

NEW ISSUE

NOT RATED

PROSPECTIVE PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN. THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT IN RELIANCE UPON THE EXEMPTION PROVIDED BY SECTION 3(A)(2) THEREIN. NO ACTION HAS BEEN TAKEN TO QUALIFY THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY STATE. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN.

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “TAX MATTERS” herein.

**\$9,150,000*****CITY OF LIBERTY HILL, TEXAS****(a municipal corporation of the State of Texas located in Williamson County)****SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022****(BUTLER FARMS PUBLIC IMPROVEMENT DISTRICT MAJOR IMPROVEMENT AREA PROJECT)****Dated Date: January 1, 2022****Due: September 1, as shown on the inside cover****Interest to Accrue from the Closing Date (as defined below)**

The City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District Major Improvement Area Project) (the “Bonds”), are being issued by the City of Liberty Hill, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on page i hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on each March 1 and September 1, commencing September 1, 2022*, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by BOKF, NA, as trustee (the “Trustee”), to Cede & Co. as the registered owner thereof. See “BOOK-ENTRY ONLY SYSTEM.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance expected to be adopted by the City Council (the “City Council”) on December 13, 2021, and an Indenture of Trust, dated as of January 1, 2022 (the “Indenture”), entered into by and between the City and the Trustee.

Proceeds of the Bonds will be used for the purpose of (i) paying a portion of the Actual Costs of the Major Improvement Area Projects (as defined herein), (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Major Improvement Area Projects, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying the costs of issuance of the Bonds. See “THE MAJOR IMPROVEMENT AREA PROJECTS” and “APPENDIX B — Form of Indenture.” Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Pledged Revenues (as defined herein), consisting primarily of Assessments (as defined herein) levied against assessable properties in the Major Improvement Area (as defined herein) of the Butler Farms Public Improvement District (the “District”) in accordance with a Service and Assessment Plan (as defined herein) and other funds comprising the Trust Estate (as defined herein), all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. The Assessments were levied in accordance with the Assessment Ordinance (as defined herein) of the City. See “SECURITY FOR THE BONDS.”

The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption “DESCRIPTION OF THE BONDS — Redemption Provisions.”

The Bonds involve a significant degree of risk and are not suitable for all investors. See “BONDHOLDERS’ RISKS” and “SUITABILITY FOR INVESTMENT.” Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating on the Bonds.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS.”

This cover page contains certain information for quick reference only. It is not a summary of the Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery when, as, and if issued by the City and accepted by FMSbonds, Inc. (the “Underwriter”), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by its counsel, the Bojorquez Law Firm, PC, the Underwriter by its counsel, Winstead PC, and for the Master Developer by its counsel Metcalfe Wolff Stuart & Williams, LLP, for Saratoga by its general counsel, and for Meritage by its general counsel. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about January 12, 2022 (the “Closing Date”).

FMSbonds, Inc.

* Preliminary; subject to change

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS,
AND CUSIP NUMBERS**

CUSIP Prefix: _____^(a)

\$9,150,000*
CITY OF LIBERTY HILL, TEXAS
(a municipal corporation of the State of Texas located in Williamson County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(BUTLER FARMS PUBLIC IMPROVEMENT DISTRICT MAJOR IMPROVEMENT AREA PROJECT)

\$ _____ Term Bonds

\$ _____ % Term Bonds, Due September 1, 20____, Priced to Yield _____%; CUSIP _____^{(a) (c)}

\$ _____ % Term Bonds, Due September 1, 20____, Priced to Yield _____%; CUSIP _____^{(a) (c)}

\$ _____ % Term Bonds, Due September 1, 20____, Priced to Yield _____%; CUSIP _____^{(a) (c)}

\$ _____ % Term Bonds, Due September 1, 20____, Priced to Yield _____%; CUSIP _____^{(a) (c)}

-
- ^(a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City's Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.
- ^(b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any day on or after September 1, 20____ at the redemption price of 100% of the principal amount plus accrued and unpaid interest to the date of redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."
- ^(c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

* Preliminary; subject to change.

