

STATE OF TEXAS §
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COUNTY OF DALLAS §

**AMENDED AND RESTATED
MASTER FACILITIES AGREEMENT**

THIS Amended and Restated Master Facilities Agreement (this “Agreement”) is entered into this 26th day of June, 2013 (the “Effective Date”), by and between the **TOWN OF ADDISON, TEXAS** (the “City”), a home rule municipality; and by each of the following: **DCO BROOKS APARTMENTS LP**, a Delaware limited partnership, **DCO GREENBROOK APARTMENTS LP**, a Delaware limited partnership, **DCO TALISKER LP**, a Delaware limited partnership, **DCO GARDEN OAKS LP**, a Delaware limited partnership, **DCO GLENWOOD APARTMENTS LP**, a Delaware limited partnership, **DCO CLIPPER POINTE LP**, a Delaware limited partnership, **DCO SPRINGHAVEN LP**, a Delaware limited partnership, **DCO ADDISON AT BROOKHAVEN LP**, a Delaware limited partnership, and **DCO GREENHAVEN LP**, a Delaware limited partnership (collectively the “Initial Owners”); **DCO SAVOYE LLC**, a Delaware limited liability company (“Savoie”), **DCO SAVOYE 2 LLC**, a Delaware limited liability company (“Savoie 2”), and **DCO FIORI LLC**, a Delaware limited liability company (“Fiori”) (the Initial Owners, Savoie, Savoie 2 and Fiori are collectively the “Original Owners”); **DCO BROOKHAVEN CENTER, LP**, a Delaware limited partnership and **DCO REALTY, INC.**, a Delaware corporation (collectively the “New Owners”) (the Original Owners and the New Owners are collectively the “Property Owners”); and **UDR, INC.**, a Maryland corporation (“UDR”) (the City, UDR, and the Property Owners are sometimes referred to herein together as the “parties” and individually as a “party”).

RECITALS:

WHEREAS, the City is a home rule municipality pursuant to Article 11, Section 5 of the Texas Constitution and its Home Rule Charter; and

WHEREAS, collectively the Property Owners are the sole owners of all of the Property (as hereinafter defined), with their respective ownership interests in the Property being described and depicted on **Exhibit “A”** attached hereto and incorporated herein, and each is an Affiliate (as hereinafter defined) of UDR, and UDR Controls the Property Owners and is the master developer of the Property (the Property, as originally configured and as augmented as described herein, is named and generally known, and sometimes referred to herein, as “Vitruvian Park”); and

WHEREAS, the City, UDR and the Initial Owners entered into that certain Master Facilities Agreement dated March 11, 2008 (“Original Agreement”) as subsequently modified and amended by (i) that certain Modification to Master Facilities Agreement dated August 28, 2009 (adding Savoie as a party to the Original Agreement), (ii) that certain First Amendment to Master Facilities Agreement entered into and made effective February 10, 2010, (iii) that certain Second Modification to Master Facilities Agreement dated August, 2010 (adding Savoie 2 as a party to the Original Agreement), and (iv) that certain Second Amendment to Master Facilities Agreement (“Second Amendment”) dated November 1, 2010 (collectively the “Initial Agreement”); and

WHEREAS, since the date of the Second Amendment, DCO Addison at Brookhaven LP conveyed a portion of the Property to Fiori (which portion is shown under the name “Fiori” in the attached Exhibit A), and Fiori is a Property Owner and accordingly has assumed the benefits and burdens of this Agreement as set forth herein; and

WHEREAS, the Initial Agreement described and provided a framework regarding the development of the “Property” as defined therein (the “Initial Property”) by the Original Owners and UDR, and regarding the City’s participation in the costs to design and construct certain permanent public facilities and improvements to serve the development of the Initial Property and the City at large; and

WHEREAS, the City’s participation in such costs was established in the Initial Agreement at a maximum amount of \$39,879,336.00, with such amount to be funded by the City’s issuance of its certificates of obligation and divided into two parts described and defined as Funding No. 1 and Funding No. 2 (and so called herein), with the maximum amount of Funding No. 1 being \$23,290,007.00 and the maximum amount of Funding No. 2 being \$16,589,329.00 (the said \$16,589,329.00 being sometimes referred to herein as the “Certificates of Obligation Funds”); and

WHEREAS, Funding No. 1 was divided into phases and subphases, and each of those phases and subphases has been completed and all proceeds of Funding No. 1 have been expended, leaving the proceeds of Funding No. 2 for use by the City to defray a portion of the costs to design and construct certain permanent public improvements to serve the development of the Property and the City at large as described in this Agreement; and

WHEREAS, at an election held in the City on May 12, 2012, voters approved the issuance of \$29,500,000.00 general obligation bonds for permanent public improvements, including engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the City, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting, and the acquisition of land therefor; and

WHEREAS, in addition to proceeds from Funding No. 2, the City desires to use \$10,000,000.00 of the said \$29,500,000.00 general obligation bonds (the said \$10,000,000.00 being sometimes referred to herein as the “General Obligation Bond Funds”) to defray a portion of the costs to design and construct certain permanent public improvements to serve the development of the Property and the City at large as described in this Agreement; and

WHEREAS, since the execution of the Original Agreement, UDR, as the master developer, has added certain tracts of land to the Vitruvian Park development, so that Vitruvian Park in its entirety, consisting of the Initial Property and the added tracts (the added tracts being owned by the New Owners and described and depicted in Exhibit “A” attached hereto as the DCO Brookhaven Center tract and the DCO Realty tracts (the “New Property”)), is described and depicted on Exhibit “A” attached hereto and incorporated herein (and is referred to herein as the “Property”); and

WHEREAS, collectively the Property includes the real property described in Exhibit “A” and depicted on Exhibit “D” attached hereto and incorporated herein, and is generally located south of the street known as Vitruvian Way and north of Vitruvian Way, save and except or subject to (as the case may be) all dedicated public right-of-ways, roadways, public parks, and public utility easements as depicted on any existing recorded Plat or as dedicated by deed; and

WHEREAS, since the date of execution of the Original Agreement, portions of the Property have been redeveloped (which portions are identified on the attached Exhibit “C-1” attached hereto and incorporated herein) and portions of it remain to be developed or redeveloped by UDR and certain of the Property Owners (such remaining portions being shown and described on the attached Exhibit “C-2” (the “Remaining Property”)), the Remaining Property being currently vacant land, retail store sites, commercial office space, or apartment complexes, and the Property Owners, to the extent of their respective ownership of the Property, and UDR desire to redevelop the Remaining Property, and the City desires to encourage the development and/or redevelopment of the Remaining Property; and

WHEREAS, the development and/or redevelopment of the Property consists of a well-planned, mixed use development with urban residential, commercial, and retail uses organized within a system of pedestrian-friendly streets and trails, integrating therein an existing creek, surrounding green space, and open space, along with water features, recreation amenities and scenic landscapes to provide enhanced aesthetics (the “Project”); and

WHEREAS, the Initial Property is zoned PD Planned Development pursuant to Ordinance No. 007-034 of the City (the “Zoning Ordinance”), providing for a mix of residential, retail, office, and other uses, which Ordinance, among other things, approved a concept plan for the development of the Initial Property (the “Concept Plan”), and the New Owners have expressed to the City an interest in seeking a rezoning of the New Property from its current zoning to PD Planned Development District in accordance with the Zoning Ordinance and so that the New Property would become a part of the land described in the Zoning Ordinance; and

WHEREAS, UDR and the Property Owners anticipate that the development and/or redevelopment of the Remaining Property will extend over a period of up to fifteen (15) years following the Effective Date, will include the construction of approximately 5,400 residential dwelling units, and will occur in phases (collectively the “Phases,” depicted on Exhibit “D” attached hereto and incorporated herein), and the parties understand that there may be sub-phases in certain Phases; and

WHEREAS, the development and/or redevelopment of the Remaining Property will contribute important direct and indirect economic and social benefits to the City including, but not limited to, creation of a larger, urban-oriented residential population, additional jobs and increased property and sales tax revenues, and in particular such development will serve as a catalyst for the development and redevelopment of areas of the City surrounding the Property; and

WHEREAS, it is essential to the City’s public health, safety and general welfare to assure that the development and/or redevelopment of the Property is supported by adequate levels of public facilities and services; and

WHEREAS, in connection with the development and redevelopment of the Property, the Developer advised the City that a contributing factor that would encourage the Developer to complete the redevelopment of the Property would be an agreement by the City to provide funding to defray a portion of the cost to construct certain permanent public facilities and improvements, which facilities and improvements are described and allocated according to various phases as shown and described in Exhibit “C-2” attached hereto and incorporated herein (the “Public Infrastructure Improvements”) and which consist primarily of the construction or reconstruction of roadways, water system improvements, wastewater system improvements, drainage improvements, streetscapes, public restrooms, street improvements for various types of streets, open space, and park improvements (and which phases are intended to be coordinated with the Phases of the private development of the Property); and

WHEREAS, in connection with the Initial Agreement the City adopted an Incentive Policy & Guidelines for Qualifying Projects (the “Incentive Policy”), which provides, among other things, (i) for the City to consider providing incentives to attract new, or to improve existing, residential assets, and (ii) for the identification of redevelopment zones and bond issue revenue for infrastructure, utilities, and streetscape as a primary incentive program; and

WHEREAS, the City Council previously approved the Initial Agreement and authorized the City Manager to execute the same, and has adopted Resolution No. R13-013 approving this Agreement and authorizing its execution by the City Manager; and

WHEREAS, by this Agreement the parties desire to provide for, among other things, the allocation and expenditure of the authorized funds that are and/or may be available to the City (such funds being \$16,589,329.00 (the Certificates of Obligation Funds) and \$10,000,000.00 (the General Obligation Bond Funds) as described above) for the Public Infrastructure Improvements; and

WHEREAS, a portion of the Property has been significantly redeveloped in accordance with the Initial Agreement; the Property Owners, to the extent of their interest in the Property, and UDR desire and intend to develop and/or redevelop the Remaining Property in accordance with this Agreement; significant public infrastructure improvements have been installed pursuant to the Initial Agreement; market conditions have changed since the date of execution of the Initial Agreement; and the parties agree that the Initial Agreement is now out-of-date and requires revision and, accordingly, the parties hereto desire by this Agreement to amend and restate the Initial Agreement in its entirety.

