

UTILITY CONVEYANCE AND SECURITY AGREEMENT

STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF TRAVIS §

Sorento Holdings 2012 LLC (the "Developer") has acquired certain improvements, structures, and facilities designed to provide water and sanitary sewer to serve areas within the boundaries of Travis County Municipal Utility District No. 17 and the extraterritorial jurisdiction of the City of Pflugerville, Texas (the "City"). For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Developer does hereby convey, transfer, and deliver to the City, its successors and assigns those certain Facilities described as follows:

Those certain facilities constructed to date by the Developer pursuant to the construction contract with Cash Construction Company, Inc. dated August 2, 2013, to serve Sorento Phase 1, which facilities are located on the 30.46 - acre tract described in Sorento Phase 1 Final Plat, and together with any and all utility related improvements including such as, plants, service pumps, storage reservoirs, electrical equipment and wiring, distribution lines, collection lines, water mains, lift stations, meters, valves, pipes, fittings, connections, meter boxes, laterals, easements, rights-of-way, utility operating rights and all other property therein whether real, personal or mixed, owned by the Developer in connection with the above facilities being conveyed hereby (the "Facilities").

The Developer has constructed the Facilities and is conveying the Facilities to the City pursuant to the October 25, 2005, Development Agreement between the City, 130 Cactus Investment, LP (the "Landowner"), and Tejas Viejo Land Company (the "Development Partner"), as amended by a First Amendment to Development Agreement dated August 29, 2006, between the City, Landowner and Development Partner, as assigned by an Assignment of Rights dated October 19, 2006, between the Landowner and the Development Partner, as further amended by a Second Amendment to the Development Agreement Regarding Bohls North and PCDC Tracts dated December 23, 2008, between the City and the Landowner, as assigned by an Assignment of Development Agreement dated September 28, 2012, between the Landowner and the Developer, and as further amended by a Third Amendment to the Development Agreement Regarding Bohls North and PCDC Tracts dated March 27, 2013, between the City and the Developer (as amended and assigned, the "Development Agreement"). The Developer hereby reserves a security interest in the Facilities to secure the performance of the City's obligations under the Development Agreement and the Developer's rights to reimbursement under the Development Agreement. The Developer reserves said security interest under Texas law.

The Developer hereby assigns to the City all rights, maintenance bonds, warranties and manufacturer's warranties, if any, owned or acquired by the Developer for the Facilities.

The City hereby agrees by its acceptance of this conveyance to operate and maintain the Facilities in accordance with the terms of the Development Agreement.

[signature page immediately follows]

IN WITNESS WHEREOF, this conveyance is executed on this 5th day of December, 2013.

SORENTO HOLDINGS 2012 LLC,
a Texas limited liability company

By: Sorrento Holdings, Inc.,
a Delaware corporation,
Its sole manager

By: [Signature]
David Nairne, Vice President

THE STATE OF TEXAS §
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COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 5th day of December, 2013, by David Nairne, Vice President of Sorrento Holdings, Inc., a Delaware corporation, the sole manager of Sorrento Holdings 2012 LLC, a Texas limited liability company, on behalf of said limited liability company.



[Signature]
Notary Public, State of Texas

In accordance with the Development Agreement, as defined above, and the authorization by the City County of the City of Pflugerville, Texas (the "City") on _____, 2014, the City hereby accepts this Utility Conveyance and Security Agreement on this ____ day of _____, 2014.

CITY OF PFLUGERVILLE, TEXAS

By: _____
Name: Brandon Wade
City Manager

ATTEST:

By: _____
Name: _____
City Secretary

APPROVED AS TO FORM:

By: _____

Name: _____

George E. Hyde, City Attorney
Denton, Navarro, Rocha & Bernal, P.C.

THE STATE OF TEXAS §

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COUNTY OF TRAVIS §

This instrument was acknowledged before me on the _____ day of _____,
20 14, by _____ as _____ of the City of Pflugerville,
Texas, on behalf of said City.

(NOTARY SEAL)

Notary Public, State of Texas

AFTER RECORDING RETURN TO: _____, Allen Boone Humphries Robinson
LLP, 3200 Southwest Freeway, Suite 2600, Houston, TX 77027.