**CITY OF LIBERTY HILLS, TEXAS
CITY COUNCIL**

<u>Name</u>	<u>Place</u>	<u>Term Expires</u>
Liz Branigan	Mayor	May 2022
Chris Pezold	Councilmember, Place 1	May 2024
Kathy Canady	Councilmember, Place 2	May 2022
Crystal Mancilla	Councilmember, Place 3	May 2024
Tony DeYoung	Councilmember, Place 4	May 2022
Angela Jones	Councilmember, Place 5	May 2024

CITY ADMINISTRATOR

Lacie Hale

**INTERIM
CITY SECRETARY**

Rebecca Harness

**INTERIM FINANCE
DIRECTOR**

Misti Hancock

ADMINISTRATOR

P3Works, LLC

FINANCIAL ADVISOR TO THE CITY

Specialized Public Finance, Inc.

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP

UNDERWRITER'S COUNSEL

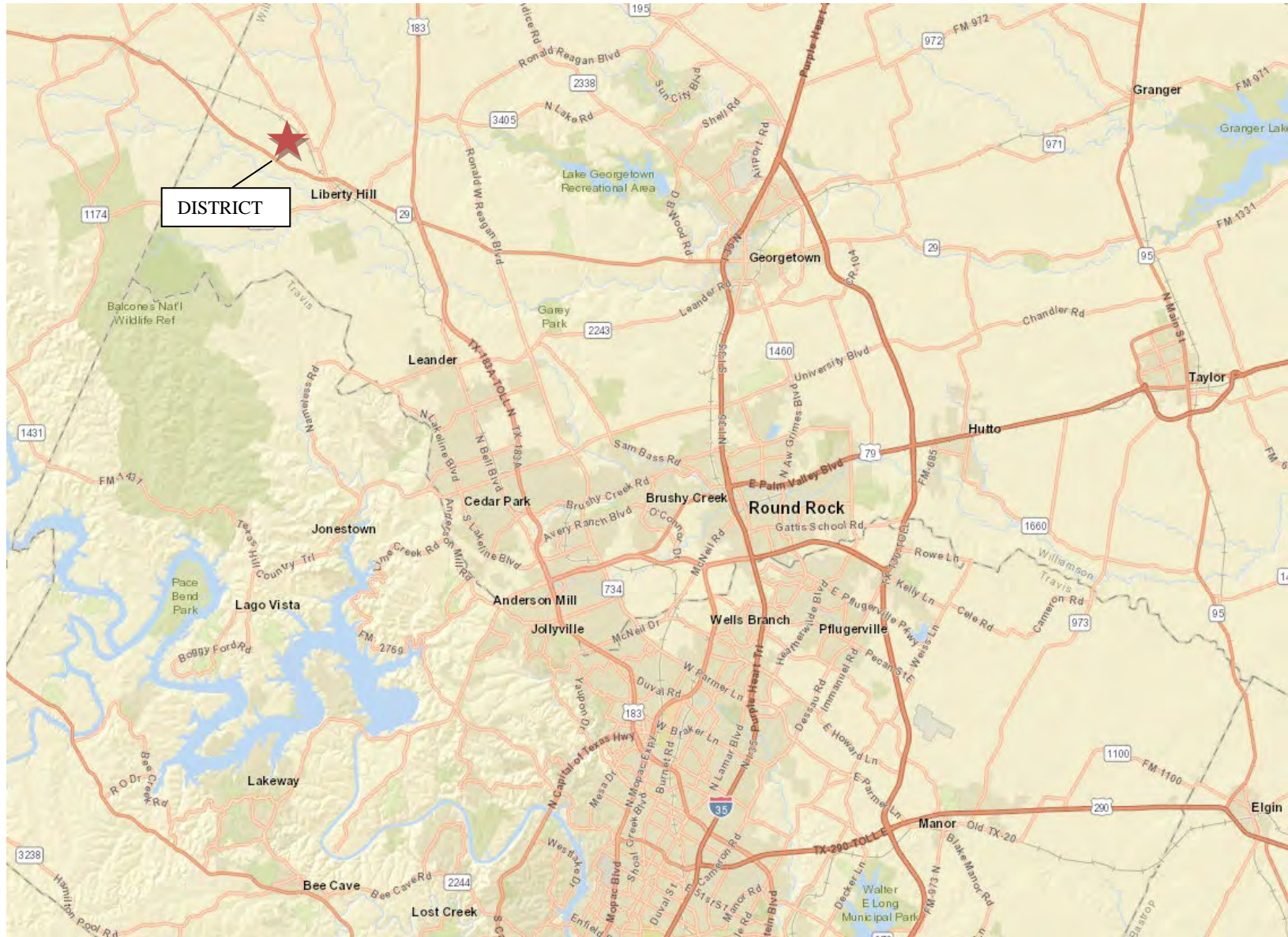
Winstead PC

For additional information regarding the City, please contact:

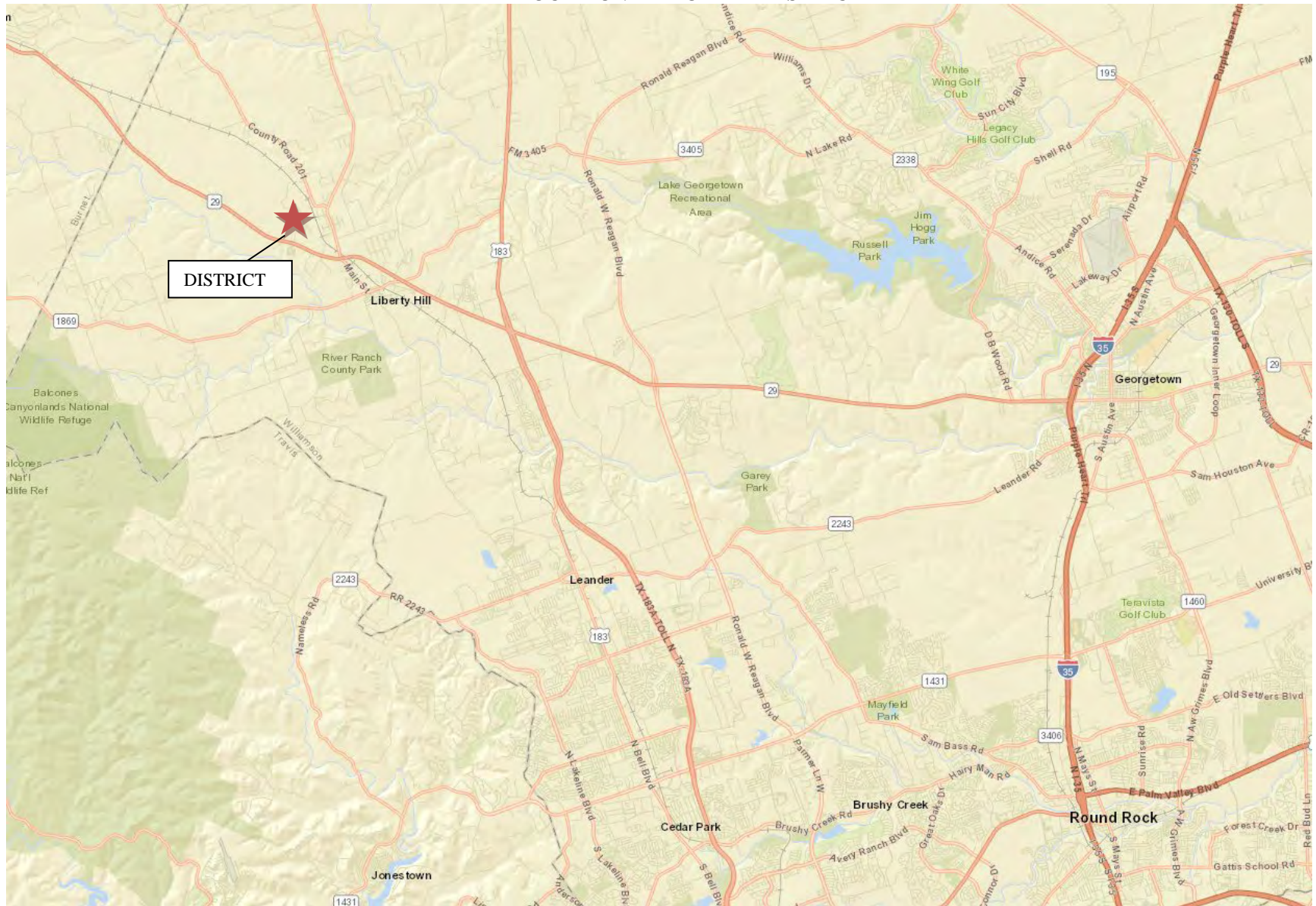
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