

From: Greer Pagan
Sent: Tuesday, February 28, 2017 10:02 AM
To: Jeff Anderson
Cc: David Key; Justine Cherne
Subject: RE: Cypress Forest PUD

Mr Anderson:

I have been authorized by the Board of Directors of Cypress Forest PUD to reply to your email of February 8, 2017 and your requested variances/clarifications to the Raveneaux development agreement. Please note that the responses provided in this email do not constitute an agreement to alter the existing agreement and deed restrictions. The Board's response is as follows:

- 1) The Board has not categorically rejected your request for a variance on the square footage requirements but would need additional information on the various unit sizes before responding. Please provide additional unit information at your earliest convenience with specific sizes of each unit.
- 2) The Board is willing to consider options for verification of the per square foot price requirements. The Board will not work off of conceptual elevations. The Board would expect to review and approve detailed plans and specifications for each building and type of unit. Please provide such detailed plans and specifications at your earliest opportunity.
- 3) The Board believes that the existing agreement and lease provide the necessary authority to excavate the detention/mitigation pond and to continue the use of that land for golf-related facilities (e.g., a driving range or additional holes). The Board would expect that the District's engineer will review and approve detailed plans and specifications for the detention/mitigation pond excavation. Please provide such detailed plans and specifications at your earliest opportunity. We note that the conceptual golf course rendering for the new golf facilities appears to encroach on the southern boundary of the District's park.
- 4) The Board is not willing to alter the requirements for a minimum bond issue size or completion of 95% development of the Raveneaux 27-acre tract before reimbursement. However, the Raveneaux developer could certify that 95% of the Raveneaux tract has been "developed" at any time and such certification would release any further reimbursement rights and capacity reservations.
- 5) The Board is not willing to alter the number of allowed crossings of its easement. The Board would encourage the construction of an extension of Champions Drive of a sufficient length to allow multiple entrances to the proposed development off of the new Champions Drive.

In addition, the Board would request as a condition to any variances that (a) once the configuration of the driving range and additional golf holes is established, the Raveneaux owner release its lease on (i) the portion of the lease property adjacent to the Cypress Forest park roughly along the existing cart path along the southern boundary of the park and (ii) any portion of lease property that would be generally east of the area to be used for the driving range and additional holes and (b) install landscaping within the District's easement along Cypresswood Drive to provide substantial visual screening of the development project from the street.

Greer H. Pagan
Allen Boone Humphries Robinson LLP

From: Jeff Anderson
Sent: Wednesday, February 08, 2017 3:37 PM
To: Greer Pagan
Subject: Cypress Forest PUD

Hi Greer –

As we discussed at the PUD meeting yesterday evening below are the items we need amended and/or clarified within the Land Use Restriction Agreement (LUA) and/or the Raveneaux Redevelopment Agreement (RRA). None of these items are big requests or change the “spirit” or intent of the Agreement so hopefully the board will be receptive.

1. 1.(a) in the LUA and Section 8 in the Ninth Amendment to the RRA need to be amended to allow for units to be built with a square footage greater than 1,400 SF. Currently they must be greater than 900 SF with 50% greater than 1,200 and 10% greater than 2,000. Our units all fall between 1,429 – 1,963 SF. So we’ll greatly exceed the minimum but won’t have 10% greater than 2,000 SF.
2. 3. In the LUA and Section 8 in the Ninth Amendment to the RRA need to be clarified to outline a process we can use to have our building approved. The spirit here was to insure that the district got a building of at least a minimum value and aesthetic appeal. It requires that all contracts and change orders be submitted to and approved by the board. Since we will likely be building this building ourselves and not hiring a contractor to build it there will be hundreds of POs and contracts. I think we can take care of this issue by having the board approve our elevations and plans with the caveat that any changes we make to those approved plans need to come back to the board for approval, just like an ARC approval in a master planned community.
3. We will need an easement or some sort of approval that you deem sufficient to allow us to excavate our detention pond and flood plain mitigation dirt from the property owned by the District. This was contemplated in the original agreement [Section 3.04 of the RRA (hand written and initialed) and Section 7(c) of the Ninth Amendment to the RRA] so I think we just need to figure out the logistics and make sure the board is agreeable to the location.
4. We need confirmation from the board that they will reimburse us for our eligible costs associated with just the 2.1 acres we are purchasing. Section 2.05 of the RRA has the standard language that the district is not obligated to sell bonds in an amount less than \$1,000,000. Our piece will surely be less than \$1,000,000 so we need to figure out how we can get reimbursed for it. Not sure if the district has funds on hand to reimburse for this smaller amount, but if they do then maybe we could be reimbursed out of operating funds and that could still go against the total allowable \$1.4M for the 27 acres. The other provision which is problematic here is Section 2.05(b). It says the District is not obligated to reimburse the Developer until 95% of the development on the entire 27 acres is complete. We will need that provision removed. The bottom line is there is still only \$1.4M to reimburse for projects associated with the 27 acres no matter when it is spent.
5. We still have the issue of the three allowable entrances that was brought up last night. David Key and I will need to discuss this and figure out what, if anything, we’ll need to ask for in regards to entrances. I’ll have to circle back to you on this one.

If I have done a sufficient job of just confusing the matter please give me a call (cell is best). Hopefully this will help in understanding what we need to get moving forward. Thanks for your help Greer.

Jeff Anderson | Vice President Land Acquisition & Development
Beazer Homes - Houston