

**RESOLUTION NO. R-2015-2590**

**WHEREAS**, 2015 La Frontera Plaza, Ltd., (“Plaza”) intends to construct a Class A Office Building and other improvements (“Facility”) to be located on a tract of land (“Property”), as described in Exhibit “A” to the attached Property Tax Abatement Agreement; and

**WHEREAS**, Houghton Mifflin Harcourt Publishing Company (“HMH”) intends to lease a majority of said Facility from Plaza and purchase personal property to be located within the Facility, as described in Exhibit “B” of the Property Tax Abatement Agreement, and to employ at least 270 employees; and

**WHEREAS**, the City Council anticipates creating a Reinvestment Zone on the Property pursuant to Chapter 312, Texas Tax Code; and

**WHEREAS**, in anticipation of the lease of the Property by HMH from Plaza and the creation of the Reinvestment Zone, the City Staff has negotiated a proposed Property Tax Abatement Agreement (“Agreement”) with Plaza and HMH; and

**WHEREAS**, subject to the lease of the Property by HMH from Plaza and the creation of 270 new jobs, and subject to the creation of the Reinvestment Zone on the Property, the Council wishes to authorize the Mayor to execute the Agreement, Now Therefore

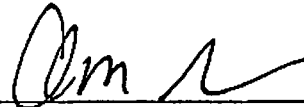
**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROUND ROCK, TEXAS,**

That conditioned on and subject to (1) the construction of the Facility by Plaza and lease of same by HMH, (2) the creation of 270 new jobs by HMH, and (3) the creation of a Reinvestment Zone on the Property, the Mayor is hereby authorized to execute on behalf of the City a Property Tax Abatement Agreement, a copy of which is attached hereto as Exhibit “A” and incorporated herein.

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter

hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

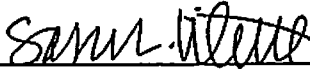
**RESOLVED** this 11th day of June, 2015.



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ALAN MCGRAW, Mayor  
City of Round Rock, Texas

ATTEST:



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SARA L. WHITE, City Clerk

## PROPERTY TAX ABATEMENT AGREEMENT

This Property Tax Abatement Agreement (this "*Agreement*") is entered into by and between the City of Round Rock, Texas (the "*City*"), a Texas home rule municipal corporation, 2015 La Frontera Plaza, Ltd., a Texas limited partnership ("*Plaza*"), and Houghton Mifflin Harcourt Publishing Company, a Massachusetts corporation ("*HMH*").

### RECITALS

WHEREAS, Plaza intends to expend at least \$14,250,000 in the construction of a Class A Office Building and other improvements (the "*Facility*") to be located on a tract of land (the "*Property*"), as described on the attached **Exhibit A**; and

WHEREAS, by entering into this Agreement, Plaza confirms its intent to construct the Facility and to lease a majority of said Facility to HMH for the purpose of HMH's locating business offices in the Facility which will result in at least 270 new full-time jobs over the term of this Agreement, thereby resulting in new economic development in City; and

WHEREAS, HMH intends to install at least \$3,000,000 worth of removable improvements and personal property (the "*Personal Property*") within the Facility, as described on the attached **Exhibit B**; and

WHEREAS, by entering into this Agreement, HMH confirms its intent to lease a majority of the Facility from Plaza for the purpose of locating business offices in the Facility which will result in at least 270 new full-time jobs over the term of this Agreement, thereby resulting in new economic development in City; and

WHEREAS, Plaza and HMH each confirm that the City's grant of the tax abatement provided for herein is expressly conditioned on their compliance with the development and job creation obligations set forth herein; and

WHEREAS, on the 11th day of June, 2015, the City Council of the City of Round Rock, Texas, adopted Ordinance No. ~~O-2015-2476~~ establishing Reinvestment Zone No. 28 (the "*Reinvestment Zone*") City of Round Rock, Texas for commercial/industrial tax abatement, hereinafter referred to as "Ordinance No. ~~O-2015-2476~~", as authorized by the Texas Property Redevelopment and Tax Abatement Act, Chapter 312, Tax Code, V.A.T.S. as amended (the "*Tax Abatement Act*"); and

