

AGREEMENT REGARDING PAYMENT

This Agreement Regarding Payment (this "Agreement") is entered into as of this 8th day of April, 2015 (the "Effective Date") by and between ALCUIN SCHOOL, a Texas nonprofit corporation, (the "School") and HILLCREST FOREST NEIGHBORHOOD ASSOCIATION, INC., a Texas nonprofit corporation ("HFNA"), BRITTANY CIRCLE NEIGHBORHOOD ASSOCIATION, a Texas nonprofit corporation ("BCNA") and PARC DU LAC PROPERTY CORPORATION, a Texas nonprofit corporation ("Parc du Lac"). HFNA, BCNA and Parc du Lac are hereinafter collectively referred to as the "Associations".

RECITALS

A. The School owns that certain real property (the "Property") described on Exhibit "A" attached hereto and made a part hereof for all purposes, on which the school currently operates a school for children ranging from preschool through twelfth (12th) grade.

B. Beginning in January of 2014, the School began meeting with the Associations to discuss proposed amendments to the Planned Development District No. 368 ("PD 368") covering the Property.

C. After many meetings with the Associations and the neighborhood at large, the School filed its Application for Amendments to the Planned Development District No. 368 (the "Original Application") on October 6, 2014 with the City of Dallas, Texas (the "City").

D. Subsequent thereto, the School continued its community outreach, addressed neighbor concerns with the Original Application and suggested various positive benefits that the School could provide to the Associations and the neighborhoods that they serve. Subsequently, the School amended its Original Application currently pending before the City.

E. The School and the Associations entered into an Agreement (the "MOU Agreement"), dated as of April 7, 2015, which provided, in part, for the payment by the School of certain amounts over a certain period of time.

F. The School and the Associations now desire to set forth their understanding concerning certain payments provided in the MOU Agreement as set forth in this Agreement.

AGREEMENTS

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, and Ten Dollars (\$10.00) and other good and valuable consideration received by the parties hereto, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. **Purpose.** The parties hereby acknowledge and agree that the School is an asset to the community and that both the School and the Associations will strive to provide a harmonious environment that is respectful and considerate of every property owner's rights and enjoyment of their property. The School acknowledges the concerns of the Associations with respect to traffic and access along Churchill Way and neighborhood communication. The Associations hereby acknowledge the efforts that the School will make to expand its neighborhood outreach by the enhancement of its proactive management of any adverse traffic impacts caused by the School through the use of off-duty police officers (or other legally permitted traffic control persons) during the School's morning carpool, offering preferential enrollment to mission appropriate children living in the neighborhood, providing community information through the School's community liaison and newsletters, and providing financial support to

establish neighborhood patrols for a defined period. In entering into this Agreement, the School and the Associations intend to build a strong, long-lasting cooperation between the School and the Associations to enhance the attributes and benefits of the neighborhood.

2. **Payment by the School.** For a period of 10 years beginning on the date which is the earlier to occur of (i) the date that the first payment is made by the School for Security Costs (hereinafter defined) (as opposed to Wall Improvements, as hereinafter defined) pursuant to the terms of this Agreement, or (ii) 365 days after the Effective Date (the “**Payment Period**”), the School shall provide a payment of up to \$100,000.00 for each twelve month period (the “**Annual Payment Commitment**”), for a total aggregate amount over the Payment Period not to exceed \$1,000,000.00 (the “**Total Payment Commitment**”), in accordance with the terms of this Agreement, to offset Security Costs to provide neighborhood patrols and other security related services for the areas (the “**Security Area**”) described on Exhibit “B”, attached hereto and made a part hereof for all purposes (collectively, the “**Security Related Services**”), on a non-discriminatory and equitable basis. “**Security Costs**” shall mean all actual costs incurred under contracts, purchase orders, quotes or bids (“**Security Contracts**”) to provide the Security Related Services, which shall include, but not be limited to, general liability insurance, director’s and officer’s insurance, bonds, permits, escrow fees, formation and filing fees of the Security Entity (hereinafter defined), reasonable fees paid for administration and coordination of the security services (not to exceed \$150.00 per month) and costs of compliance with applicable laws not covered by the Security Contracts. In each twelve month period of the Payment Period, the School shall make payment of up to \$100,000.00 per each twelve month period within the Payment Period, in accordance with the following:

- a. If all or any portion of the Annual Payment Commitment has not been escrowed with an escrow agent as provided in Section 2(b) below for the then current twelve month period during the Payment Period, the School shall pay to the vendors and/or contractors (the “**Security Service Providers**”) under the Security Contracts, on behalf of HFNA or the Security Entity, as applicable, within twenty-five (25) days of delivery to the School of the last of: (a) a copy of the applicable executed Security Contract or appropriate agreement or other document providing for the supply of Security Costs for such twelve month period, (b) a copy of the invoice from the applicable Security Service Provider or provider of Security Costs under the applicable Security Contract or other agreement or document providing for the supply of Security Costs, which invoice amount when added to all other invoice amounts submitted for such twelve month period does not exceed \$100,000.00, and (c) written approval for payment of the invoice executed by HFNA (or the Security Entity, as applicable). Other than with respect to the Wall Improvements, in no event shall the School be obligated to pay invoices more than once every thirty (30) days nor obligated to pay more than the Annual Payment Commitment for such twelve month period.
- b. HFNA or the Security Entity, as applicable, shall have the option to elect in writing to the School to have all or any portion of the Annual Payment Commitment for any twelve month period during the Payment Period, in an amount when added to all other Security Costs submitted for such twelve month period does not exceed \$100,000.00, deposited into escrow with a third party escrow agent during such applicable twelve month period. HFNA or the Security Entity, as applicable, shall provide to the School (i) copies of all proposed applicable Security Contracts, which have been approved by HFNA or the Security Entity, as applicable, executed only by the applicable Security Service Providers, and (ii) a proposed escrow agreement from a third party escrow company, reasonably satisfactory to both HFNA (or the Security Entity, as applicable) and the School (the “**Escrow Company**”). As long as the escrow agent is acceptable to the

School and HFNA (or the Security Entity if applicable), which such approval shall not be unreasonably withheld, and the escrow agreement contains reasonable terms consistent with the size, purposes and procedures of the escrow and reasonable exculpation of escrow agent adhering faithfully to the terms of the escrow agreement and the requirements for disbursement of escrow funds provided herein, the parties will not unreasonably withhold approval and execution of the escrow agreement. Upon execution of an acceptable escrow agreement between HFNA (or the Security Entity, as applicable), the School and the Escrow Company (the “**Escrow Agreement**”), then in lieu of paying such sums directly to the Security Service Providers as provided in Section 2(a) above, the School shall deposit the amount of the Annual Payment Commitment that HFNA or the Security Entity, as applicable, elected in writing to escrow, in an amount when added to all other Security Costs submitted do not exceed \$100,000.00 for such twelve month period or \$1,000,000.00 in the aggregate over the Payment Period, to fund the Security Costs in accordance with the terms of this Agreement. HFNA or the Security Entity, as applicable, shall execute the applicable Security Contracts and provide a copy to the School and the Escrow Company. HFNA and the School hereby agree, and shall instruct the Escrow Company in the Escrow Agreement, that no portion of the funds deposited into escrow by the School shall be released from escrow until (y) receipt by the Escrow Company of the applicable required invoice from the applicable Security Service Provider or Security Costs provider, and (z) receipt by the Escrow Company of written approval of such invoice executed by HFNA (or the Security Entity, as applicable). The Escrow Company shall provide a copy of the items described in subsections (y) and (z) above to the School promptly after disbursement of the applicable funds.

- c. Notwithstanding anything contained herein to the contrary, an Association and/or the Security Entity may independently enter into additional contracts for patrols and security-related services for its members, which contracts shall not qualify as approved Security Contracts eligible for reimbursement hereunder of any amounts incurred under such contracts from any portion of the Total Payment Commitment and shall not require the approval of any of the other Associations.