NOW, THEREFORE, for and in consideration of the above and foregoing premises, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby contract and agree as follows:

Section 1. Definitions. As used in this Agreement, the following additional terms shall have the meanings indicated below:

“Affiliate” means, a Person who Controls, is Controlled by, or is under common Control with, another Person (e.g., the Property Owners are Controlled by UDR and therefore are each an Affiliate of UDR). A Person “Controls” another Person if the Person has possession, directly or

indirectly, of the power to direct or cause the direction of the management and policies of the other Person, through the ownership of equity securities, by contract, or in another manner; and a Person is “Controlled by” another Person if the other Person has possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Person, through the ownership of equity securities, by contract, or in another manner.

“Concept Plan” means the Concept Plan for the Initial Property and any property added thereto, together with all conditions attached thereto, as initially approved by the City on October 9, 2007, and incorporated into City Ordinance No. 007-034 and all amendments thereto approved by the City Council. A true and correct copy of Ordinance No. 007-034 is attached hereto as **Exhibit “B”** and incorporated herein for all purposes (and any amendments to Ordinance No. 007-034 approved by the City Council shall be attached to and made a part of **Exhibit “B”** and be incorporated herein).

“Developer” means UDR, Inc., a Maryland corporation.

“Development Plan” means a final development plan approved by the City for a Phase of the Project.

“Funding No. 1” means a portion of the City’s original financial commitment as described in the Initial Agreement in the amount of Twenty Three Million Two Hundred Ninety Thousand Seven and No/100 Dollars (\$23,290,007.00) which has already been expended to pay for those certain Public Infrastructure Improvements as described in the Initial Agreement.

“Funding No. 2” means a portion of the City’s original financial commitment as described in the Initial Agreement (such portion being in the amount of \$16,589,329.00 (the Certificates of Obligation Funds as described in the Recitals above)) and the General Obligation Bond Funds as identified in the Recitals above (in the amount of \$10,000,000.00), or a total of Twenty-Six Million Five Hundred Eighty Nine Thousand Three Hundred Twenty Nine and No/100 Dollars (\$26,589,329.00) as reflected on **Exhibit “C-2”** attached hereto and incorporated herein.

“Initial Agreement” has the meaning set forth in the Recitals, above.

“Initial Property” has the meaning set forth in the Recitals, above.

“New Property” has the meaning set forth in the Recitals, above.

“Phase” or “Phases” means or refers to a particular portion of the private development of the Property as identified in the Concept Plan, as amended. It is anticipated that there may be as many as eight (8) Phases (including two (2) Phases as described in the Initial Agreement and shown together on the attached **Exhibit “D”** as Phase 101 through 103), and 6 Phases as shown on the attached **Exhibit “D”** as Phases 201 through 203, 301 through 303, 401 through 403, 501 through 504, 601 through 604, and 701). The location of the Phases are depicted on **Exhibit “D”**.

This Agreement refers to “Phases” of the private development and to “phases” of Public Infrastructure Improvements. The Phases of the private development are shown generally in the

attached Exhibit “D”, and the phases of the Public Infrastructure Improvements are shown generally in Exhibit “C-2”. The following chart is provided to clarify the relationship between the Phases of the private development and the phases of the Public Infrastructure Improvements:

<u>Private Development</u> (shown in <u>Exhibit “D”</u>)		<u>Public Infrastructure Improvements</u> (shown in <u>Exhibit “C-2”</u>)
Phase 1 (shown as 101 through 103)	corresponds to	phase 1 and phase 2
Phase 2 (shown as 201 through 203)	corresponds to	phase 5
Phase 3 (shown as 301 through 303)	corresponds to	phase 6
Phase 4 (shown as 401 through 403)	corresponds to	phase 7
Phase 5 (shown as 501 through 504)	corresponds to	phase 8
Phase 6 and Phase 7 (shown as 601 through 604 and 701)	corresponds to	phase 9

Phase 3 of the Public Infrastructure Improvements shown in Exhibit “C-2” reflects public improvements already completed and there is not a corresponding private development Phase. Phase 4 of the Public Infrastructure Improvements shown in Exhibit “C-2” is located outside of the Property and does not have a corresponding private development Phase.

“Person” means an individual or entity (including, without limitation, a corporation, partnership, limited partnership, joint venture, limited liability company, sole proprietorship, or other business entity recognized in law).

“Project” has the meaning set forth in the Recitals, above.

“Property” has the meaning set forth in the Recitals, above, subject, however, to the provisions of Section 2.C. below.

“Public Infrastructure Improvements” or “Improvements” means the public streets, easements and other public rights-of-way, water, sewer and drainage facilities, park facilities and all other proposed public facilities and improvements shown and described (together with their projected design, testing, inspection, administrative, and construction costs) in the Concept Plan and in Exhibit “C-2” attached hereto and incorporated herein. All Public Infrastructure Improvements concerning Phase 1 and Phase 2 (as depicted on Exhibit “C-2”) have been completed and are operational.

“Vitruvian Park” has the meaning set forth in the Recitals, above.

“Zoning Ordinance” has the meaning set forth in the Recitals, above.

Section 2. Purpose and Intent; City Funding.

A. This Agreement is intended to encourage development and redevelopment of properties, including aging properties, for the benefit of the City, the implementation of comprehensive plan policies relating to the remaining development and redevelopment of the Property, and to provide appropriate levels of public facilities and improvements to support such development and redevelopment and to enhance the quality of life for all citizens of the City.

B. It is the City’s intention to finance the costs of the Public Infrastructure Improvements as set forth in this Agreement with the proceeds from the sale of its Certificates of Obligation in the amount of \$16,589,329.00 (the Certificates of Obligation Funds) and with the proceeds from the sale of its general obligation bonds in the amount of \$10,000,000.00 (the General Obligation Bond Funds). No other funds of the City, other than the proceeds of the Certificates of Obligation and the General Obligation Bond Funds, are obligated or encumbered to provide the Public Infrastructure Improvements.

The City has heretofore received a portion of the Certificates of Obligation Funds in the amount of \$10,000,000.00, leaving a balance of \$6,589,329.00 to be obtained from the future sale of its Certificates of Obligation (the “CO Balance”). The City’s use and expenditure of its funds in the amount of the CO Balance under this Agreement is contingent upon the City’s successful issuance and sale, in accordance with customary municipal practices and procedures, of its Certificates of Obligation in the amount of the CO Balance.

It is the intent and objective of this Agreement that the proceeds of Funding No. 2 be allocated to the design and construction of all of the Public Infrastructure Improvements so that a sufficient amount of such proceeds is available (e.g., spread across all Phases and sub-phases) to facilitate the completion of all Public Infrastructure Improvements.

C. As set forth in the Recitals above, UDR, as the master developer of the Property, has, since the date of the Initial Agreement, added the New Property (owned by the New Owners) to the Vitruvian Park development. UDR and the New Owners have expressed an interest in seeking a rezoning of the New Property from its current zoning to PD Planned Development District in accordance with the Zoning Ordinance (as defined in the Recitals) and so that the New Property would become a part of the land described in the Zoning Ordinance (and, accordingly, included in the Concept Plan).

If such rezoning request is sought and the City approves the same, so that the New Property is zoned PD Planned Development District in accordance with the Zoning Ordinance (as amended) and is included in the Concept Plan (and is subject to the terms, provisions and conditions of the Zoning Ordinance and the Concept Plan), then the Zoning Ordinance and the Concept Plan, as those terms are used in this Agreement, shall be the Zoning Ordinance and the Concept Plan as amended by action of the City approving the rezoning (and the amendments thereto shall be incorporated herein and made a part of this Agreement). The City Staff intends to recommend approval of the rezoning described herein. However, if the City Council does not

approve such rezoning on or before December 31, 2013, then (i) the Zoning Ordinance and the Concept Plan shall not include the New Property, (ii) the term "Property" as used herein shall only include the Initial Property as described in the Recitals, above (being only the property that was included in the Initial Agreement), (iii) this Agreement shall be treated as if the New Property (and any Improvements related thereto) is not a part of this Agreement (and this Agreement, including the exhibits attached hereto and/or referenced herein, shall be revised and amended by the parties to reflect such treatment and the removal of the New Property), and (iv) the City's funding shall be reduced to only the amount of the Certificates of Obligation Funds (\$16,589,329.00).

Section 3. Property. The Property subject to this Agreement is that real property described and depicted in **Exhibit "A"**, and includes all of the land lying within PD Planned Development District as established by Ordinance No. 007-034 of the City and as depicted on the Concept Plan attached thereto; and if the New Property is rezoned as described in Section 2.C. above, the said PD Planned Development District will include the entire Property.

Section 4. Rights and Obligations of Parties.

A. Benefits and Burdens. The burdens of this Agreement shall bind, and the benefits of this Agreement shall inure, to the parties to this Agreement and to each of them and to their assigns and their successors in interest.

B. Assignment.

1. Subject to the limitations stated herein, the Property Owners, to the extent of their respective ownership interests in the Property, shall have the right to sell, transfer, assign, or otherwise convey in any manner whatsoever, including by succession, merger, consolidation, a conveyance, or otherwise (collectively, "Assign" or "Assignment," and the person or entity to whom such Assignment is made being an "Assignee") their legal and equitable interest in the Property, in whole, or in part, or any portion thereof, to any person, partnership, joint venture, firm or corporation at any time during the term of this Agreement; provided, however, that neither an Assignment to: (i) an Affiliate of UDR; nor (ii) any real estate investor or developer with a principal, or other Person that Controls such investor or developer, that has a net worth of at least Fifty Million and No/100 Dollars (\$50,000,000.00) (a "Capitalized Assignee") shall require the written approval of the City; provided, however, that any Assignment other than as set forth in (i) and (ii) above requires the City's prior written approval. In the event such Assignee is an Affiliate of UDR the respective Property Owner making any such Assignment and UDR shall provide the City with written notice and information to the City of and regarding the Assignment (including the name of the Assignee, the type of entity, the state of formation, and contact information, and a statement to the effect that the Assignee is an Affiliate of UDR) promptly following the Assignment and, upon the City's request, provide the City with written evidence establishing the relationship between UDR and such Affiliate and the then current ownership of and interests in the Property or portion thereof; in the event such Assignee is a Capitalized Assignee, UDR shall provide written notice and information to the City of and regarding the Assignment (including the name of the Assignee, the type of entity, the state of formation, contact information, and evidence establishing that the Assignee is a real estate investor or developer with a net worth of at least \$50,000,000.00) promptly following the

Assignment and, upon the City's request provide the City with written evidence establishing the Capitalized Assignee's interest in the Property or portion thereof, that the Assignee is a real estate investor or developer, and the Assignee's net worth.