WHEREAS, the Facility will be located on the Property within the Reinvestment Zone; and

WHEREAS, the City has adopted Ordinance No. O-2015-2251, which Ordinance adopted appropriate guidelines and criteria governing reinvestment zones and tax abatement agreements to be entered into by the City as contemplated by the Tax Abatement Act; and

WHEREAS, the City has determined that the construction and contemplated use of the Facility and creation of jobs, as well as the terms of this Agreement are consistent with encouraging development in the Reinvestment Zone in accordance with the purposes for its

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creation and are in compliance with Ordinance No. O-2015-2251 and the guidelines and criteria adopted by the City and all applicable laws; and

WHEREAS, the construction of the Facility constitutes a major investment within the Reinvestment Zone that will substantially increase the appraised value of the property within the Reinvestment Zone, and will contribute to the retention of primary and secondary employment within the City; and

WHEREAS, the City finds that there will be no substantial adverse effects on the provision of governmental services or on its tax base and that the planned use of the Facility will not constitute a hazard to public safety, health, or welfare, NOW THEREFORE, the parties hereto do mutually agree as follows:

1. **Authorization.** This Agreement is authorized by the Tax Abatement Act, and by Resolution of the City Council of the City of Round Rock, Texas dated June 11, 2015.

2. **Definitions.** As used in this Agreement, the following terms shall have the meanings set forth below:

(a) ***“Abatement”*** means the full or partial exemption from ad valorem taxes of the Property, the Facility and Personal Property in the Reinvestment Zone as more particularly set forth in Section 5.

(b) ***“Abatement Period”*** means the period of time beginning with the Effective Date of Abatement and continuing until December 31, 2026.

(c) ***“Abatement Value”*** means the assessed value of the Facility, Property and of the Personal Property, as determined annually by the WCAD on behalf of the City, less the amount of the Base Year Value.

(d) ***“Affiliate of Plaza”*** means any person under common control with, controlled by, or controlling Plaza. For purposes of this definition, (i) “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract or otherwise; and (ii) “person” means any individual, corporation, association, partnership, joint venture, real estate investment trust, other trust estate or other entity or organization.

(e) ***“Base Year Value”*** means the assessed value of the Facility, Property and the Personal Property on January 1, 2016 (or on January 1 of the year of execution of this Agreement if determined to be otherwise required by applicable law), as such value is determined by WCAD on behalf of the City.

(f) ***“City Guidelines”*** means the Tax Abatement Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones, as set forth in §38-22, Round Rock Code of Ordinances, 2010 Edition, as amended.

(g) ***“Effective Date of Abatement”*** means the period commencing January 1, 2017.

(h) **“Facility”** means the building and other improvements, or portion thereof, constructed by Plaza on the Property at a cost of at least \$14,250,000, a majority of which will be leased to HMH by Plaza.

(i) **“Ineligible Property”** means any personal property that was located within the Facility at any time before the period covered by this Agreement.

(j) **“Personal Property”** means any removable improvements, and the furniture, fixtures, and equipment owned by HMH located within the Facility and described in Exhibit B.

(k) **“Property”** means the tract of real property owned by Plaza located in the Reinvestment Zone and described in Exhibit A.

(l) **“Recapture Liability”** means the amount of permit fees waived and ad valorem taxes that were abated as result of this Agreement that are subject to recapture by the City under the terms of Section 10 in the event of a default as described in Section 9.

(m) **“Reinvestment Zone”** means the reinvestment zone established on the 11th day of June, 2015, in Ordinance No. 0-2015-2476 establishing Reinvestment Zone No. 28.