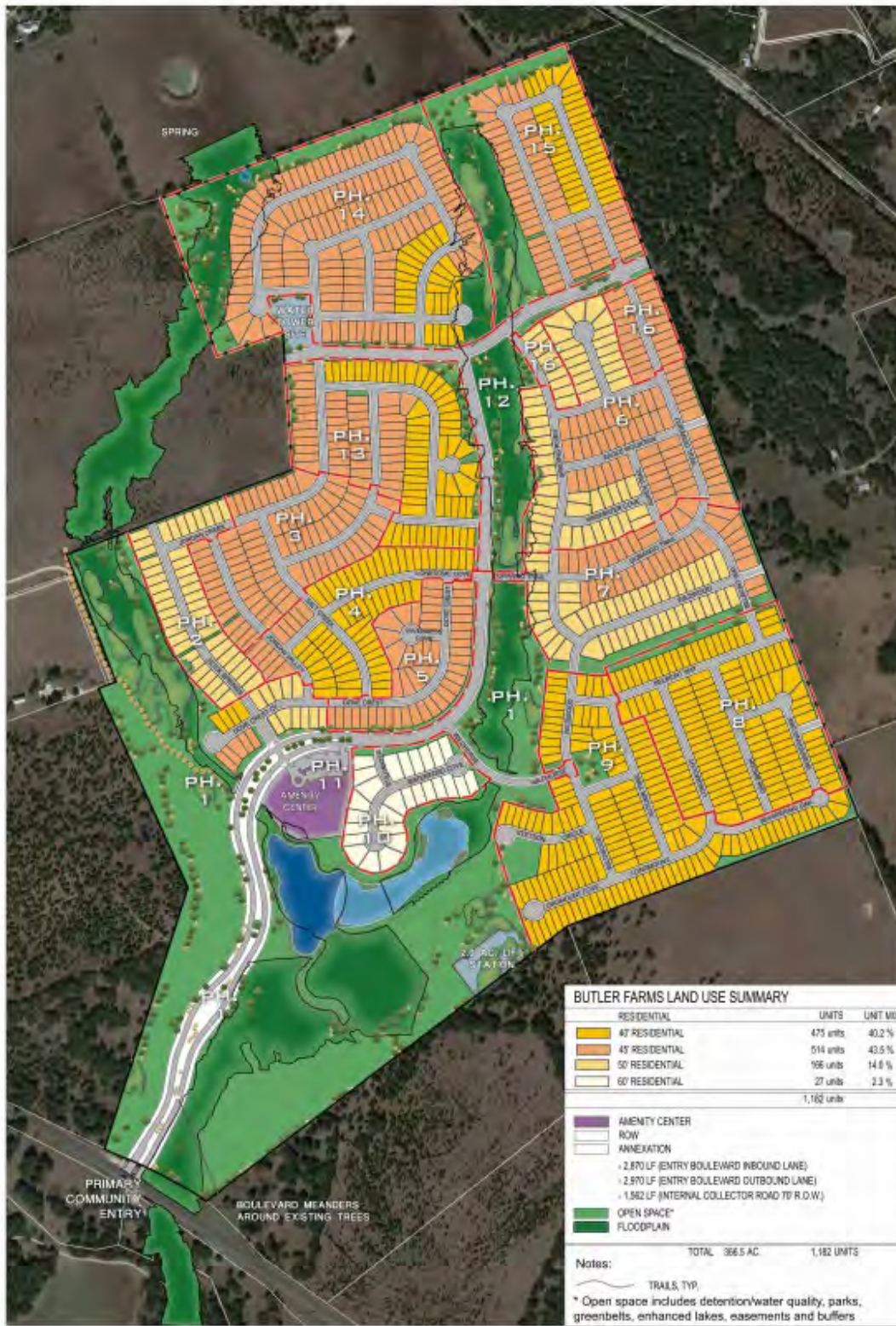
REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES



MAP SHOWING THE MAJOR IMPROVEMENT AREA



FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION (“RULE 15C2-12”), AS AMENDED AND IN EFFECT ON THE DATE OF THIS LIMITED OFFERING MEMORANDUM, THIS DOCUMENT CONSTITUTES AN “OFFICIAL STATEMENT” OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN DEEMED “FINAL” BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THE LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED PURSUANT TO THE SECURITIES ACT. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN. EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER “BONDHOLDERS’ RISKS” HEREIN. EACH PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING “LIMITATIONS APPLICABLE TO PROSPECTIVE PURCHASERS.”

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND OBTAINED FROM SOURCES, INCLUDING THE MASTER DEVELOPER AND THE DEVELOPERS, WHICH ARE BELIEVED BY THE CITY AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE MASTER DEVELOPER AND THE DEVELOPERS SINCE THE DATE HEREOF.

NONE OF THE CITY, THE FINANCIAL ADVISOR OR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “BUDGET” OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO

ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

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PRELIMINARY LIMITED OFFERING MEMORANDUM

\$9,150,000*

CITY OF LIBERTY HILL, TEXAS

(a municipal corporation of the State of Texas located in Williamson County)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(BUTLER FARMS PUBLIC IMPROVEMENT DISTRICT MAJOR IMPROVEMENT AREA PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Liberty Hills, Texas (the “City”), of its \$9,150,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District Major Improvement Area Project) (the “Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND “ACCREDITED INVESTORS” AS DEFINED IN REGULATION D PROMULGATED PURSUANT TO THE SECURITIES ACT. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BONDHOLDERS’ RISKS” AND “SUITABILITY FOR INVESTMENT.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the “City Council”) on December 13, 2021 (the “Bond Ordinance”), and an Indenture of Trust, dated as of January 1, 2022, (the “Indenture”), entered into by and between the City and BOKF, NA, a national banking association, as trustee (the “Trustee”). The Bonds will be secured by a pledge and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenue from special assessments levied against assessable property located within the Major Improvement Area (as defined below) of the Butler Farms Public Improvement District (the “District”) (the “Assessments”) pursuant to an ordinance (the “Assessment Ordinance”) expected to be adopted by the City Council on December 13, 2021. The City created the District pursuant to a resolution adopted by the City Council on December 10, 2018 (the “Creation Resolution”).

Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX B — Form of Indenture.”

Set forth herein are brief descriptions of the City, the District, the Master Developer (as defined herein), Saratoga (as defined herein), Meritage (as defined herein), the Administrator (as defined herein), the Creation Resolution, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Development Agreement (as defined herein), the TIRZ Creation Ordinance (as defined herein), the Butler Farms Public Improvement District Financing Agreement expected to be dated as of December 8, 2021 between the City and the Master Developer, as consented to by Saratoga and Meritage (the “PID Financing Agreement”), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034,

* Preliminary; subject to change.

telephone number (214) 302-2245. The form of the Indenture appears in APPENDIX B and the Form of Service and Assessment Plan appears as APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

The District

The PID Act authorizes political subdivisions, such as the City, to create public improvement districts and to impose assessments within the public improvement district to pay for public improvements. The District was created for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Major Improvement Area Projects (as defined herein), authorized by the PID Act and approved by the City Council of the City (the “City Council”) that confer a special benefit on the District. The District is not a separate political entity from the City but rather reflects an area within the City that City Council has designated and within which the City is authorized to levy assessments for public improvements.

Development Plan and Plan of Finance

The District is composed of approximately 366.455 acres which are being developed as a master-planned residential development. The District is expected to be developed in different stages, designated “Improvement Areas”, which each include subphases. See “THE DEVELOPMENT PLAN.” The term “Improvement Area #1” is used herein to describe the approximately 50.8 acres of property shown as Phase 1, 2, 3, 4 and 5 within the District on the “MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES” on page v hereof. The term “Improvement Area #2” is used to describe the approximately 71.8 acres of property shown as Phase 7, 8 and 9 within the District on the “MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES” on page v hereof. “Improvement Areas #1 and 2” is used herein to collectively describe Improvement Area #1 and Improvement Area #2. The term “Major Improvement Area” is used herein to describe all of the property within the District other than the property in Improvement Area #1 and Improvement Area #2. The boundaries of the District are shown in the “MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES” on page v.

