euless
201 N. Ector Dr.
Euless, Texas 76039
Fax: (817) 685-1416

With a copy to:

Taylor Olson Adkins Sralla Elam, LLP
City Attorney
6000 Western Place, Suite 200
Fort Worth, Texas 76107
Attn: Wayne Olson
FAX: 817-332-4740

To Owner: **SLF IV – EULESS RIVEWALK JV, L.P., A TEXAS LIMITED PARTNERSHIP**
8333 Douglas Avenue, Suite 110
Dallas, Texas 75225
Attn: Tim Coltart
Fax: (469) 533-4150

Any Party may change its address for notice purposes by delivering written notice of its new address to the other Parties in the manner set forth above.

Section 19. Memorandum of Agreement. Promptly following the execution of this Agreement and its approval as contemplated in Section 21 below, City and Owner will execute and record in the Real Property Records of Tarrant County a memorandum of this Agreement in substantially the form of the Memorandum of Agreement attached as **Exhibit C** to this Agreement. The Memorandum of Agreement, when recorded, shall provide record notice that this Agreement is binding upon the Parties and their successors and assigns permitted by this Agreement and upon the Property.

Section 20. Binding Agreement. This Agreement includes all Exhibits enumerated and identified in this Agreement. The Exhibits are incorporated into and made a part of this Agreement by this reference thereto. This Agreement and the terms, covenants, agreements, reservations, and conditions provided for in this Agreement benefit and bind Owner and Assignees (as provided in Section 12 above) and the City.

Section 21. Authority and Enforceability. City represents and warrants that this Agreement has been approved by the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings

Act) and that the individual executing this Agreement on behalf of City has been duly authorized to do so. Owner represents and warrants that this Agreement has been approved by appropriate action of Owner, that the individual executing this Agreement on behalf of Owner has been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions. This Agreement will be effective from and after its Effective Date

Section 22. Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by Owner and City (and any Assignee, with respect to rights and obligations pertaining to such Assignee). If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) and the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

Section 23. Applicable Law; Venue. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Tarrant County. Venue for any action to enforce or construe this Agreement shall be Tarrant County.

Section 24. Non Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

Section 25. No Third Party Beneficiaries. Except as otherwise provided herein, this Agreement only inures to the benefit of, and may only be enforced by, the Parties. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

Section 26. Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to the other Party, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term “force majeure” shall include events or circumstances that are

not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care. In no event shall force majeure apply to the City's obligation to make the Escrow Funds available in accordance with the terms of this Agreement.

Section 27. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

Section 28. Further Documents. Each Party shall, upon request of the other Party, execute and deliver such further documents and perform such further acts as may reasonably be requested to effectuate the terms of this Agreement and achieve the intent of the Parties provided that the same does not impose any cost, expense, liability or adverse effect on Owner or any Assignee.

Section 29. Interpretation. This Agreement will be governed by and interpreted in accordance with the laws of the State of Texas. The word "*include*" does not exclude items not mentioned or listed. Multiple counterparts of this Agreement and any exhibit documents may be executed but shall be deemed one and the same instrument.

This Agreement is executed by City and Owner on the respective dates indicated below to be effective as of March __, 2011, the Effective Date hereof as provided in this Agreement.

CITY:

CITY OF EULESS

By: _____
Gary McKamie, City Manager

Date: _____, 2011

OWNER:

SLF IV – EULESS RIVERWALK JV, L.P.,
a Texas limited partnership

By: SLF IV Property GP, LLC,
a Texas limited liability company,
its General Partner

By: Stratford Land Fund IV, L.P.
a Delaware limited partnership,
its Sole and Managing Member

By: Stratford Fund IV GP, LLC,
a Texas limited liability company,
its General Partner

By: _____

Name: _____

Title: _____

Date: _____, 2011

EXHIBIT A DEPICTION OF OWNER'S PROPERTY

DRAFT

EXHIBIT B DESCRIPTION OF OWNER'S PROPERTY

DRAFT

EXHIBIT C FORM OF MEMORANDUM OF DEVELOPMENT AGREEMENT

MEMORANDUM OF DEVELOPMENT AGREEMENT

This MEMORANDUM OF DEVELOPMENT AGREEMENT dated as of March __, 2011 (this “*Memorandum*”) is executed between the **CITY OF EULESS** (“*City*”) and **SLF IV – EULESS RIVERWALK JV, L.P., A TEXAS LIMITED PARTNERSHIP** (“*Owner*”).

1. City and Owner are parties to that certain currently effective Riverwalk! At Euless Development Agreement dated effective as of March __, 2011 (the “*Development Agreement*”) regarding certain property governed by the Riverwalk! Planned Development District #10-02-PD (the “*Riverwalk! PD*”) approved by City Ordinance No. 1904 and as depicted on **Exhibit A** and described by metes and bounds on **Exhibit B** attached hereto (the “*Property*”).

2. This Memorandum serves as notice of the Development Agreement which concerns covenants and conditions regarding the construction of and assessments for certain riverwalk amenities within the Property and dedications of property to be made to City for such riverwalk amenities.

3. This Memorandum is subject to, and is qualified in its entirety by reference to, the Development Agreement. The Development Agreement controls in the event of any conflict between its terms and the terms of this Memorandum.

4. The Development Agreement benefits and binds the City, Owner and Assignees (as defined in the Development Agreement).

IN WITNESS WHEREOF, City and Owner executed this Memorandum on the respective dates indicated below but effective as of the date first above written.

City:

City of Euless

By: _____
Gary McKamie, City Manager

Date: _____, 2011

OWNER:

SLF IV – EULESS RIVERWALK JV, L.P.,
a Texas limited partnership

By: SLF IV Property GP, LLC,
a Texas limited liability company, its General Partner

By: Stratford Land Fund IV, L.P.
a Delaware limited partnership, its Sole and Managing Member

By: Stratford Fund IV GP, LLC,
a Texas limited liability company, its General Partner

By: _____

Name: _____

Title: _____

Date: _____, 2011

THE STATE OF TEXAS §
§
COUNTY OF TARRANT §

This Memorandum of Agreement was acknowledged before me on _____, 2011 by Gary McKamie, City Manager, on behalf of the City of Eules.

Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

This Memorandum of Agreement was acknowledged before me on _____, 2011 By _____, _____, on behalf of SLF IV – EULESS RIVERWALK JV, L.P., **A TEXAS LIMITED PARTNERSHIP**

Notary Public, State of Texas

EXHIBIT A TO MEMORANDUM OF DEVELOPMENT AGREEMENT

DEPICTION OF OWNER'S PROPERTY

DRAFT

EXHIBIT B TO MEMORANDUM OF DEVELOPMENT AGREEMENT

DESCRIPTION OF OWNER'S PROPERTY

DRAFT

EXHIBIT D

RIVERWALK COMMERCIAL ESCROW FUND PAYMENT EXHIBIT

(TO BE ATTACHED)

DRAFT