(n) **“Tax Code”** means the Tax Code of the State of Texas

(p) **“WCAD”** means the Williamson Central Appraisal District of Williamson County, Texas.

3. **Subject Property.** During the Abatement Period, a majority of the Facility shall be leased to HMH and used consistent with the general purpose of encouraging development or redevelopment within the Reinvestment Zone. The Property is not located in an improvement project financed by tax increment bonds and does not include any property that is owned or leased by a member of the City Council or by a member of the City Planning and Zoning Commission.

4. **Cost of Facility, Waiver of Permit Fees, and Cost of Personal Property.** Plaza agrees to spend, or to cause an Affiliate of Plaza to spend, at least \$14,250,000 for the construction of the Facility. Plaza agrees to provide City with documentation showing that this obligation has been satisfied. The City shall have the right, following reasonable advance notice to Plaza, to audit Plaza’s records (or the records of the appropriate Affiliate of Plaza) to verify that this obligation has been satisfied. City agrees to waive up to \$25,000 of site preparation and construction permit fees for the Facility.

HMH agrees to install at least \$3,000,000 worth of Personal Property in the Facility. The City shall have the right, following reasonable advance notice to HMH, to audit HMH’s records to verify that this obligation has been satisfied.

**5. Grant of Abatement.**

(a) To Plaza. Subject to (i) Plaza's satisfaction of its obligation to spend \$14,250,000 on the construction of the Facility; (ii) Plaza's satisfaction of its obligation to partially lease the Facility to HMH; (iii) HMH's satisfaction of its obligations to lease a portion of the Facility from Plaza throughout the term of this Agreement; (iv) HMH's satisfaction of its obligation to provide 270 jobs throughout the term of this Agreement; (v) all other terms and conditions contained herein; and (vi) the rights of the holders of any outstanding bonds of the City; the City hereby grants the Abatement on the Abatement Value of the Facility as follows:

(1)	Year 1 (2017)	100%
(2)	Year 2 (2018)	100%
(3)	Year 3 (2019)	75%
(4)	Year 4 (2020)	75%
(5)	Year 5 (2021)	50%
(6)	Year 6 (2022)	50%
(7)	Year 7 (2023)	25%
(8)	Year 8 (2024)	25%
(9)	Year 9 (2025)	25%
(10)	Year 10 (2026)	25%

For purposes hereof, Plaza's obligations may be satisfied by any Affiliate of Plaza who acquires title to the Property and to whom Plaza's rights and obligations under this Agreement are assigned.

Plaza acknowledges that the foregoing grant of abatement is conditioned both upon its compliance with its covenants in Section 8(a) below and HMH's compliance with its covenants contained in Section 8(b) below.

(b) To HMH. Subject to (i) Plaza's satisfaction of its obligation to spend \$14,250,000 on the construction of the Facility; (ii) Plaza's satisfaction of its obligation to partially lease the Facility to HMH; (iii) HMH's satisfaction of its obligation to lease a portion of the Facility from Plaza throughout the term of this Agreement; (iv) HMH's satisfaction of its obligation to provide 270 jobs throughout the term of this Agreement; (v) HMH's obligation to install \$3,000,000 worth Personal Property in the Facility; (vi) all other terms and conditions contained herein; and (vii) the rights of the holders of any outstanding bonds of the City; the City hereby grants the Abatement on the Abatement Value of the Personal Property located within the Facility as follows:

(1)	Year 1 (2017)	100%
(2)	Year 2 (2018)	75%
(3)	Year 3 (2019)	75%

HMH acknowledges that the foregoing grant of abatement is conditioned both upon its compliance with its covenants in **Section 8(b)** below and Plaza's compliance with its covenants contained in **Section 8(a)** below.