3. **Appointment of HFNA As Agent.** The Associations hereby appoint HFNA as their agent for the following purposes:

- a. at the sole election of HFNA, to create a legally formed nonprofit corporation (the “**Security Entity**”) to enter into the Security Contracts for the Security Related Services to the Security Area. The Security Entity shall select the Security Service Providers under the Security Contracts, shall negotiate and approve the terms and provisions of the Security Contracts, and shall enter into such approved Security Contracts with such approved Security Service Providers to provide the Security Related Services. The Security Entity may be formulated as an association created solely for the purposes of entering into the Security Contracts or as a crime watch organization, in HFNA’s sole discretion.
- b. at any time, and for any periods of time, prior to the formation of the Security Entity, HFNA may elect, in its sole discretion, to select the Security Service Providers under the Security Contracts, to negotiate and approve the terms and provisions of the Security Contracts, and to enter into such approved Security Contracts with such approved Security Service Providers to provide the Security Related Services.

4. **The Wall Improvements.** Notwithstanding anything contained herein to the contrary, the School shall pay a portion of the payment due in the first twelve month period of the Payment Period, in an amount not to exceed \$10,000.00, to a contractor or contractors hired by BCNA to improve the appearance of the east side of the wall (the “**Wall**”) between the School and the residences located on west side of Brittany Circle (the “**Wall Improvements**”) within thirty (30) days of written request of BCNA and receipt by the School of copies of invoices from the applicable contractor or contractors, provided that (i) the amount due for the Wall Improvements does not exceed \$10,000.00 and when added to the amounts already paid by the School during the first twelve month period of the Payment Period do not exceed \$100,000.00, and (ii) the amount due from the School with respect to any Security Costs during the first twelve month period of the Payment Period shall be reduced by the amounts paid by the School for the Wall Improvements. The Associations hereby consent to the use of a portion of the Annual Payment Commitment during the first twelve month period of the Payment Period, in an amount not to exceed \$10,000.00, to pay for the Wall Improvements. BCNA shall coordinate any entry by its contractors onto the Property with the School and cause such contractors to comply with the School’s child safety procedures. Upon notice from BCNA as to the identity of any contractors and scheduling of the Wall Improvements, the School will provide reasonable access to the eastern portion of the Property adjacent to the Wall, will cooperate with the contractor or contractors performing the Wall Improvements and will provide each with a written copy of the School’s child safety procedures and contact information for the appropriate person at the School for questions or issues relating to the safety procedures or notices of work requiring access from the School side of the Wall. BCNA hereby agrees that the Wall Improvements will be limited to the Brittany Circle side of the Wall, will be cosmetic only and will not diminish the Wall’s structural composition or integrity of the Wall.

5. **Release of The School.** The Associations hereby acknowledge and agree that (a) the obligations of the School under this Agreement are solely timely payment obligations, (b) the School is not providing, nor intending to provide, the Security Related Services or any other services to the Associations or within the Security Area, (c) the School has no approval right or authority to determine the extent, type, nature and terms of any Security Contract or the requirements or qualifications of any Security Service Provider, and (d) the School is not responsible for the performance of the services, or lack thereof, by any Security Service Providers which may be paid by the School pursuant to this Agreement. Subject to the School’s timely performance of its obligations under this Agreement, the Associations shall waive, release and forever discharge, the School and its board of trustees, employees, agents, representatives, contractors, administrators, legal representatives, managers, successors and assigns, from any and all present or future claims, demands, liabilities, causes of action, suits, judgments, damages, costs and expenses (including reasonable attorneys’ fees) of every kind whatsoever, of any nature, known or unknown, which have accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract or tort, for actual, consequential or punitive damages, liquidated or unliquidated, which have been asserted or which could be asserted, arising out of, relating to, resulting from, or in any manner related to or arising in connection with the Wall Improvements, the Security Contracts (or lack thereof), and/or the actions, omissions, negligence and/or willful misconduct of any Security Service Provider and their respective employees, agents, representatives, contractors, successors and assigns, not arising from any act or omission of the School or nonpayment by the School of the amounts due under this Agreement when due pursuant to this Agreement. The waivers and releases set forth herein shall survive termination or expiration of this Agreement and shall not terminate or be waived, diminished or affected in any manner by such termination. During the periods of time that it has entered into the Security Contracts for the Security Related Services to the Security Area, HFNA or the Security Entity, as applicable, shall have the School named as an additional insured on any insurance policies obtained by such entity in connection with the Security Contracts, the Security Related Services, the Wall Improvements or any other the matters detailed in this Agreement.