Development in the District is expected to include approximately 1,182 single-family homes. Development began with the development of Improvement Area #1 and Improvement Area #2, as well as development of the Major Improvements (as defined herein) for the benefit of the entire District. See “THE DEVELOPMENT — Development Plan”.

366 TX 29, Ltd. (the “Master Developer”) acquired the land within the District from the Butler Family Partnership on February 10, 2021 and, subsequent to such transaction on February 10, 2021, transferred:

(i) approximately 45.9 acres in the District to JNC Development, Inc. (referred to herein as “Saratoga”), depicted as Phases 2, 3, 4 and 5 on the “MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES” on page v, which comprise a portion of Improvement Area #1 (Phases 2, 3, 4 and 5 being referred to herein as the “Saratoga Phases”); and

(ii) approximately 95.5 acres in the District to Meritage Homes of Texas, LLC (“Meritage”), a portion of which is in Phases 7, 8 and 9 (as shown on the “MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES” on page v), which comprise Improvement Area #2, and a portion of which, shown as Phase 6 on the “MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES” on page v, is located in the Major Improvement Area (Phases 6, 7, 8 and 9 being referred to herein as the “Meritage Phases”).

The Master Developer is the owner of all land in the District other than the Saratoga Phases and the Meritage Phases, including Phase 1, which is located in Improvement Area #1 and all developable and non-developable Phases located in the Major Improvement Area other than Phase 6 shown on the “MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES” on page v (such Phases, the “Master Developer Phases”). The Master Developer does not own land in Improvement Area #2.

As further described herein, the Master Developer, Saratoga and Meritage (collectively referred to herein as the “Developers”) each expect to construct a portion of improvements consisting of (i) certain roadway improvements, water distribution system improvements, sanitary sewer improvements, and storm drainage improvements that will benefit only Improvement Area #1 of the District (the “Improvement Area #1 Improvements”) and certain roadway improvements, water distribution system improvements, sanitary sewer improvements, and storm drainage improvements that will benefit only Improvement Area #2 of the District (the “Improvement Area #2 Improvements” and together with the Improvement Area #1 Improvements, the “Improvement Areas #1 and 2 Improvements”) and (ii) certain roadway improvements, water distribution system improvements, sanitary sewer improvements, and storm drainage improvements benefitting the entire District (the “Major Improvements”). The Improvement Areas #1 and 2 Improvements and the portion of the Major Improvements benefitting Improvement Areas #1 and 2 are collectively referred to herein as the “Improvement Areas #1 and 2 Projects.” The portion of the Major Improvements benefitting the Major Improvement Area is referred to herein as the “Major Improvement Area Projects.”

Saratoga will be responsible for the construction of internal improvements benefitting the Saratoga Phases, which include the portion of the Improvement Area #1 Improvements applicable to the Saratoga Phases. Saratoga has entered into a management agreement with the Master Developer (the “Management Agreement”) pursuant to which the Master Developer will serve as the “Fee Developer” for the Saratoga Phases. Construction is expected to begin on the portion of the Improvement Area #1 Improvements which benefit the Saratoga Phases in 1Q 2023 and is expected to be completed in 1Q 2024. Saratoga will finance the portion of the Improvement Area #1 Improvements applicable to the Saratoga Phases. See “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND FINANCING PLAN – Saratoga Property Acquisition and Financing.”

Meritage will be responsible for the construction of internal improvements benefitting the Meritage Phases, which include the Improvement Area #2 Improvements. Meritage began construction of a portion of the Improvement Area #2 Improvements, which benefit Phase 9 in April 2021 and expects to complete such improvements in 1Q 2022. Meritage expects to begin construction of the portion of the Improvement Area #2 Improvements benefitting Phase 7 in 4Q 2021 and expects to complete such improvements in 3Q 2022. Meritage expects to begin construction of the Improvement Area #2 Improvements benefitting Phase 8 located in Improvement Area #2 in 1Q 2022 and expects to complete such improvements in 4Q 2022. As of September 30, 2021, Meritage has expended \$2,113,235 on the construction of the Improvement Area #2 Improvements. Meritage expects to begin construction of homes in the Meritage Phases in 1Q 2022. Meritage will finance the Improvement Area #2 Improvements applicable to the Meritage Phases. See “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND FINANCING PLAN – Meritage Property Acquisition and Financing.”