(c) **Abatement Reduction.** Regardless of anything contained herein to the contrary, the failure of HMH to provide 270 jobs shall not be considered an event of default as defined in **Section 9** below unless the number of jobs actually provided is less than 75% of 270, or 203. If the actual number of jobs provided at the end of any year is less than 270 but 203 or more, then the Abatement for the following year shall be reduced as follows: The percentage of the Abatement shall be reduced by the same percentage that the actual number of jobs bears to the required number of jobs. By way of illustration, if on December 31, 2018, HMH has provided 243 jobs, then the requirement to provide 270 jobs will be short by 27 jobs, or 10%. Therefore, Plaza's and HMH's Abatement for 2019 shall each be reduced by 10 points. Accordingly, the Abatement to be provided to Plaza would be reduced by ten points from 75% to 65% and the Abatement to be provided to HMH would be reduced by ten points from 75% to 65%. Failure of HMH to provide at least 203 jobs shall be considered an event of default on the part of both HMH and Plaza, subject to the provisions of **Section 9**.

6. **Term of Abatement.** Plaza and HMH shall receive the Abatement commencing on the Effective Date of the Abatement and continuing for Abatement Period.

7. **Taxable Property.** During the Abatement Period, ad valorem taxes shall be payable on the Property and the Ineligible Property located within the Reinvestment Zone as follows:

(a) The value of the Ineligible Property as defined herein shall be fully taxable; and

(b) The Base Year Value of the Facility, Property and Personal Property, as determined by the WCAD shall be fully taxable.

8. **Covenants.**

(a) **Plaza's Covenants.** In consideration of the City's agreement to enter into this Agreement, Plaza covenants and agrees that it (or an Affiliate of Plaza) will (i) expend at least \$14,250,000 to construct the Facility; (ii) substantially complete the construction of the Facility by the 31st day of December, 2016 (subject to delays caused by events of Force Majeure); and (iii) lease a majority of the Facility to HMH for business offices in the City for the term of this Agreement.

(b) HMH's Covenants. In consideration of the City's agreement to enter into this Agreement, HMH covenants and agrees that it will (i) install at least \$3,000,000 worth of Personal Property in the Facility; (ii) lease a majority of the Facility for the term of this Agreement from Plaza (or an Affiliate of Plaza) for business offices; and (iii) provide at least 270 jobs throughout the term of this Agreement. HMH also covenants and agrees to provide to the City an affidavit stating the number of employees that it has within the Facility in the form attached hereto as Exhibit C no later than March 1 of each calendar year during the Abatement Period.

(c) Breach of Covenants. Plaza and HMH each acknowledges that the City's obligations hereunder are conditioned upon HMH's continued operation of said business offices and to the provision of at least 270 jobs throughout the term of this Agreement, subject to the provisions of Section 5(c) above. In the event Plaza fails to construct the Facility by the 31st day of December, 2016 (subject to delays caused by events of Force Majeure), or in the event that HMH fails to comply with its obligation to operate its facility and to provide the number of jobs required under the terms of this Agreement, the City may terminate this Agreement by giving Plaza and HMH written notice of such termination, and exercise its rights under Section 10 below. In addition, the City will notify the WCAD of such termination.

## 9. Default.

(a) Plaza's Default. In the event that (a) Plaza allows its ad valorem taxes to the City to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; (b) Plaza violates any of the material terms and conditions of this Agreement, including, without limitation, any of the covenants described in Section 8(a) above; or (c) HMH fails to comply with its obligation to provide the number of jobs set forth herein (subject to Section 5(c) above), Plaza shall be considered in default. In the event that Plaza defaults under this Agreement, the City shall give Plaza written notice specifying such default. If Plaza has not cured the default within thirty (30) days after its receipt of such written notice, the City may, as its sole and exclusive remedies hereunder, (i) terminate this Agreement by given written notice thereof to Plaza and HMH, (ii) exercise its rights under Section 10 below, and (iii) pursue any of its remedies for the collection of delinquent property taxes as provided generally in the Tax Code. If the City terminates this Agreement hereunder, it will notify the WCAD thereof.