Any Assignment shall include a specific acknowledgment that the respective Assignee is assuming the applicable obligations of the Property Owner making the Assignment, including the obligation to pay any pro rata Excess Costs as described in Section 7.B. herein and the possible pro rata reimbursement obligation regarding Funding No. 2 to the extent same has already been expended by the City, as further described in Section 7.F. herein.

Notwithstanding the foregoing or any other provision of this Agreement, no Assignment to an Affiliate of UDR, a Capitalized Assignee, or otherwise, shall relieve UDR or the Property Owners of or from their duties or obligations pursuant to this Agreement except as authorized in writing by the City, and each of the Property Owners shall comply with and be bound by the terms, conditions and provisions of this Agreement applicable to the Property Owner as long as it has an ownership interest in the Property and until such time as the City may release the Property Owner from such terms, conditions and provisions. UDR may not Assign this Agreement or any of its rights, duties or obligations hereunder without the City's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed.

2. During the term of this Agreement, any Assignee of a portion or all of the Property shall observe and perform all of the duties and obligations of the Property Owners as contained in this Agreement, or as it may be amended or revised, as such duties and obligations pertain to that specific portion of the Property which is Assigned. Any Assignment of portions or all of the Property by the respective Property Owner shall be in writing and shall clearly provide that the Assignee shall observe and perform all of the duties and obligations of the Property Owners as contained herein and be bound by the terms and provisions of this Agreement; at the City's request, a true and correct copy of such writing shall be promptly provided to the City by the Property Owner and UDR.

3. Notwithstanding any term herein to the contrary, the Property Owners of all or any portion of the real property located in Phase 1 and Phase 2 of the Public Infrastructure Improvements as reflected on Exhibit "C-2" hereto, and their respective successors and Assignees, shall have no obligation or duty whatsoever to reimburse the City in connection with Funding No. 2, as further described in Section 7.E. herein.

Any and all successors and Assignees of UDR or the Property Owners shall have all of the same rights, benefits, duties, obligations and liabilities of UDR and the Property Owners, as applicable, under this Agreement.

Section 5. Public Infrastructure Improvements Schedule.

A. Schedule. Exhibit "C-2", attached hereto and made a part of this Agreement, sets forth a summary of the nature of the Public Infrastructure Improvements for each future Phase and their total anticipated costs. The schedule describes an allocation of estimated costs for particular Public Infrastructure Improvements regarding phase 3 through phase 9 of the Public Infrastructure Improvements, for purposes of Section 7 of this Agreement.

B. Dedication of Rights-of-Way; Development in Accordance with Laws.

Dedication of all rights-of-way, easements, and any other land or interest therein required for Public Infrastructure Improvements shall be dedicated by the applicable Property Owner as generally shown on Exhibit "D" hereto (which may be amended from time to time by the mutual agreement of the parties), to the City by plat or separate instrument prior to construction of such Public Infrastructure Improvement. UDR and the Property Owners agree that such dedication, in each instance generally in accordance with Exhibit "D," does not exceed the amount required for infrastructure improvements that are roughly proportionate to the proposed development, and waives any claim or right to dispute or appeal the same only with regard to the dedications required. In the development of the Property, each respective Property Owner shall comply with all federal, state, and local laws, ordinances, rules, regulations, codes and standards applicable thereto, including, without limitation, the Zoning Ordinance and the subdivision ordinances, rules, and regulations of the City, as of the Effective Date and as the same may be amended, modified or superseded provided such amended, modified or superseded ordinances, rules and regulations do not prohibit or materially impair the construction of the Project as approved under the Zoning Ordinance, as may be amended.

C. Phase 4 Public Infrastructure Improvements. The phase 4 Public Infrastructure Improvements are described on Exhibit "C-2" as "Alpha Road Connection Through Brookhaven College." The location of the proposed Improvements is entirely outside of the City and wholly within the City of Farmers Branch, Texas. Accordingly, the City's expenditure of any Funding No. 2 funds (or any other City funds) to design and construct the phase 4 Improvements is contingent upon the City obtaining authorization from the City of Farmers Branch and any affected property owner(s) to design and construct the phase 4 Improvements (and which may include provisions related to maintenance of the phase 4 Improvements), such authorization to be acceptable to the City (that is, the Town of Addison, Texas) in its sole discretion.

Exhibit "C-2" shows a projected amount for the phase 4 Improvements of \$1,775,577.00. In the event the City's costs and expenses for the design and construction (and including the City's costs for soils testing, inspection, and administration) of the phase 4 Improvements, and the costs and expenses (if any) of land (or an interest in land) needed for the phase 4 Improvements, exceed such projected amount, the City may, after giving written notice to UDR, use additional funds from Funding No. 2 that are allocated to other phases of the Public Infrastructure Improvements to pay for such costs and expenses, so that all of the costs and expenses incurred by the City for the phase 4 Improvements are paid from Funding No. 2. The use of such additional funds by the City will require a reallocation of funds from Funding No. 2 for the other phases of the Public Infrastructure Improvements shown on Exhibit "C-2," and the parties will reasonably reallocate such funds to be reflected in a mutually agreeable amendment hereto.

Section 6. Procurement, Design, Construction, and Construction Management.

Procurement of services, project design and construction management for the Public Infrastructure Improvements for each phase of the Public Infrastructure Improvements and of the development of the Property shall be in accordance with the following provisions:

A. Design.

1. In connection with Funding No. 2, the Developer shall recommend to the City a design professional (e.g., a professional engineering firm and professional engineer registered and licensed to practice engineering in the State of Texas) licensed to practice its professional service in the State of Texas (such design professional being referred to herein as the “Engineer”) to engineer and/or otherwise design, as the case may, the Public Infrastructure Improvements and to, without limitation, participate in the City’s process to select a contractor to construct the Public Infrastructure Improvements. Developer will make such recommendation on the basis of the Engineer’s reputation and the experience and qualifications to perform the services as represented by the Engineer. It is the parties’ understanding that, as applicable, the professional fees for the Engineer shall be fair and reasonable, the same being the standard for the selection of a professional engineer as set forth in the Texas Professional Services Procurement Act, Chapter 2254, Tex. Gov. Code (the “Professional Services Procurement Act”). The costs of all such engineering or other design services shall be paid for from available funds which are part of Funding No. 2.

2. The City Council shall evaluate the recommendation of the Developer and the information submitted by the proposed Engineer and vote to approve or disapprove of the proposed Engineer at a negotiated price in accordance with the Professional Services Procurement Act, as the same may be applicable. If the City Council disapproves the same, Developer shall continue to follow the procedure set forth above until the City Council approves of the Engineer at a negotiated price, as applicable.

3. After the City Council’s approval of the Engineer, the City shall enter into a contract with the Engineer at the negotiated price, as applicable (the “Engineering Contract”) for that portion of the Public Infrastructure Improvements then under consideration, which shall provide, among other things, that the Engineer will engineer and/or otherwise design, as the case may be, the Public Infrastructure Improvements (or portion thereof), will participate in the City’s process to select a contractor to construct the same, and will be engaged in the on-site review of the construction work.

B. Construction.

1. Engineering (or other design plans, as the case may be) consisting of design plans and specifications for the Improvements shall be submitted to the City for review and consideration of approval, which review and consideration shall be processed in accordance with the City’s standard procedures for processing such plans and specifications, but which process shall not be unreasonably delayed. The City shall, following the City’s final approval of such plans and specifications, solicit bids (or pursue other authorized procurement methods) to construct the proposed Improvements in accordance with law. Following the opening of the bids (or other submissions in accordance with other authorized procurement methods) received, the City Manager or the City Manager’s designee shall notify the Developer of the same and the City’s proposal to the City Council regarding the award. The City Council shall thereafter select a contractor to construct the Public Infrastructure Improvements (or applicable portion thereof) and seek to enter into a contract with the contractor. Prior to execution of any such construction

contract, the Developer shall have a reasonable opportunity to review the contract and recommend modifications as it deems appropriate regarding the contract to the City.

2. In conjunction and simultaneous with the construction of Public Infrastructure Improvements, the Property Owners will be constructing certain private improvements upon each respective Property Owner's real property included within the applicable Phase. Upon the award and execution of the construction contract between the City and the contractor and in order to coordinate the construction of the public and private facilities, the City will, except for the phase 4 Public Infrastructure Improvements, retain the services of UDR as the construction manager for the Public Infrastructure Improvements work to be performed by the contractor under the contract, including, observation, supervision and coordination of all construction work, in accordance with such terms, conditions and provisions as the City and UDR may agree upon (and which, in connection with UDR's role as construction manager, shall include insurance provisions to be provided by UDR for the protection of UDR and the City, the costs of which are eligible to and may be paid from the proceeds of Funding No. 2, and provisions related to indemnity from UDR to the City) in connection therewith and with the following:

(a) UDR, as construction manager for the construction of Public Infrastructure Improvements, shall use best efforts to ensure that all Public Infrastructure Improvements are completed in a timely manner in accordance with the construction contract documents, plans and specifications. The City Manager may approve reasonable extensions to deadlines for performance of any work by UDR, or its contractors, provided UDR or its contractors are using due diligence and reasonable efforts to complete said work. UDR will facilitate weekly meetings with designated City staff members regarding the planning and construction of the Improvements, which meetings shall occur more often as may be requested by the City. UDR shall coordinate the construction as a construction manager, including confirming that the Engineer has inspected the work of the contractor to guard the City against, and shall notify the City of, any defects and deficiencies in the Improvements without assuming responsibility for the means and methods used by the contractor. UDR shall also coordinate testing by the geotechnical engineering firm selected by the City in accordance with Section 6.C. herein.