6. **Enforcement of Rights.** In the event any party hereto fails to discharge its respective obligations hereunder, any other party shall have the right to enforce this Agreement by an action in law or in equity (including a suit for specific performance) without thereby waiving the right to also recover in an action for damages any sums expended by such other party at its discretion in performing such obligations. In the event that any party hereto institutes a legal proceeding against any other party to enforce the obligations arising hereunder, the prevailing party in any such legal proceeding shall be additionally entitled to recover court costs and reasonable attorney's fees from the non-prevailing party as awarded by the tribunal.

7. **Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

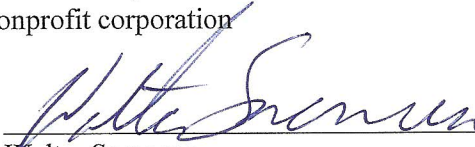
8. **Termination.** This Agreement shall automatically terminate upon the earlier to occur of (a) the date all payments due hereunder have been made by the School, (b) the day which is ten (10) years following the date that the first payment is made by the School for Security Costs (as opposed to Wall Improvements) pursuant to the terms of this Agreement, or (c) the day which is eleven (11) years from the Effective Date.

9. **Governing Law.** The laws of the State of Texas shall govern the interpretation, validity, performance, and enforcement of this Agreement. This Agreement is personal to, and not assignable by, the Associations, other than to the Security Entity, without the express written consent of the School, which consent may be withheld in the School's sole discretion.


10. **Authority.** The persons executing this Amendment on behalf of the School and each of the Associations hereby represent to the other parties executing this Agreement: (a) each party to this Agreement is a duly organized and validly existing Texas corporation or association, in good standing under the laws of the State of Texas, (b) each party to this Agreement has the full right and authority to execute, deliver and perform this Amendment; and (c) the person executing this Agreement on behalf of each party to this Agreement is authorized to do so.

This Agreement becomes effective only if signed by all the parties hereunder. Effective as of the date first set forth above.

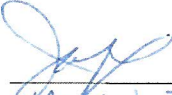
ALCUIN SCHOOL,
a Texas nonprofit corporation

By: 
Name: Walter Sorensen
Title: Head of School

**HILLCREST FOREST NEIGHBORHOOD
ASSOCIATION, INC.**
a Texas nonprofit corporation

By: 
Name: BRUCE WILKE
Title: PRESIDENT

BRITTANY CIRCLE NEIGHBORHOOD ASSOCIATION,
a Texas nonprofit corporation

By: 
Name: JACKSON D. WILSON II
Title: PRESIDENT

PARC DU LAC PROPERTY CORPORATION,
a Texas nonprofit corporation

By: _____
Name: _____
Title: _____

BRITTANY CIRCLE NEIGHBORHOOD ASSOCIATION,
a Texas nonprofit corporation

By: _____
Name: _____
Title: _____

PARC DU LAC PROPERTY CORPORATION,
a Texas nonprofit corporation


By:  _____
Name: JIM PARRISH
Title: BOARD PRESIDENT

EXHIBIT "A"

Legal Description of the Property

Tract 1:

BEING a 11.116 acre tract of land out of the Thomas Dykes Survey, Abstract No. 405, in Dallas County, Texas, and being all of Lot 6A, Block 4/7460 of ST. ALCUIN MONTESSORI SCHOOL ADDITION, an addition to the City of Dallas, Dallas County, Texas, according to the plat thereof recorded in Instrument Number 200600174385 of the Official Public Records of Dallas County, Texas and all of Lots A and B, Block 5/7460 of A Replat of Lots 1-A, 2-A, 4 & 5, Block 4/7460 of Knowles Subdivision, addition to the City of Dallas County, Texas, according to the plat thereof recorded in Volume 67051, Page 1221 of the Deed Records of Dallas County, Texas, being all of the 15' wide alley abandoned by City Ordinance No. 11712, recorded in Volume 67041, Page 001 of the Deed Records of Dallas County, Texas and being the 5.192 acre tract of land described in deed to The St. Alcuin Montessori School, recorded in Volume 81001, Page 2132 of the Deed Records of Dallas County, Texas, the 2.454 acre tract of land described in deed to The St. Alcuin Montessori School, recorded in Volume 91252, Page 2113 of the Deed Records of Dallas County, Texas and the 3.4791 acre tract of land described in deed to The St. Alcuin Montessori School, recorded in Volume 81001, Page 2132 of the Deed Records of Dallas County, Texas and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod found with a cap stamped "R.P.L.S. 5331 in the south right-of-way line of Churchill Way (a 60-foot wide public right-of-way at this point) for the northerly common corner of the before mentioned Lot A, Block of A Replat of Lots 1-A, 2-A, 4 & 5, Block 4/7460 of Knowles Subdivision (hereafter called Knowles Subdivision) and the tract of land described in deed to Thomas Chambers and wife, Eldora Chambers, recorded in Volume 92252, Page 7599 of the Deed Records of Dallas County, Texas;

THENCE leaving the said south right-of-way with the east line of the Knowles Subdivision, South 00°15'43" West, a distance of 627.33 feet to a ½" iron rod found in the north line of Parc Du Lac Estates, an addition to the City of Dallas County, Texas, according to the plat thereof recorded in Volume 78213, Page 2348 of the Deed Records of Dallas County, Texas for the southeast corner of the before mentioned 3.4791 acre tract and the southwest corner of Lot 7, Block 5/7460 of Dallas Project No. West, an addition to the City of Dallas County, Texas, according to the plat thereof recorded in Volume 84158, Page 1494 of the Deed Records of Dallas County, Texas;

THENCE with the north line of the Parc Du Lac Estates, South 88°59'13" West, passing a 5/8" iron rod found with a plastic cap stamped "R.P.L.S. 5351" at a distance of 241.65, in all a total a distance of 598.28 feet to a ½" iron rod found for the most easterly southwest corner of the before mentioned Lot 6, Block 4/7460 of St. Alcuin Addition;

THENCE with the most southerly west line of said Lot, North 00°09'39" East, a distance of 317.87 feet to 3/8" iron rod found for an interior ell corner of Lot 6, block 4/7460;

THENCE with the most westerly south line of said lot, South 88°58'34" West, a distance of 341.39 feet to 3/8" iron rod found for most northerly southwest corner of Lot 6, block 4/7460;

THENCE with the most northerly west line of said lot, North 00°22'35" East, a distance of 313.32 feet to ½" smooth iron rod found in the south right-of-way line of Churchill Way (a 55-foot wide public right-of-way at this point) for northwest corner of Lot 6, Block 4/7460;

THENCE with the said south right-of-way line of Churchill Way, the following courses and distances to wit:

-North 88°46'06" East, a distance of 340.88 feet to a ½" iron rod found for the northerly common corner of the before mentioned 2.454 acre tract and 5.192 acre tract;

-North 89°04'40 East, a distance of 357.10 feet to a 5/8" iron rod set with a cap stamped "KHA" for the northeast corner of Lot 6, Block 4/7460 and the 5.192 acre tract;

-South 00°15'43" West, a distance of 5.00 feet to a 5/8" iron rod found with a cap stamped "R.P.L.S. 5351" for the northwest corner of the 3.4791 acre tract;

-North 88°52'29" East, a distance of 241.65 feet to the POINT OF BEGINNING and containing 11.116 acres (484,194 square feet) of land, more or less.

Tract 2:

Parcel 1:

Lot 3, Block 4/7460, of KNOWLES SUBDIVISION, an Addition to the City of Dallas, Dallas County, Texas, according to the revised Map thereof recorded in Volume 28, Page 209 of the Plat Records of Dallas County, Texas.

Parcel 2:

Being the abandoned 15 foot x 100 foot portion of the alley adjacent to the south line of Lot 3, Block 4/7460, of KNOWLES SUBDIVISION, an Addition to the City of Dallas, Dallas County, Texas, according to the revised Map thereof recorded in Volume 28, Page 209, of the Plat Records of Dallas County, Texas.