(b) HMH's Default. In the event that (a) HMH allows its ad valorem taxes to the City to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; (b) HMH fails to comply with its obligation to provide the number of jobs set forth herein (subject to Section 5(c) above); (c) HMH violates any of the material terms and conditions of this Agreement, including, without limitation, any of the covenants described in Section 8(b) above; or (d) Plaza fails to comply with its covenants described in Section 8(a) above; HMH shall be considered in default. In the event that HMH defaults under this Agreement, the City shall give HMH written notice specifying such default. If HMH has not cured the default within thirty (30) days after its receipt of such written notice, the City may, as its sole and exclusive remedies hereunder, (i) terminate this Agreement by given written notice thereof to HMH



and Plaza, (ii) exercise its rights under **Section 10** below, and (iii) pursue any of its remedies for the collection of delinquent property taxes as provided generally in the Tax Code. If the City terminates this Agreement hereunder, it will notify the WCAD thereof.

**10. Abatement Recapture.** In the event the City terminates this Agreement as a result of Plaza's or HMH's default, the Abatement for the year in which the termination occurs will be cancelled, and in addition, the City may recapture and collect from Plaza and HMH their respective Recapture Liability, as herein described. Plaza and HMH shall pay to the City their respective Recapture Liability within thirty (30) days after the date of termination, subject to any and all lawful offsets, settlements, deduction, or credits to which Plaza and/or HMH may be entitled. HMH's Recapture Liability hereunder shall not exceed, in the aggregate, an amount equal to the ad valorem taxes which were abated with regard to the Personal Property pursuant to this Agreement from the Effective Date of Abatement to the date of termination and Plaza's Recapture Liability hereunder shall not exceed any permit fees and ad valorem taxes which were abated with regard to the Property pursuant to this Agreement during the immediately preceding two calendar years. In addition, HMH's and Plaza's respective Recapture Liabilities shall include interest thereon to be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas, but without the addition of a penalty. The City shall have all remedies for the collection of each party's respective Recapture Liability as provided generally in the Tax Code for the collection of delinquent property taxes.

**11. Certification and Inspections.** No later than ninety (90) days after substantial completion of the Facilities, (a) Plaza (or an Affiliate of Plaza) must certify in writing to the City (i) that the construction of the Facilities has been substantially completed, and (ii) that HMH has leased and accepted occupancy of its premises in the Facilities; and (b) HMH must certify in writing to the City that HMH has satisfied its obligation with respect to the Personal Property. No later than March 1 of each year of the Abatement Period, HMH must certify in writing to the City that it is in compliance with each applicable terms of this Agreement and the City Guidelines and, if not in compliance, the steps HMH intends to take to be in compliance or a statement from HMH explaining in reasonable detail why compliance cannot be achieved. Plaza and HMH agree that the WCAD and the City, their agents and employees, shall, upon reasonable notice, have reasonable right of access to the Facility in order to ensure that the construction of the Facility is in accordance with this Agreement and all applicable state and local laws and regulations, or valid waiver thereof. All inspections will be made with one or more representatives of Plaza and/or HMH and in accordance with Plaza's and HMH's security and safety requirements. At the time of annual certification, upon the City's written request, HMH shall also provide a calculation of the aggregate amount of economic benefit HMH has previously received pursuant to this Agreement. In order to efficiently administer the Abatement, HMH agrees also to provide annually for each year with respect to which HMH will receive an abatement under **Section 5(b)** hereof, no later than March 1, a full asset listing of personal property located on the Property and in the Facility to the WCAD and such other information as may be reasonably necessary for the Abatement and assessment of the assets for tax purposes, including any information required by the City Guidelines.

Each year the City will endeavor to send HMH a reminder of its obligation under this **Section 11**. However, the failure of the City to do so shall not relieve HMH of its obligations hereunder.

