



June 23, 2020

Matt Tiemann
Tiemann Land and Cattle Development, Inc.

RE: Professional Expense Reimbursement Agreement ("Reimbursement Agreement") for
Martin Tract

Dear Mr. Tiemann,

This letter is to memorialize an agreement between the City of Pflugerville, Texas ("City"), a municipal corporation, and Tiemann Land and Cattle Development, Inc., (collectively the "Parties"). This Reimbursement Agreement is made in connection with joint effort of the Parties related to the review of a Public Improvement District (PID) proposal for development of an approximately 40.774 acre tract located on the south side of Cele Road just west of Melber Lane and east of the Verona Subdivision.

Tiemann Land and Cattle Development, Inc. intends to request economic incentives (the "Economic Incentives") from the City, the Pflugerville Economic Development Corporation, and/or other existing and to be formed instrumentalities of the City (the "City Affiliates") in support of and in connection with the development of the Project. The Project is anticipated to increase employment, job opportunity, ad valorem real property values and associated tax revenue, retail sales and associates sales tax revenue. The City anticipates incurring professional and consultant expenses in connection with negotiating definitive documents in connection with the Economic Incentives (the "Economic Incentive Agreements") and taking such steps as may be necessary and appropriate in connection with the effectuation of the Economic Incentive Agreements.

To reimburse the City in connection with all actual third-party professional, engineering, land planning, financial, and legal consultants and other expenses incurred by the City or a City Affiliate in connection with (i) review of plans, programs, land use design, infrastructure development and any fiscal or funding analysis or methods for the Project, and (ii) the negotiation and effectuation of the terms and conditions of the Economic Incentive Agreements ("Reimbursable Costs"), Tiemann Land and Cattle Development, Inc. hereby agrees to reimburse the City for all Reimbursable Costs in an amount up to \$150,000 (the "Reimbursement Cap"). Concurrently with the execution of this Reimbursement Agreement, Tiemann Land and Cattle Development, Inc. shall deposit with the City an amount equal to \$15,000, such amount which shall be kept in an account controlled by the City but such sums which shall not be commingled with any other funds of the City (the "Reimbursement Account"). The City, acting by and through the City Finance Department, shall independently account for the funds held in the Reimbursement Account, such funds which shall only be utilized for Reimbursable Costs or for costs and expenses otherwise approved by Tiemann Land and Cattle Development, Inc. The City shall pay invoices within 10 days of receipt of the same and upon payment, simultaneously reimburse itself for the costs from sums held in the Reimbursement Account. All invoices for services provided in support of the Project and proof of payment for the prior month and a statement of account balance for the Reimbursement Account will be provided to Tiemann Land and Cattle Development, Inc. on or before the 5th day of each month. At any time that the Reimbursement Account balance reduces



below \$5,000, Tiemann Land and Cattle Development, Inc. shall deposit sufficient funds to return the balance of the account to \$15,000 or to an amount agreed to by the City and Tiemann Land and Cattle Development, Inc., within 10 business days of written demand therefor.

The Parties acknowledge and agree that the execution of this Reimbursement Agreement and the performance required by this Reimbursement Agreement by any party or legal counsel does not establish an attorney-client relationship between legal counsel representing City and any City Affiliate and Tiemann Land and Cattle Development, Inc. or any representative thereof. The attorneys of Denton, Navarro, Rocha Bernal, & Zech, P.C. serve as City Attorney. The firm does not represent any other parties in this transaction. Tiemann Land and Cattle Development, Inc. acknowledges that it has its own legal counsel and that the Parties shall ultimately rely on their own legal counsel's advice in connection with any and all matters in connection with this project.

The Parties further agree that any legal invoices (such as those from the City's out-sourced City-Attorney's Office) will have redactions, as necessary and determined by the City Attorney's Office, to preserve the attorney-client communication and attorney work product privileges. All time spent on this project by the City Attorney's Office shall be incurred as follows: Name Partners of the Firm shall be charged at the rate of \$325 per hour. All other Partner and Senior Associates shall be charged at \$265 per hour. Associates shall be charged at \$215 per hour and all paralegal time spent on the project shall be billed at the rate of \$125 per hour. All expenses are charged at actual cost. To the extent City Attorney anticipates incurring travel costs in connection with its representation of the City and City Affiliates with respect to this Project, the City Attorney shall receive prior written approval from Tiemann Land and Cattle Development, Inc. prior to incurring such costs and expenses. This Reimbursement Agreement excludes any other fees or expenses incurred by the City for any other legal work for the City. This Reimbursement Agreement only applies to the work performed in connection with the Project.

This Reimbursement Agreement may be terminated by either Party at any time for convenience with prior written notice; provided, however, that all costs incurred prior to termination shall be reimbursed by Tiemann Land and Cattle Development, Inc. to City. Any funds remaining in the Reimbursement Account after the Project is determined complete or this Reimbursement Agreement is terminated shall be refunded to Tiemann Land and Cattle Development, Inc., without cost, within 30 days of demand (provided that in the event of a termination by Tiemann Land and Cattle Development, Inc., the notice of termination shall also serve as such written demand). In such an event, the City shall make a demand for final invoices from all third-parties and shall pay all invoices for services up to the date of termination or completion and shall refund any remaining balance in the Reimbursement Account to Tiemann Land and Cattle Development, Inc. Tiemann Land and Cattle Development, Inc. shall remain obligated to fund the Reimbursement Account to reimburse city for all costs incurred prior to completion or termination, regardless of cause for termination or balance of the account at the time of termination. The ability to enforce the full and complete reimbursement of all professional costs paid by the City from Tiemann Land and Cattle Development, Inc. shall survive any termination of this Reimbursement Agreement.

The Parties agree that the intent of this Reimbursement Agreement is to minimize tax dollars expended in support of a private developer's project, properly placing the risk of loss in the project development on the developer; while at the same time, agreeing that best efforts will be expended



by the Parties to incorporate such investment into calculations for incentives in order to form the development itself, including in the form of incentives used to accelerate and promote the Project.

This Reimbursement Agreement shall be effective upon execution by the Parties and the transfer of funds by Tiemann Land and Cattle Development, Inc. to City as contemplated herein. This Reimbursement Agreement may be executed in one or more counterparts, the combination of which shall constitute a single Reimbursement Agreement. The Parties may execute this Reimbursement Agreement via electronic signature delivered by email, and a copy of this Reimbursement Agreement shall be enforceable as if it is an original.

If the foregoing terms are acceptable, please execute this letter in the space provided below and please return this letter with payment of the initial deposit amount to the attention of the City Manager.

Sincerely,
City of Pflugerville, Texas

Sereniah Breland
City Manager

ACKNOWLEDGED AND AGREED:

Matt Tiemann
Tiemann Land and Cattle Development, Inc.