(b) (i) In connection with its construction management obligations, UDR shall consult with the City regarding the designation of, and thereafter designate, a person to serve as the construction manager representative (the "Construction Representative") for the applicable portion of the Public Infrastructure Improvements. UDR shall be fully responsible for the Construction Representative and all of the Construction Representative's work and activities. Following such designation, UDR shall promptly provide to the City the name of the person so designated and the person's contact information, and shall update such contact information in the event of any change.

(ii) The person designated by UDR as the Construction Representative shall have significant experience in managing construction projects of the type that is the subject of the then applicable construction contract (e.g., if the construction contract is for the construction of the Creek Area Park, the Construction Manager shall have significant experience in managing park construction projects). The Construction Representative shall meet and communicate with the City, including the City's Director of Infrastructure

Operations and Services and the Director of Parks, on a regular basis. Among other things, the Construction Representative shall inform the City Manager of all emergencies and the occurrence of any unforeseen circumstances relating to the construction contract.

(iii) Should the performance of the designated Construction Representative be reasonably determined to be unsatisfactory to the City Manager as evidenced by written notice from the City Manager, UDR shall, if the Construction Representative has not cured the unsatisfactory performance as set forth in the notice within a reasonable period of time following written receipt of such request (but in any event not to exceed 30 days, but such time period may be extended if necessary in order to comply with any applicable federal, state, or local law or regulation), remove the current Construction Representative and appoint a replacement in accordance with the provisions of this subsection within a reasonable time period thereafter (but not to exceed 15 days).

(c) The City acknowledges and agrees that UDR's services as construction manager and supervisor and coordinator of the Public Infrastructure Improvements is a valuable service and that it is customary for a construction manager to receive a fee for such services. The City agrees that, in connection with each construction contract, on a monthly or other basis to be agreed upon by the City and UDR, UDR shall be entitled to be paid by the City an amount equivalent to eight (8%) percent of the total construction costs for the Improvements which are the subject of the construction contract for UDR's services as the construction manager (all such amounts to be paid solely from Funding No. 2); provided, however, that UDR shall be entitled to such payment if and only if the costs to design and construct (including the cost of any change orders as described in Section 6.B.3. of this Agreement) the applicable Improvement(s) do not exceed the amount to be paid for such Improvement(s) from Funding No. 2 as allocated and set forth in **Exhibit "C-2"** attached hereto. If following the completion of a construction project for which UDR received a management fee, it is determined that UDR was not entitled to the management fee, UDR shall reimburse to the City the management fee to the extent funding was not available to pay the same as described in the previous sentence.

For example: Assume the amount allocated to the phase 5 Public Infrastructure Improvements is \$4,000,000.00, and that:

- design costs for the phase 5 Improvements amount to \$300,000.00, leaving an available balance of \$3,700,000.00 in the amount allocated for the Phase 5 Improvements;
- at the time a construction contract is entered into, the City has incurred costs for soils testing services (as described in Section 6.C. below) in the amount of \$100,000.00, leaving an available balance of \$3,600,000.00 in the amount allocated for the phase 5 Improvements;
- accounting for a projected construction management fee (8% of \$3,600,000.00, or \$288,000) leaves a balance of \$3,312,000.00 ("Available Balance") in the amount allocated for the phase 5 Improvements;

- the City enters into a contract to construct the phase 5 Improvements in the amount of \$3,500,000.00; and
- the City incurs inspection services costs and administrative costs (as described in Sections 6.D. below) in the amount of \$100,000.00.

Since the actual construction contract to construct the phase 5 Improvements is in an amount (\$3,500,000.00) that exceeds the Available Balance (\$3,312,000.00) at the time the construction contract is entered into, UDR (and the Property Owners according to their pro rata ownership of the Property in phases 5 through 9 of the Public Infrastructure Improvements) shall pay the City the difference between the Available Balance (\$3,312,000.00) and the contracted cost of \$3,500,000.00, or \$188,000.00, prior to the City executing the phase 5 Improvements construction contract. UDR will be entitled to payment of a construction management fee based on the amount allocated to actually construct the phase 5 Improvements (that is, 8% of \$3,312,000.00, or \$264,960.00), but is not entitled to payment of a construction management fee on the \$188,000.00 paid by UDR and the Property Owners (or on any incentive bonus paid pursuant to a construction contract).

If funds from the \$4,000,000.00 allocated to the phase 5 Improvements are not available to pay any portion of the inspection services costs and administrative costs (\$100,000.00) incurred by the City, UDR (and the Property Owners according to their pro rata ownership of the Property) will be responsible to pay those costs.

(d) UDR shall review all invoices or payment draw requests received from the contractor and forward the same to the City for payment with such supporting documentation as the City may require. All payments for work performed under the construction contract shall be paid by the City and made payable to the respective contractor or material supplier and shall be delivered to UDR for forwarding to the construction contractor or material supplier. The City shall not make a payment under any such invoice or pay estimate unless UDR has provided to the City a certification regarding the invoice or pay estimate and UDR has reviewed and approved the same. UDR's certification shall be by affidavit sworn to by the appropriate official of UDR authorized to submit the same, and shall certify that the estimate of work completed for the relevant period is true and correct to the best of UDR's information and belief, has been measured and verified in accordance with the construction contract documents, and that all construction contract preconditions to payment have been met. If not previously provided to the City, copies of all material testing results (if applicable) shall be furnished with the certification.

3. All change orders to a contract for the construction of Improvements shall be processed and approved by the City in accordance with the City's procedure for the review and approval thereof. It is anticipated that, in connection with the construction of Public Infrastructure Improvements, change orders may occur; to the extent a change order is necessary for the successful completion of a construction project as identified and described in the construction contract, and plans and specifications therefor, the cost for such change order shall be paid from funds (e.g., Funding No. 2) then available (if any) for the relevant Public Infrastructure Improvements in accordance with this Agreement. In the event and to the extent

such funds are not available, the Developer shall pay the change order in accordance with Section 7.B. of this Agreement.

4. The construction contract shall require, among other things, that the contractor provide performance and payment bonds in a form reasonably acceptable to the City. Bonds shall be issued by a surety company satisfactory to the City, licensed by the State of Texas to act as a Surety, and listed on the current U. S. Treasury Listing of Approved Sureties. All bonds shall be made on a form complying with the requirements of the laws of the State of Texas. The performance and payment bonds shall name the City and the Developer as joint obligees and beneficiaries. A surety bond shall also be executed and provided to the City to include a two-year maintenance requirement for the Public Infrastructure Improvements.

5. Except for the phase 4 Improvements and the extension of Bella Lane and Alpha Road (as shown on **Exhibit "C-2"**), all Public Infrastructure Improvements shall become the sole property of the City upon completion of the work and acceptance of the work by the City. With the exception of all work regarding phase 4 of the Public Infrastructure Improvements and the extension of Bella Lane and Alpha Road (as shown on **Exhibit "C-2"**), upon final completion of the Improvements and acceptance thereof by the City in accordance with the construction contract for the Improvements, the City shall take the Public Infrastructure Improvements free from any liens or encumbrances thereon except for any private utility easements.

6. In accordance with the City's Subdivision Ordinance, Ordinance No. 261, as amended, Developer and the Property Owners shall construct, place or locate all new or relocated electric utility lines and wires, terminals and other facilities and equipment underground. Within the public streets and rights-of-way, to the extent that the Property Owners of real property located in Phases 5 through 9 of the Public Infrastructure Improvements may be liable or responsible for the difference between the cost of constructing such electrical utility facilities overhead and placing the same underground, such cost shall be eligible for reimbursement in accordance with Section 7 of this Agreement.

C. Testing. The City shall enter into a contract with a geotechnical engineering firm to provide soils testing services relating to the construction of Public Infrastructure Improvements. Costs of such services shall be paid for through available funds from **Funding No. 2 as allocated and set forth in Exhibit "C-2" attached hereto.**

D. Inspection; Administration; Final Payment. The City shall have the right to use the City's own professional engineering employees for inspection of any and all construction of Improvements, and if the City does so, there shall be no inspection fees or charges to the respective Property Owner. Alternatively, the City may enter into a contract with an engineering firm (or other inspection firm as determined to be appropriate by the City) to provide inspection services relating to the construction of any Public Infrastructure Improvement(s). Costs of such services, together with administrative costs incurred by the City in connection with the construction of Improvements (e.g., project management fees, attorneys fees, permit and filing fees (Dallas County, Texas Commission on Environmental Quality, Texas Commission of Licensing and Regulation, etc), bid advertisement costs, reprographics costs, and courier costs), shall be paid for through available funds from Funding No. 2 as allocated and set

forth in **Exhibit “C-2”** attached hereto. The City will seek to limit the expenditures for such “inspection services,” such administrative costs, and the “soils testing services” described in Section 6.C. above, to an amount not to exceed 8% of the actual construction cost (as may be adjusted by change order as described in Section 6.B.3.). If such expenditures will exceed 8%, the City will notify UDR and allow UDR a reasonable opportunity to review the proposed expenditures and to comment on the same. The City has and reserves the right, but does not have the obligation, to inspect, test, measure, verify and approve the construction work on the Improvements as the City deems necessary. Final payment to the construction contractor shall not be made until the respective Improvement(s) described in the construction contract have been finally completed in accordance with such construction contract, plans and specifications and have been accepted by the City.

E. Park Improvements.

1. Previously constructed Public Infrastructure Improvements include a creek park and creek park open space (the “Creek Area Park” as described in the Initial Agreement), which is located within phase 1 as depicted on **Exhibit “C-2”** hereto, and was constructed in accordance with the conceptual plan prepared by Kevin W. Sloan, Kevin Sloan Studio, Dallas, Texas and a true and correct copy of which is on file in the office of the City’s Director of Development Services. The parties acknowledge and agree that the Creek Area Park is a high-quality facility, that it was conveyed to the City prior to its construction, and the City is responsible for all costs and expenses associated with its maintenance and upkeep.