12. **Annual Tax Application.** It shall be the responsibility of Plaza and HMH, pursuant to V.T.C.A., Tax Code, § 11.43, to file an annual exemption application form with the WCAD. The Chief Appraiser of the WCAD shall annually determine and record both the abated taxable value and the full taxable value of the Property and Personal Property in the appraisal records. The full taxable value figure listed in the appraisal record shall be used to compute the amount of abated taxes that are required to be recaptured and paid in the event this Agreement is terminated in a manner that results in recapture pursuant to **Section 10**. Each year Plaza and HMH shall furnish the Chief Appraiser with such information outlined in V.T.C.A., Tax Code, Chapter 22, as may be necessary for the administration of the abatement specified herein. Plaza and/or HMH shall be entitled to appeal any determination of the Chief Appraiser in accordance with the provisions of the Texas Tax Code.

13. **Assignment.** Prior to the date that Plaza satisfies its obligations hereunder to construct the Facility and enter into a lease with HMH for the lease of a portion thereof, Plaza may (i) assign this Agreement to a new owner of the Property with the written consent of the City Council of the City, which consent shall not be unreasonably withheld, conditioned or delayed, or (ii) assign this Agreement to an Affiliate of Plaza, which shall not require any such written consent, provided that Plaza shall give written notice thereof to the City. After the completion of the Facility and the lease by HMH of a portion thereof, Plaza may assign this Agreement to a new owner of the Property without the consent of any party, provided that Plaza shall give written notice thereof to City. Any assignment shall be in writing, and shall provide that the assignee shall irrevocably and unconditionally assume, from and after the date thereof, all the duties and obligations of the assignor upon the same terms and conditions as set out in this Agreement. HMH may assign this Agreement without the consent of the City Council of the City to an entity which controls, is controlled by or is under common control with HMH, any successor entity to HMH by way of merger, consolidation or other non-bankruptcy corporate reorganization, or an entity which acquires all or substantially all of HMH's assets, partnership or membership interests, or capital stock. All other assignments of this Agreement by HMH are subject to the written consent of the City Council of the City, which consent shall not be unreasonably withheld, conditioned or delayed.

14. **Notice.** All notices and other communications hereunder shall be in writing (whether or not a writing is expressly required hereby), and shall be deemed to have been given and become effective (a) if given by either party or its counsel via an express mail service or via courier, then if and when delivered to and received (or refused) by the respective parties at the below addresses (or at such other address as a party may hereafter designate for itself by notice to the other party as required hereby), or (b) if sent via certified mail by either party or its counsel, then on the third business day following the date on which such communication is deposited in the United States mails, by first class certified mail, return receipt requested, postage prepaid, and addressed to the respective parties at the below addresses (or at such other address as a party may hereafter designate for itself by notice to the other party as required hereby). Any notice provided for under the terms of this Agreement by either party to the other shall be in writing and may be effected by registered or certified mail, return receipt requested.

If to City: City of Round Rock  
221 E. Main Street  
Round Rock, TX 78664  
Attn: City Manager  
Phone: (512) 218-5400  
Email: [citymanager@roundrocktexas.gov](mailto:citymanager@roundrocktexas.gov)

With a required copy to:

Sheets & Crossfield  
309 E. Main Street  
Round Rock, TX 78664  
Attn: Stephan L. Sheets  
Phone: (512) 255-8877  
Email: [steve@scrllaw.com](mailto:steve@scrllaw.com)

If to Plaza: c/o Live Oak - Gottesman LLC  
4330 Gaines Ranch Loop, Suite 100  
Austin, Texas 78735  
Attn: Steven A. Younkman  
Email: [steve@liveoak.com](mailto:steve@liveoak.com)

With a required copy to:

Nick von Kreisler  
Kuperman, Orr & Albers, P.C.  
1501 S. Mopac Expressway, Suite 325  
Austin, Texas 78746  
Email: [nvk@koalaw.com](mailto:nvk@koalaw.com)

If to HMH: Houghton Mifflin Harcourt Publishing Company  
222 Berkeley Street  
Boston, MA 02116  
Attn: General Counsel

With a required copy to:

Houghton Mifflin Harcourt Publishing Company  
9400 South Park Center Loop  
Orlando, FL 32819  
Attn: Manager of Lease Administration

15. **Applicable Law.** This Agreement is made and shall be construed and interpreted under the laws of the State of Texas and shall be performable in Williamson County, Texas.