The Master Developer expects to construct the Major Improvements benefitting the District and the internal improvements benefitting Phase 1 of the District (which constitutes a portion of Improvement Area #1), which internal improvements comprise a portion of the Improvement Area #1 Improvements. The Master Developer began construction the portion of the Improvement Area #1 Improvements which benefit Phase 1 in 1Q 2021 and expects to complete such improvements in 1Q 2022. The Master Developer began construction of the Major Improvements in 1Q 2021 and expects the Major Improvements be completed in 1Q 2022. As of September 30, 2021, the Master Developer has advanced approximately \$10.4 million relating to costs of the Major Improvements and \$1.0 million relating to the costs of the Improvement Area #1 Improvements.

The City will pay a portion of the project costs for the Major Improvement Area Projects from proceeds of the Bonds. The Master Developer will submit payment requests no more frequently than on a monthly basis for costs actually incurred in developing and constructing the Major Improvement Area Projects and be paid in accordance with the Indenture and the PID Financing Agreement. See “THE MAJOR IMPROVEMENT AREA PROJECTS – General,” “THE DEVELOPMENT,” “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN,” and “APPENDIX G – Form of PID Financing Agreement.”

Concurrently with the issuance of the Bonds, the City will issue its \$24,750,000* City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District Improvement

* Preliminary; subject to change.

Areas #1 and 2 Project) (the “Improvement Areas #1 and 2 Bonds”) to finance a portion of the costs of the Improvement Areas #1 and 2 Projects. The Improvement Areas #1 and 2 Bonds will be secured by assessments on property in Improvement Areas #1 and 2 of the District only. See “MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES” on page v.

The City expects to issue one or more series of area bonds (collectively, the “Future Improvement Area Bonds”) to finance the cost of local improvements benefitting each distinct portion of the Major Improvement Area developed as an individual improvement area after Improvement Area #1 and Improvement Area #2 (each as “Future Improvement Area” and collectively, the “Future Improvement Areas”). The estimated costs of the local improvements benefitting each Future Improvement Area of the District will be determined as such Future Improvement Area is developed, and the Service and Assessment Plan will be updated to identify the improvements to be constructed within such Future Improvement Area and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area. The Developers anticipate that Future Improvement Area Bonds will be issued over a one to three year period beginning in 2022. See “THE DEVELOPMENT – Future Improvement Area Bonds”.

On December 10, 2018, the City adopted Ordinance No. 18-O-116 (the “TIRZ Creation Ordinance”), creating the Butler Farms Tax Increment Reinvestment Zone Number Three (the “TIRZ”), pursuant to Chapter 311 of the Texas Tax Code (the “TIRZ Act”), covering an area coterminous with the District, and authorizing the use of TIRZ Increment Receipts (as defined herein) for project costs under the TIRZ Act relating to the Major Improvements, as provided for in the Butler Farms Tax Increment Reinvestment Zone Number Three, Project and Financing Plan (including amendments or supplements thereto (the “TIRZ Project Plan”)) and the Development Agreement, as described in more detail under “SECURITY FOR THE BONDS — TIRZ Increment Receipts May Reduce Assessments.” On October 13, 2021, the City extended the term of the TIRZ to December 31, 2051, or such time as all project costs have been paid in full. See also “BONDHOLDERS’ RISKS — TIRZ Credit and Marketing of the Development.”

Financing of Development in the District

In addition to the issuance of the Bonds and the Improvement Areas #1 and 2 Bonds, the Master Developer and Saratoga have each obtained certain loans to acquire land and finance development within their respective portions of land in the District. See “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN” for further information and details regarding such loans. Saratoga does not own land in the Major Improvement Area of the District. Meritage financed the acquisition of land in the Meritage Phases, and expects to finance the development of the land in the Meritage Phases using cash. See “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN.”

The Bonds

Proceeds of the Bonds will be used for the purpose of (i) paying a portion of the Actual Costs of the Major Improvement Area Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Major Improvement Area Projects, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs (as defined herein), and (v) paying the costs of issuance of the Bonds. To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount may, at the option of the City, be transferred to another Account of the Project Fund or to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See “SOURCES AND USES OF FUNDS,” “THE MAJOR IMPROVEMENT AREA PROJECTS,” “APPENDIX B – Form of Indenture.”