2. In connection with all other parks and open space areas of the Property, which other parks and open space areas are identified on the attached **Exhibit “D”** (collectively, the “Other Parks”), the City and Developer shall establish a committee to recommend to the City a design professional to plan and design the same. The committee shall consist of three (3) City representatives and three (3) Developer representatives. Each member of the committee shall be entitled to vote on the recommendation to the City Council. Final selection of and execution of a contract with a design professional to design and prepare the plans and specifications for the Other Parks, and the selection of and execution of a contract with a contractor to construct the same, shall be by the City in accordance with the process set forth in Section 6.

F. Landscape Maintenance. The City shall maintain, at its sole cost and expense, all landscaping and streetscaping in the public right-of-way and dedicated easements (except to the extent such maintenance is required to be performed by the owner of the fee simple title) and all dedicated park and creek areas, according to the specifications and standards set forth in each approved Development Plan, and as provided in the Landscape Maintenance Schedule attached to this Agreement as **Exhibit “E”**. The City agrees that it will not, for a period of fifteen (15) years, make any material change to or material re-design of the Creek Area Park without the prior written consent of the Property Owners or their respective successors and assigns. The terms of this subsection 6.F., shall survive the termination of this Agreement.

Section 7. Allocation of Funding No. 2; Payment and Participation by the Developer in Excess Costs; Reimbursement Obligation; Reallocation of Funds from Funding No. 2; Tax Valuation.

A. Allocation by designed Fundings and Payment. Funds from Funding No. 2 to be expended by the City for the design and construction of the Public Infrastructure Improvements (including UDR's 8% construction management fee) shall be allocated by phases of the Public Infrastructure Improvements as described and identified in Exhibit "C-2". Notwithstanding any term or condition of this Agreement to the contrary, the City, acting by and through the City Manager, and UDR may by written agreement adjust such allocation between phases of the Public Infrastructure Improvements in an amount not to exceed \$200,000.00 (e.g., phase 5 funding, shown at \$4,780,852.00 in Exhibit "C-2," may be reduced by no more than \$200,000.00, and the reduced amount transferred to phase 6), but all such adjustments in the aggregate shall not exceed \$750,000.00; any adjustment between phases of the Public Infrastructure Improvements in excess of \$200,000.00 or in excess of the aggregate amount of \$750,000.00 shall require the prior approval of the City Council of the Town of Addison. The expenditure of funds by the City from Funding No. 2 shall be made by the City in accordance with the procedures set forth in Section 6 of this Agreement.

B. Participation in Excess Costs by UDR and the Property Owners. In the event that the costs incurred by the City for the design (e.g., engineering) and construction (including construction management costs, testing costs, inspection costs, and administrative costs as described in Section 6.C. and Section 6.D., respectively, and including costs set forth in any change orders) of the Improvement(s) included within a phase as set forth in Exhibit "C-2" (save and except for the phase 3 and phase 4 Public Infrastructure Improvements) shall exceed the projected total costs for such phase of the Public Infrastructure Improvement(s) as set forth in Exhibit "C-2", the Developer, and the Property Owners of real property located in phases 5 through 9 of the Public Infrastructure Improvements according to each applicable Property Owner's respective pro rata interest in the real property located in the said phases 5 through 9 (as further described below in this Section 7.B.), shall pay the City the difference between the costs incurred by the City and the projected total costs ("Excess Costs"). It is the intent of this provision and this Agreement that the City expend and pay no more than the amounts shown in Exhibit "C-2" for each phase (subject to adjustment as provided in this Agreement) of the Public Infrastructure Improvements (with the City's total funding or payment amount or obligation being \$26,589,329.00 as shown in Exhibit "C-2"), and that the Developer (and the Property Owners of real property in the said phases 5 through 9 according to their respective pro rata interest therein) pay all amounts in excess thereof. Payment of Excess Costs shall be made by the Developer (and the Property Owners as described) prior to the execution by the City of a contract (e.g., construction contract, design contract, inspection contract, etc.) related to such Improvements; however, if payment of Excess Costs is not so made, they shall be paid by the Developer (and the Property Owners as described) within 30 days after the City has submitted to Developer and invoice for the same.

For example: Assume the amount allocated to the phase 5 Public Infrastructure Improvements is \$4,000,000.00, and that:

- design costs for the phase 5 Infrastructure amount to \$300,000.00, leaving an available balance of \$3,700,000.00 in the amount allocated for the phase 5 Improvements;

- at the time a construction contract is entered into, the City has incurred costs for soils testing services (as described in Section 6.C. below) in the amount of \$100,000.00, leaving an available balance of \$3,600,000.00 in the amount allocated for the phase 5 Improvements;
- accounting for a projected construction management fee (8% of \$3,600,000.00, or \$288,000) leaves a balance of \$3,312,000.00 (“Available Balance”) in the amount allocated for the phase 5 Improvements;
- the City enters into a contract to construct the phase 5 Improvements in the amount of \$3,500,000.00; and
- the City incurs inspection services costs and administrative costs (as described in Sections 6.D. below) in the amount of \$100,000.00.

Payments for the phase 5 Public Infrastructure Improvements will be as follows:

- City pays design costs of \$300,000.00 from the phase 5 funds;
- City pays soils testing services costs of \$100,000.00 from the phase 5 funds;
- City will pay construction contract amount of \$3,500,000.00 (but prior to entering into the construction contract, the Developer (and the Property Owners according to their pro rata share as described) will pay to the City \$188,000.00 (the difference between the construction contract amount and the Available Balance));
- City enters into a construction management contract with UDR with an anticipated construction management fee of \$264,960.00 (8% of the Available Balance) to be paid by the City;
- City incurs inspection services costs and administrative costs (as described in Sections 6.D. below) in the amount of \$100,000.00.
- Total costs are \$4,264,960.00 and exceed \$4,000,000.00 by \$264,960.00; UDR (and the Property Owners as described) has already paid the City \$188,000.00, and therefore owe the City an additional \$76,960.00.

The amount of Excess Costs to be paid by each Property Owner to the City shall be an amount equal to the percentage of such Property Owner’s respective ownership of privately-owned acreage in phases 5 through 9 of the Public Infrastructure Improvements compared to the total privately-owned acreage in the said phases 5 through 9 multiplied by the Excess Costs. For illustration purposes, if a Property Owner, subject to the Excess Costs obligation described above, owns real property equal to 15% of the total privately-owned acreage contained in the said phases 5 through 9 and the amount of the Excess Costs is \$100,000, then such Property Owner’s pro-rata share of Excess Costs will be \$15,000 and shall be calculated as follows:

$$\$100,000 \text{ [Excess Costs]} \times 15\% = \$15,000$$

The obligation to pay any Excess Costs shall survive the expiration or termination of this Agreement.

C. Additional Public Improvements. In addition to the City's funding from Funding No. 2 for Improvements, if the City elects in its sole discretion to install and maintain any off-site right-of-way and other easement acquisition, future improvements, modifications, turn lanes, engineering or design costs, etc. related to Marsh Lane, Spring Valley Road, or intersections with said roadways, the City shall be solely responsible for, pay and cause to be installed and maintained any and all off-site right-of-way and other easement acquisition, future improvements, modifications, turn lanes, engineering or design costs, etc. related to Marsh Lane, Spring Valley Road, or intersections with said roadways.

D. Limitations on Payments. No payment for an Improvement in any Phase of the development of the Property shall be made by the City until a Development Plan for the applicable Phase has been approved and the dedication of the rights-of-way, easements, and any other land or interest therein required for such respective Improvement to serve such Phase has been dedicated to the City by plat or separate instrument(s).

E. Possible Reimbursement Obligations of UDR and of the Property Owners of real property located in Phases 5 through 9 concerning Funding No. 2.

1. The parties anticipate by June 1, 2028 the Project will have approximately 5,400 completed residential units with certificates of occupancy issued by the City; however, in the event by said date, the Project does not have at least 4,800 completed residential units with certificates of occupancy issued by the City, then and in such event UDR, and the Property Owners of real property located in phases 5 through 9 of the Public Infrastructure Improvements based on their proportionate ownership of land in the said phases 5 through 9, shall reimburse the City for that portion of Funding No. 2 actually expended by the City as of June 1, 2028. The amount of the reimbursement to be paid to the City by UDR and by the Property Owners (as to the Property Owners, based on their proportionate ownership of real property located in the said phases 5 through 9) shall be an amount equal to the percentage of the residential units not constructed and for which certificates of occupancy have not been issued compared to the total number of residential units, multiplied by that amount of Funding No. 2 actually expended by the City, and then further multiplied by thirty percent (30%). For illustration purposes, if the Property Owners construct and obtain certificates of occupancy for 3,600 units by June 1, 2028 and the City has as of that date actually expended the full amount of Funding No. 2, then UDR, and the Property Owners of real property located in the said phases 5 through 9 (based on their proportionate ownership of real property located in Phases 5 through 9), shall be obligated to reimburse the City \$957,215.82 as follows:

$$\begin{aligned} 4,800-3,600 &= 1,200 \text{ residential units not constructed/received no certificate of occupancy} \\ 1,200/4,800 &= 25\% \text{ of the residential units not constructed/received no certificate of occupancy} \\ 25\% \times \$26,589,329.00 \text{ [Funding No. 2]} &= \$6,647,332.25 \\ \$6,647,332.25 \times 30\% &= \$1,994,199.68 \end{aligned}$$

For further illustration, if a Property Owner, subject to the possible reimbursement obligation described above, owns real property equal to 15% of the total privately-owned acreage

contained in Phases 5 through 9 as of June 1, 2028, then such Property Owner (together with UDR) will be responsible for repaying \$299,129.95 to the City ($\$1,994,199.68 \times 15\% = \$299,129.95$). Under no circumstances whatsoever shall a Property Owner of real property located within Phase 1 and/or Phase 2 (as depicted on Exhibit "C-2") have any obligation whatsoever to reimburse the City for any portion of Funding No. 2.