EXHIBIT "B"

Description of Security Area

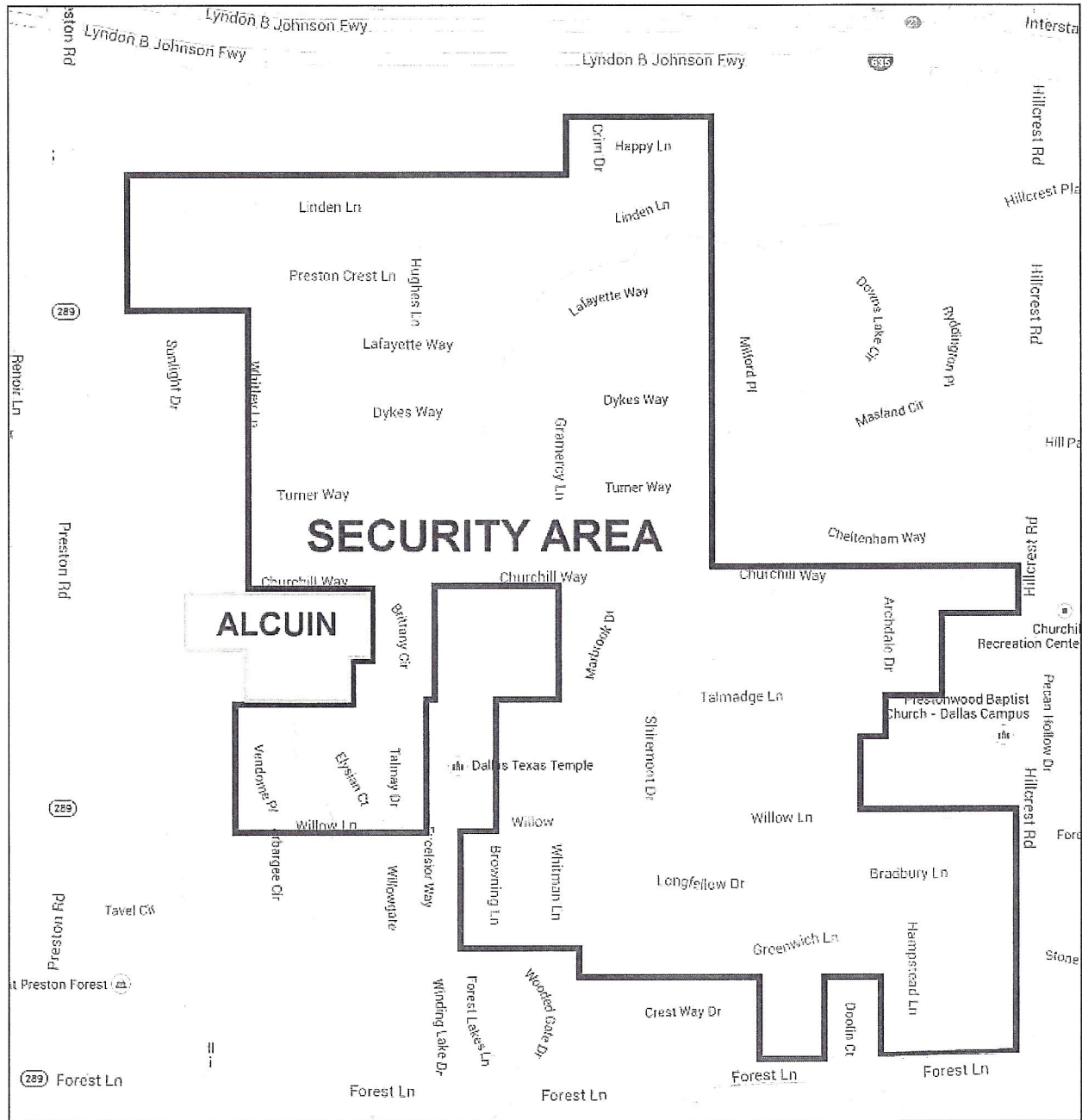


EXHIBIT "D"

Security Area Covered by Agreement Regarding Payment