16. **No Liability.** It is understood and agreed between the parties that Plaza and HMH, in performing their obligations hereunder, are each acting independently, and the City assumes no responsibility or liability to third parties in connection therewith. It is further

understood and agreed among the parties that the City, in performing its obligations hereunder, is acting independently and Plaza and HMH assume no responsibility or liability to third parties in connection therewith.

17. **Estoppel Certificate.** Any party hereto may request an estoppel certificate from another party hereto so long as the certificate is requested in connection with a bona fide business purpose and requests commercially reasonable certifications. Each party agrees to promptly execute and deliver any estoppel certificate reasonably requested pursuant to this Section 17. The certificate, which will upon request be addressed to Plaza and/or HMH, or a lessee, purchaser or assignee of Plaza and/or HMH, shall include, but not necessarily be limited to, statements (qualified to the best knowledge of the party providing the estoppel) that this Agreement is in full force and effect without default (or if a default exists, the nature of such default and any curative action which should be undertaken to cure same), the remaining term of this Agreement, and such other matters reasonably requested by the party(ies) to receive the certificate.

18. **Legal Construction.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be considered as if such invalid, illegal or unenforceable provision had never been contained in this Agreement.

19. **Force Majeure.** Whenever a period of time is prescribed for the taking of an action by Plaza and/or HMH, the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, terrorist attacks (including bio-chemical attacks), civil disturbances and other causes beyond the reasonable control of Plaza and/or HMH. However, events of Force Majeure shall not extend any period of time for the payment of sums payable by Plaza or HMH.

20. **Entire Agreement.** This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in this Agreement, and except as otherwise provided herein cannot be modified, amended, altered or revoked without written agreement of the parties hereto.

21. **Recordation of Agreement.** A certified copy of this Agreement or a memorandum summarizing this Agreement, in recordable form may be recorded in the Deed of Records of Williamson County, Texas.

22. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

23. **Authority.** The individuals executing this Agreement on behalf of the respective parties hereto represent to each other and to others 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 in order for the same to be an authorized and binding agreement on the 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 date hereof.

24. **Multiple Counterparts.** This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

25. **Time of Essence.** Time is of the essence in this Agreement.


26. **Joint Drafting.** The parties agree this Agreement has been drafted jointly by the parties and their legal representatives.

27. **Exhibits.** All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective on the latest date as reflected by the signatures below (the "*Effective Date*").

(SIGNATURES ON FOLLOWING PAGES)

THE CITY OF ROUND ROCK, TEXAS,  
a Texas Home Rule Municipality

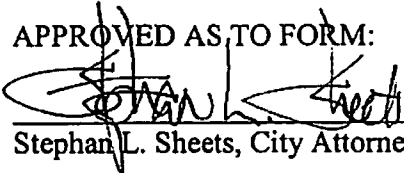
By:   
Alan McGraw, Mayor

Date: June 11, 2015

Attest:

  
Sara White, City Clerk

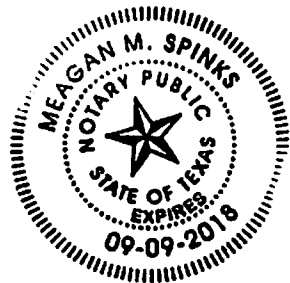
APPROVED AS TO FORM:

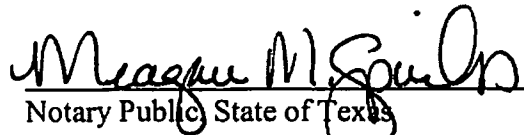
  
Stephan L. Sheets, City Attorney

Acknowledgment

State of Texas  
County of Williamson

This instrument was acknowledged before me on this the 11th day of June, 2015 by Alan McGraw, as Mayor of the City of Round Rock, Texas.