2. Notwithstanding the foregoing provisions of Section 7.E.1., adjustment to the amount of any reimbursement will be made as set forth below if the following contingency occurs:

As set forth in Section 2.B. above, the City has heretofore received a portion of the Certificates of Obligation Funds in the amount of \$10,000,000.00, leaving a balance of \$6,589,329.00 to be obtained from the future sale of its Certificates of Obligation (the "CO Balance"); and the City's use and expenditure of its funds in the amount of the CO Balance under this Agreement is contingent upon the City's successful issuance and sale, in accordance with customary municipal practices and procedures, of its Certificates of Obligation in the amount of the CO Balance.

In the event the CO Balance is not successfully issued and sold by the City, the amount of Funding No. 2 will be reduced by the amount of the CO Balance, so that Funding No. 2 will be in an amount of \$20,000,000.00. In such an instance, for purposes of calculating the reimbursement amount of Funding No. 2 as described in section 7.E.1., the number of completed residential units shall be reduced from 4,800 to a number determined by multiplying 4,800 by a fraction (the numerator of which is the new amount of Funding No. 2 (\$20,000,000.00) and the denominator of which is the current amount of Funding No. 2 (\$26,589,329.00)), or $4,800 \times .752$, or 3,610 completed residential units.

3. The reimbursement obligation set forth in this Section shall survive the expiration or termination of this Agreement.

F. Tax Valuation. As set forth above, the City has previously financed the costs of the Public Infrastructure Improvements for phase 1 and phase 2 (as described and depicted on the attached Exhibit "C-1") with its certificates of obligation in the amount of \$23,290,007.00 (referred to herein and in the Initial Agreement as "Funding No. 1"), and those Improvements have been completed and are operational. As set forth in Section 2.B. above, the City intends to finance the costs of the Public Infrastructure Improvements as set forth in this Agreement (as described and depicted on the attached Exhibit "C-2") solely with its Certificates of Obligations Funds (\$16,589,329.00) and its General Obligation Bond Funds (\$10,000,000.00), the total of which (\$26,589,329.00) is referred to in this Agreement as Funding No. 2.

It is the parties' intent that the private development and re-development of the Property by UDR and the Property Owners as described in this Agreement will be able to support and pay for, through ad valorem property taxes and sales taxes generated by and from the Property, the debt service costs incurred by the City that are associated with Funding No. 1 and Funding No. 2. In connection therewith and at or about the time of the parties' execution of the Original Agreement (as defined in the Recitals above), the City caused to be prepared a financial analysis attached as Exhibit "H" to the Original Agreement, and the City has now

updated that financial analysis (the "Financial Analysis," see **Exhibit "F"** attached hereto and incorporated herein). Among other things, the Financial Analysis references (i) an estimate of the total projected revenues to be paid to the City from the Property (such revenues being the ad valorem taxes levied against the Property (land and improvements) and sales taxes generated from businesses located at and within the Property) beginning in 2009 and continuing through 2040, (ii) funds from the issuance of Certificates of Obligation in the amount of \$23,290,007.00, which funds correlate to Funding No. 1 (the "First Issuance"), and (iii) funds from the issuance of Certificates of Obligation in the amount of \$16,589,329.00 (Certificates of Obligations) and of General Obligation Bonds in the amount of \$10,000,000.00, which funds correlate to Funding No. 2 (the "Second Issuance").

The construction of private new improvements (buildings, etc.) on and within the Property ("Private Improvements" and each being a "Private Improvement") which are subject to ad valorem property taxation by the City will facilitate the payment of the City's debt service costs of the First Issuance and the Second Issuance. As such Private Improvements are completed, the Dallas Central Appraisal District or its successor ("DCAD") will, as of January 1 of a year following the completion of each Private Improvement (the "Initial Value Year," which typically should be the first year following the completion of a Private Improvement), establish the initial appraised value (the "Initial Value") of each completed Private Improvement, which Initial Value will then be applied against the City's tax rate adopted by the City for the Initial Value Year to determine the property tax owed to the City. The appraised value of each such Private Improvement will, in years following the Initial Value Year (each such year being a "Future Value Year"), be subject to re-appraisal by DCAD (the appraised value as determined by such re-appraisal being a "Future Value").

UDR and the Property Owners agree that if in any year while any of the City's Certificates of Obligation or General Obligation Bonds that are a part of Funding No. 1 or Funding No. 2 remain outstanding and unpaid, the Future Value of any Private Improvement is less than the Initial Value, UDR and the Property Owners will pay to the City the difference (if any) between (i) the Initial Value multiplied by the property tax rate adopted by the City in and applicable to the Future Value Year (the "Future Value Year Tax Rate"), and (ii) the Future Value multiplied by the Future Value Year Tax Rate (such difference being the "Tax Differential"). Payment of the Tax Differential shall be made to the City at the same time as payment of ad valorem taxes for the Private Improvement are made to the City, but in any event not later than January 31 of the year next following the Future Value Year.

Example: In 2015, a Private Improvement is finally completed within the Property; the appraised value of the Private Improvement is determined by DCAD to be \$2,000,000.00 (the Initial Value) as of January 1, 2015 (2015 is the Initial Value Year). In 2017 (a Future Value Year), DCAD re-appraises the Private Improvement and reduces its appraised value to \$1,900,000.00 (a Future Value); the City's property tax rate in the Future Value Year is \$0.45 for each \$100 of assessed value (the Future Value Year Tax Rate). Since the Future Value (\$1,900,000.00) is less than Initial Value (\$2,000,000.00), UDR and the Property Owners will pay to the City the difference between (i) \$9,000 ($\$2,000,000.00 / 100 \times \0.45) and (ii) \$8,550 ($\$1,900,000.00 / 100 \times \0.45), or \$450.00. Such payment will be made at the same time as payment of ad valorem taxes for the Private Improvement are made to the City, but in any event not later than January 31, 2018.

Section 8. Default by the Developer. In the event of a default by the Developer that is not cured within the time period set forth in subsection B. of this Section 8 below, the City shall (i) have the right to terminate this Agreement immediately by giving written notice of such termination to UDR, and (ii) have all remedies available at law, in equity, or otherwise to enforce this Agreement and seek damages.

A. Events of Default. For purposes of this Agreement, the following circumstances shall constitute default by the Developer:

1. Failure to dedicate to the City land and facilities for all future Improvements located on the Property in accordance with **Exhibit “C-2,”** and **Exhibit “D”** and the Concept Plan or as required by the approved Development Plan.
2. Failure to provide payment to the City for the Excess Costs of any Public Infrastructure Improvements as set forth in this Agreement.
3. Failure to satisfy any condition set forth in the Zoning Ordinance, the Concept Plan, or any approved Development Plan.
4. A violation or breach of any provision of this Agreement.

B. Cure by UDR and the Property Owners. UDR and the Property Owners shall have a period of not more than ninety (90) days from the time of UDR’s receipt of notice of default and termination is delivered by the City within which to cure any event of, default described in subsection A. of this Section. If any such event of default remains uncured to the satisfaction of the City at the end of such ninety (90) day period, the City may immediately terminate this Agreement by giving written notice thereof to UDR. Notwithstanding the proceeding to the contrary, the City Manager may approve reasonable extensions to cure periods or deadlines for performance of any work by UDR or its contractors.

C. Insolvency. If at any time after the execution of this Agreement:

(i) any insolvency proceedings shall be instituted against Developer pursuant to any Federal or State law now or hereafter enacted, or any receiver or trustee shall be appointed for all or any portion of Developer’s business or property for which this Agreement is a material part, or any execution or attachment shall issue against Developer or any of Developer’s business or property for which this Agreement is a material part, and any of such proceedings, process or appointment be not discharged, dismissed or otherwise adjudicated within sixty (60) days from the date of such filing, appointment or issuance or within such other time as provided by applicable law or as may be ordered by a court of competent jurisdiction; or

(ii) Developer shall be adjudged insolvent, or Developer shall make an assignment for the benefit of creditors, or Developer shall file a petition or petitions for (or enters into) an arrangement for reorganization, liquidation, composition or any other arrangement with Developer’s creditors under Federal (including the United States Bankruptcy Code) or State law, or

(iii) in the event this Agreement is assumed and assigned under any Federal (including the United States Bankruptcy Code) or State law, now or hereafter enacted, or this Agreement shall pass to or devolve upon, by operation of law or otherwise, anyone other than Developer (except as herein provided), without first curing all defaults and providing adequate assurance of future performance as deemed appropriate within the sole discretion of the City,

then the occurrence of any one of such contingencies shall be deemed to constitute and shall be construed as a breach and/or repudiation by Developer of Developer's rights and obligations hereunder and shall cause this Agreement to be cancelled and terminated at the City's sole discretion effective as soon as permitted by then applicable law without thereby releasing Developer; and upon such termination this Agreement shall not be treated as an asset of Developer's estate. In the event any portion of this Agreement is inconsistent with applicable law or deemed unenforceable, it shall not affect the enforcement of the remaining provisions of this section which are consistent with applicable law. Any portion of this section that is held to be or deemed inconsistent with applicable law shall be modified in such a manner as to be consistent with applicable law and the intention of the parties as originally stated herein. In the event of any cancellation and termination of this Agreement, the obligations and liabilities of UDR and the Property Owners under this Agreement shall survive.

Section 9. Default by the City. In the event of a default by the City, the Property Owners and the Developer shall have all remedies available at law and in equity to enforce this Agreement and seek damages.

Section 10. Representations by the Property Owners and Developer. The Property Owners and Developer hereby represent and warrant to the City that the respective Property Owners and Developer each have, without the joinder of any other person, or entity, the full right, power and authority to execute this Agreement and to carry out their respective obligations hereunder.

Section 11. UDR, Property Owners' Indemnity.