  
Notary Public, State of Texas

2015 La Frontera Plaza, Ltd.,  
a Texas limited partnership

By: 2015 La Frontera Plaza GP, LLC, a Texas  
limited liability company

By:   
Steven A. Younkman, Manager


Date: June 10, 2015

**Acknowledgment**

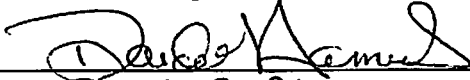
State of Texas  
County of Williamson

This instrument was acknowledged before me on this the 10<sup>th</sup> day of June, 2015 by Steven A. Younkman, Manager of 2015 La Frontera Plaza GP, LLC, a Texas limited liability company, general partner of 2015 La Frontera Plaza, Ltd., a Texas limited partnership, on behalf of said limited partnership.



  
Notary Public, State of Texas

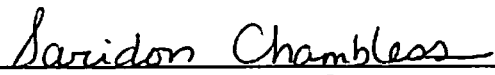
**Houghton Mifflin Harcourt Publishing  
Company,**  
a Massachusetts corporation

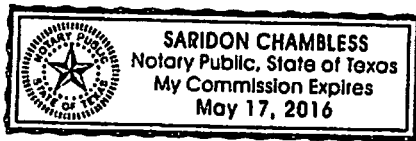
By:   
Name: DANID G. SAMUELS  
Its: VP, REAL ESTATE

**Acknowledgment**

State of Texas  
County of Williamson

This instrument was acknowledged before me on this the 10<sup>th</sup> day of June, 2015 by David A. Samuels, as VP, Real Estate of Houghton Mifflin Harcourt Publishing Company, a Massachusetts corporation, on behalf of said corporation.

  
Notary Public, State of Texas





**EXHIBIT A**

**PROPERTY DESCRIPTION**

Lot 1, Block G, AMENDING PLAT OF LOTS 1 AND 3, BLOCK G, LA FRONTERA SECTION IIIB, subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet V, Slide 145 of the Plat Records of Williamson County, Texas.

## **EXHIBIT B**

### **PERSONAL PROPERTY DESCRIPTION**

Customary furniture, fixtures and equipment for general, administrative and executive office purposes incidental to Tenant's current business, including, without limitation, the following:

1. Office Furniture – Desks, Tables and Chairs
2. Modular Furniture – Panels, Desktops and Chairs
3. Conference Room Furniture – Tables, Credenzas and Chairs
4. Telephone System
5. Video Conferencing Equipment
6. Wireless System
7. Servers and Racks
8. PC Computers
9. Laptop Computers
10. Printers and Copiers

**EXHIBIT "C"**  
**TO THE PROPERTY TAX ABATEMENT AGREEMENT**

**JOB COMPLIANCE AFFIDAVIT**

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_ (name) \_\_\_\_\_, known to me to be the person whose name is subscribed below and after having been duly sworn, on his/her oath stated as follows:

1. "My name is \_\_\_\_\_. I am over the age of 21 years and am capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.
2. "I am the \_\_\_\_\_ (title) \_\_\_\_\_ of Houghton Mifflin Harcourt and I am duly authorized to make this affidavit.
3. "As of December 31, 201\_\_\_\_, Houghton Mifflin Harcourt had the following job positions and salaries:

Employee ID No.	Job Position or Title	Annual Salary
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
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_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
TOTAL JOBS \_\_\_\_\_ AVG. SALARY \$ \_\_\_\_\_

4. "In addition to the salary, all full time jobs included industry standard employee benefits.

Dated this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
(Printed name)

\_\_\_\_\_  
(Title)

SUBSCRIBED AND SWORN TO before me on this the \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Notary Public, State of Texas