A. UDR and the Property Owners (together for purposes of this Section 11, "Developer") covenant and agree to **FULLY DEFEND, INDEMNIFY AND HOLD HARMLESS** the Town of Addison, Texas and the elected and appointed officials, the officers, employees, representatives, and volunteers of the Town of Addison, Texas, individually or collectively, in both their official and private capacities (each an "Addison Person" and collectively the "Addison Persons"), from and against any and all costs, claims, liens, harm, damages, losses, judgments, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability, and suits, of any kind and nature whatsoever made upon any Addison Person, whether directly or indirectly, (the "Claims"), that arise out of, result from, or relate to: (1) the design and construction of the Public Infrastructure Improvements, (2) representations or warranties by Developer under this Agreement, and/or (3) any other act or omission under or in performance of this Agreement by Developer, or any owner, officer, director, manager, employee, agent, representative, consultant, contractor, subcontractor, licensee, or concessionaire of Developer, or any other person or entity for whom Developer is legally responsible, and

their respective owners, officers, managers, employees, directors, agents, and representatives. SUCH DEFENSE, INDEMNITY AND HOLD HARMLESS SHALL AND DOES INCLUDE CLAIMS ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OF ANY ADDISON PERSON OR BY CONDUCT OF AN ADDISON PERSON THAT GIVES RISE TO STRICT LIABILITY, BUT DOES NOT INCLUDE CLAIMS FOUND TO BE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF AN ADDISON PERSON. However, Developer's liability under this clause shall be reduced by that portion of the total amount of the Claims (excluding defense fees and costs) equal to the Addison Person or Persons' proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss. Likewise, Developer's liability for Addison Person's defense costs and attorneys' fees shall be reduced by that portion of the defense costs and attorneys' fees equal to Addison Person or Persons' proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss.

Developer shall promptly advise the City in writing of any claim or demand against any Addison Person or Developer related to or arising out of Developer's activities under this Agreement and shall see to the investigation and defense of such claim or demand at Developer's sole cost and expense. The Addison Persons shall have the right, at the Addison Persons' option and at own expense, to participate in such defense without relieving Developer of any of its obligations hereunder. This defense, indemnity, and hold harmless provision shall survive the termination or expiration of this Agreement.

Section 12. Term. The term of this Agreement shall begin on the Effective Date and, unless otherwise terminated in accordance with the provisions of this Agreement, shall end on the date on which the obligations of the parties under this Agreement shall have been completed, but in any event not earlier than the completion and fulfillment of the possible reimbursement obligations set forth in Section 7.E., above.

Section 13. Force Majeure. It is expressly understood and agreed by the parties to this Agreement that if the completion of the construction of any private improvements or any Public Infrastructure Improvements is delayed by reason of war; civil commotion; acts of God; inclement weather; governmental restrictions, regulations, or interferences directly related to the construction of the private improvements or the Public Infrastructure Improvements and not related or connected to the financing or funding of the development of the private improvements on the Property or any other financial aspect of such private development; delays caused by the franchise utilities serving the Property; fire or other casualty; court injunction; condemnation proceedings; or any like or similar circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such performance shall be extended for a period of time equal to the period such party was delayed.

Section 14. Texas Law to Apply; Venue. The validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the parties hereto, shall be governed by the laws of the State of Texas, without reference to its conflict of law provisions. Venue for any action or matter under this Agreement lies in Dallas County, Texas. This Agreement and all of

its terms and conditions are subject to applicable federal, state, and local laws, ordinances, rules, regulations, and codes, including, without limitation, the Zoning Ordinance and the City Charter of the Town of Addison, Texas.

Section 15. No Joint Venture. It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create a partnership, joint venture, or joint enterprise among the parties.

Section 16. Entire Agreement. This Agreement represents the entire and integrated agreement between the City, the Property Owners and UDR and, except as set forth in the next sentence, supersedes the Initial Agreement, all prior negotiations, representations and/or other agreements, either written or oral. This Agreement is not intended to and does not release or waive any claims either party may have against any other party arising out or related to the Initial Agreement, and solely as to such claims (if any) the Initial Agreement is not superseded and remains in effect; provided, however, that for any indemnity claims of the City arising out of or related to the Initial Agreement, the parties agree that the indemnity provision included in Section 11 of this Agreement shall apply to such claims in lieu of the indemnity provision included in the Initial Agreement (i.e., the indemnity provision included in Section 11 of this Agreement shall be treated as if it had been included in the Initial Agreement). This Agreement may be amended only by written instrument signed by the City, the Property Owners, and UDR.

Section 17. Severability. If any clause, paragraph, section or portion of this Agreement shall be found to be illegal, unlawful, unconstitutional or void for any reason, the balance of the Agreement shall remain in full force and effect and the parties shall be deemed to have contracted as if said clause, section, paragraph or portion had not been in the Agreement initially.

Section 18. Notices. Where the terms of this Agreement require that notice in writing be provided or given, such notice shall be in writing, addressed as provided hereinafter to the party to whom the notice or request is given, and shall be either (i) delivered personally, (ii) sent by United States certified mail, postage prepaid, return receipt requested, or (iii) placed in the custody of Federal Express Corporation or other nationally recognized carrier to be delivered overnight. Notice shall be deemed delivered and given (x) when received if delivered personally (y) three (3) days following the deposit of the notice in the United States mail, postage prepaid, and sent by certified mail, return receipt requester and properly addressed as set forth below, and (z) twenty-four (24) hours after deposit if sent by Federal Express or other nationally recognized carrier Address for purpose of this Section are as follows:

TOWN OF ADDISON, TEXAS:

With copies to:

Ron Whitehead
Office of the City Manager
5300 Belt Line Road
Dallas, Texas 75254-7606
Phone: (972) 450-7000
Fax: (972) 450-7043
Email: rwhitehead@addisontx.gov

Office of the City Attorney
5300 Belt Line Road
Dallas, Texas 75254

PROPERTY OWNERS and/or UDR:

Warren L. Troupe
Senior Executive Vice President
UDR, Inc.
1745 Shea Center Drive, Suite 200
Highlands Ranch, CO 80129-1540
Phone: (720) 283-6120
Email: wtroupe@udr.com

With copies to:

Tom Lamberth
UDR, Inc.
3875 Ponte Avenue, Suite 400
Addison, Texas 75001
Phone: (972) 716-3560
Fax: (972) 991-5718
Email: tlamberth@udr.com

and

Kenneth Balcerzak
Director - Legal
UDR, Inc.
1745 Shea Center Drive, Suite 200
Highlands Ranch, CO 80129-1540
Phone: (720) 283-6120
Email: kbalcerzak@udr.com

The addresses and addressees for the purpose of this Section may be changed by giving notice of such change in the manner herein provided for giving notice. Unless and until such written notice is received the last addresses and addressee stated by written notice, or provided herein if no written notice of change has been sent or received, shall be deemed to continue in effect for all purposes hereunder.

Section 19. Incorporation of Recitals. The recitals set forth herein are intended, and are hereby deemed, to be a part of this Agreement. As stated in the recitals, the parties hereto intend for this Agreement to: (i) evidence of their rescission of the Initial Agreement; and (ii) restate their understandings, obligations and responsibilities as specifically stated herein.

Section 20. Required Written Consent for Recording. This Agreement shall not be recorded except with the express written consent of the City, the Property Owners and UDR.

Section 21. Miscellaneous Drafting Provisions. This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply. Headings in this Agreement are for the convenience of the parties and are not intended to be used in construing this document. All exhibits, schedules and addenda attached to this Agreement are incorporated herein by reference and for all purposes. For purposes of this Agreement, “includes” and “including” are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.

Section 22. Rights, Remedies Cumulative; Non-Waiver; Survival of Rights. The rights and remedies provided by this Agreement are cumulative and the use of any one right or

remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise. The failure by either party to exercise any right, power, or option given to it by this Agreement, or to insist upon strict compliance with the terms of this Agreement, shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other or subsequent breach thereof, nor a waiver by such party of its rights at any time thereafter to require exact and strict compliance with all the terms hereof. Any rights and remedies either party may have with respect to the other arising out of this Agreement shall survive the cancellation, expiration or termination of this Agreement, except as otherwise expressly set forth herein.

Section 23. Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

Section 24. Authority to Execute. The individuals executing this Agreement on behalf of the respective parties below represent to each other that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the Party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement for such party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the Effective Date.

Section 25. No Third Party Beneficiaries. Except as stated herein to the contrary, this Agreement is solely for the benefit of the parties hereto and is not intended to create or grant any rights, contractual or otherwise, to any third person or entity.

Section 26. Estoppels by City. Periodically Developer, the Property Owners, a lender, prospective assignee or purchaser may request a certificate from the City confirming that to the best of City's knowledge, the Developer and/or the Property Owners have not breached, nor is there an event which with the passage of time would constitute an event of default under this Agreement. The City agrees to cooperate and otherwise assist Developer and the Property Owners and to execute, in form and content acceptable to the City, a simple certification on a periodic basis as described in this Section.

Section 27. Time. Time is of the essence in the performance by the parties of their respective obligations under this Agreement.

Section 28. Incorporation of Recitals, Exhibits. The recitals to this Agreement set forth above are a part of this Agreement. Exhibits "A" through "F" attached hereto are hereby incorporated in this Agreement in full by this reference and are deemed to be a part of this Agreement as fully as if set forth in the body hereof.

[Signatures on the Following Pages]

EXECUTED at Dallas County, Texas on the day and year first written above.

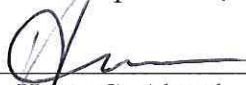
TOWN OF ADDISON, TEXAS

By: 
Ron Whitehead, City Manager

ATTEST:
By: 
City Secretary

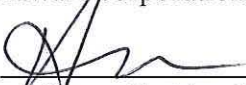
DCO BROOKS APARTMENTS LP,
a Delaware limited partnership

By: DCO Realty, Inc.,
a Delaware corporation, its General Partner

By: 
Harry G. Alcock
Authorized Agent

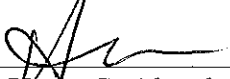
DCO GREENBROOK APARTMENTS LP,
a Delaware limited partnership

By: DCO Realty, Inc.,
a Delaware corporation, its General Partner

By: 
Harry G. Alcock
Authorized Agent

DCO TALISKER LP,
a Delaware limited partnership


By: DCO Realty, Inc.,
a Delaware corporation, its General Partner

By: 

Harry G. Alcock
Authorized Agent

DCO GARDEN OAKS LP,
a Delaware limited partnership

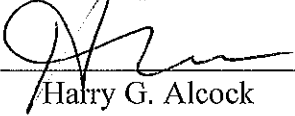
By: DCO Realty, Inc.,
a Delaware corporation, its General Partner

By: 

Harry G. Alcock
Authorized Agent

DCO GLENWOOD APARTMENTS LP,
a Delaware limited partnership

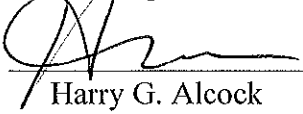
By: DCO Realty, Inc.,
a Delaware corporation, its Sole Member

By: 

Harry G. Alcock
Authorized Agent

DCO CLIPPER POINTE LP,
a Delaware limited partnership

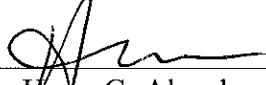
By: DCO Realty, Inc.,
a Delaware corporation, its General Partner

By: 

Harry G. Alcock
Authorized Agent

DCO SPRINGHAVEN LP,
a Delaware limited partnership

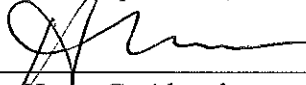
By: DCO Realty, Inc.,
a Delaware corporation, its General Partner

By: 

Harry G. Alcock
Authorized Agent

DCO ADDISON AT BROOKHAVEN LP,
a Delaware limited partnership

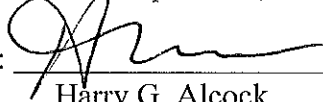
By: DCO Realty, Inc.,
a Delaware corporation, its General Partner

By: 

Harry G. Alcock
Authorized Agent

DCO GREENHAVEN LP,
a Delaware limited partnership


By: DCO Realty, Inc.,
a Delaware corporation, its General Partner

By: 

Harry G. Alcock
Authorized Agent

DCO SAVOYE LLC,
a Delaware limited liability company


By: DCO Realty, Inc.,
a Delaware corporation, its Sole Member

By: 

Harry G. Alcock
Authorized Agent

DCO SAVOYE 2 LLC,
a Delaware limited liability company

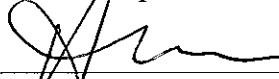
By: DCO Realty, Inc.,
a Delaware corporation, its Sole Member

By: 

Harry G. Alcock
Authorized Agent

DCO FIORI LLC,
a Delaware limited liability company

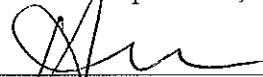
By: DCO Realty, Inc.,
a Delaware corporation, its Sole Member

By: 

Harry G. Alcock
Authorized Agent

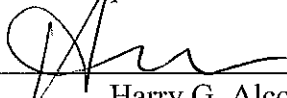
DCO BROOKHAVEN CENTER LP,
a Delaware limited partnership

By: DCO Realty, Inc.,
a Delaware corporation, its General Partner

By: 

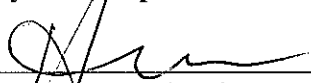
Harry G. Alcock
Authorized Agent

DCO REALTY, INC.,
a Delaware corporation

By: 

Harry G. Alcock
Authorized Agent

UDR, INC.,
a Maryland corporation

By: 

Harry G. Alcock
Authorized Agent

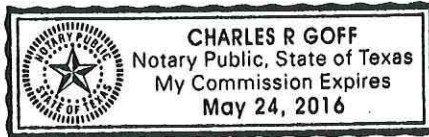
STATE OF TEXAS §
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COUNTY OF DALLAS §

This instrument was acknowledged before me June 28, 2013 by Ron Whitehead, City Manager of the Town of Addison, Texas, a Texas municipal corporation, on behalf of the said municipal corporation.

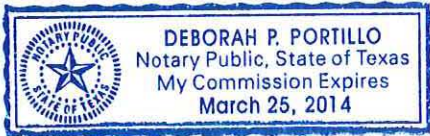



NOTARY PUBLIC, State of Texas

STATE OF TEXAS §
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COUNTY OF DALLAS §



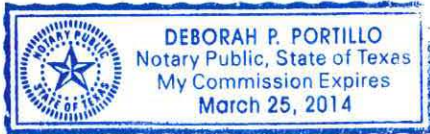
This instrument was acknowledged before me June 26, 2013 by Harry G. Alcock, Authorized Agent of DCO Realty, Inc., a Delaware corporation, General Partner of **DCO BROOKS APARTMENTS LP**, a Delaware limited partnership, on behalf of the said limited partnership.




NOTARY PUBLIC, State of Texas

STATE OF TEXAS §
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COUNTY OF DALLAS §

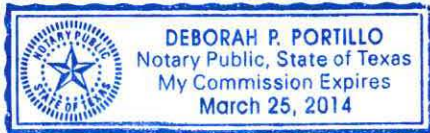
This instrument was acknowledged before me June 26, 2013 by Harry G. Alcock, Authorized Agent of DCO Realty, Inc., a Delaware corporation, General Partner of **DCO GREENBROOK APARTMENTS LP**, a Delaware limited partnership, on behalf of the said limited partnership.



Deborah Portillo
NOTARY PUBLIC, State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me June 26, 2013 by Harry G. Alcock, Authorized Agent of DCO Realty, Inc., a Delaware corporation, General Partner of **DCO TALISKER LP**, a Delaware limited partnership, on behalf of the said limited partnership.



Deborah Portillo
NOTARY PUBLIC, State of Texas

STATE OF TEXAS §
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COUNTY OF DALLAS §

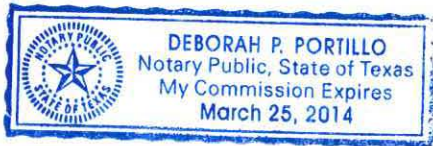
This instrument was acknowledged before me June 26, 2013 by Harry G. Alcock, Authorized Agent of DCO Realty, Inc., a Delaware corporation, General Partner of **DCO GARDEN OAKS LP**, a Delaware limited partnership, on behalf of the said limited partnership.



Deborah Portillo
NOTARY PUBLIC, State of Texas

STATE OF TEXAS §
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COUNTY OF DALLAS §

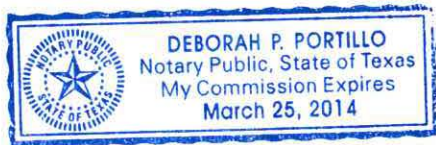
This instrument was acknowledged before me June 26, 2013 by Harry G. Alcock, Authorized Agent of DCO Realty, Inc., a Delaware corporation, General Partner of **DCO GLENWOOD APARTMENTS LP**, a Delaware limited partnership, on behalf of the said limited partnership.




NOTARY PUBLIC, State of Texas

STATE OF TEXAS §
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COUNTY OF DALLAS §

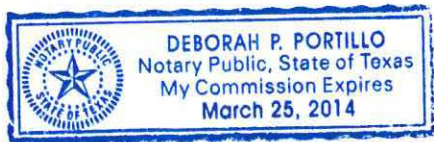
This instrument was acknowledged before me June 26, 2013 by Harry G. Alcock, Authorized Agent of DCO Realty, Inc., a Delaware corporation, General Partner of **DCO CLIPPER POINTE LP**, a Delaware limited partnership, on behalf of the said limited partnership.




NOTARY PUBLIC, State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me June 26, 2013 by Harry G. Alcock, Authorized Agent of **DCO SAVOYE LLC**, a Delaware limited liability company, on behalf of the said limited liability company.




NOTARY PUBLIC, State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

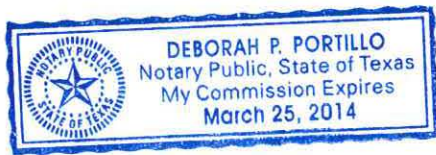
This instrument was acknowledged before me June 26, 2013 by Harry G. Alcock, Authorized Agent of **DCO SAVOYE 2 LLC**, a Delaware limited liability company, on behalf of the said limited liability company.



Deborah Portillo
NOTARY PUBLIC, State of Texas

STATE OF TEXAS §
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COUNTY OF DALLAS §

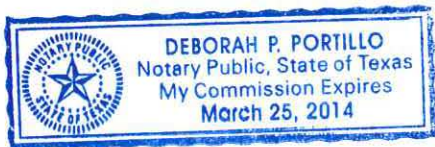
This instrument was acknowledged before me June 26, 2013 by Harry G. Alcock, Authorized Agent of **DCO FIORI LLC**, a Delaware limited liability company, on behalf of the said limited liability company.



Deborah Portillo
NOTARY PUBLIC, State of Texas

STATE OF TEXAS §
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COUNTY OF DALLAS §

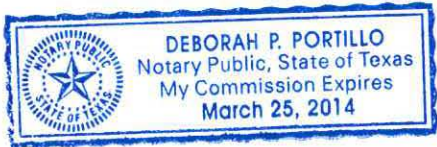
This instrument was acknowledged before me June 26, 2013 by Harry G. Alcock, Authorized Agent of **DCO Realty, Inc.**, a Delaware corporation, General Partner of **DCO BROOKHAVEN CENTER LP**, a Delaware limited partnership, on behalf of the said limited partnership.



Deborah Portillo
NOTARY PUBLIC, State of Texas

STATE OF TEXAS §
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COUNTY OF DALLAS §

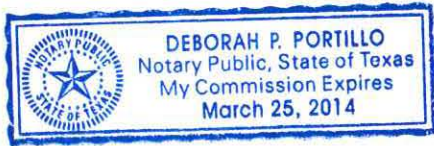
This instrument was acknowledged before me June 26, 2013 by Harry G. Alcock, Authorized Agent of **DCO REALTY, INC.**, a Delaware corporation, on behalf of said corporation.



Deborah Portillo
NOTARY PUBLIC, State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me June 26, 2013 by Harry G. Alcock, Senior Vice President of **UDR, Inc.**, a Maryland Corporation, on behalf of the said corporation.



Deborah Portillo
NOTARY PUBLIC, State of Texas