Payment of the Bonds is secured by a pledge of and a lien upon the Pledged Revenues, consisting primarily of Assessments levied against the assessable parcels or lots within the Major Improvement Area of the District, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS,” “ASSESSMENT PROCEDURES” and “APPENDIX B – Form of Indenture.”

The Bonds, the Improvement Areas #1 and 2 Bonds and any Future Improvement Area Bonds shall never constitute an indebtedness or general obligation of the City, the State or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds. The Improvement Areas #1 and 2 Bonds and any Future Improvement Area Bonds are not offered pursuant to this Limited Offering Memorandum.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery (the “Closing Date”) to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing September 1, 2022* (each, an “Interest Payment Date”), until maturity or prior redemption. BOKF, NA, a national banking association, is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof (“Authorized Denominations”). Notwithstanding the foregoing, Authorized Denominations shall also include Bonds issued in \$1,000 in principal amount and integral multiples of \$1,000 in the following instances: (A) any Bonds or any portion thereof that have been redeemed in part pursuant to an extraordinary optional redemption or (B) any Bonds or any portion thereof that have been defeased in part pursuant to an extraordinary optional redemption. Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem the Bonds maturing on or after September 1, 20__, before their respective scheduled maturity dates, in whole or in part, on any date on or after September 1, 20__, with such redemption date or dates to be fixed by the City, at the redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date fixed for redemption (the “Redemption Price”).

Extraordinary Optional Redemption. The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on the first day of any month, at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture. Notwithstanding the foregoing, the Trustee will not be required to make an extraordinary optional redemption unless it has at least \$1,000 available in the Redemption Fund with which to redeem the Bonds. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments.

Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective principal amounts as set forth in the following schedule:

* Preliminary; subject to change

\$ _____ Bonds Maturing September 1, 20

Mandatory Sinking Fund

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

\$ _____ Bonds Maturing September 1, 20

Mandatory Sinking Fund

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

\$ _____ Bonds Maturing September 1, 20

Mandatory Sinking Fund

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

† Final Maturity

At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption by lot, a principal amount of Bonds of such maturity equal to the principal amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds of a stated maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to the mandatory sinking fund redemption provisions described above shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least forty-five (45) days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds of a stated maturity required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis by the principal amount of any Bonds of such maturity, which, at least forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture, and not previously credited to a mandatory sinking fund redemption.

Notice of Redemption. The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having

been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the redemption price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

The City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

Partial Redemption.

If less than all of the Bonds are to be redeemed pursuant to the Indenture, Bonds shall be redeemed in minimum principal amounts of \$1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

If less than all of the Bonds are called for optional redemption, the City shall, pursuant to a City Certificate, determine the Bond or Bonds or the amount thereof within a Stated Maturity to be redeemed and direct the Trustee to call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

If less than all of the Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds. If less than all Bonds within a Stated Maturity are called for extraordinary optional redemption, the Trustee shall call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

Upon surrender of any Bond for redemption in part, the Trustee shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The City and the Underwriter believe the source of such information to be reliable, but neither the City nor the Underwriter takes responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the

Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all Bonds of the same maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. Thereafter, Bond certificates may be transferred and exchanged as described in the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Financial Advisor or the Underwriter take any responsibility for the accuracy thereof.

NONE OF THE CITY, THE TRUSTEE, THE PAYING AGENT, THE CITY'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to “accredited investors” as defined in Rule 501 of Regulation D promulgated under the Securities Act and “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act. Each initial purchaser of the Bonds (each, an “Investor”) will be deemed to have acknowledged and represented to the City as follows:

- 1) The Investor has authority and is duly authorized to purchase the Bonds and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.
- 2) The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act or a “qualified institutional buyer” under Rule 144A of the Securities Act, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.
- 3) The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the investor may sell at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.
- 4) The Investor understands that the Bonds are not registered under the Securities Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.
- 5) The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Major Improvement Area Projects, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for, or in connection with the Investor’s decision to purchase the Bonds except for fraud or willful misconduct, to the extent permitted by law. For the avoidance of doubt, it is acknowledged that underwriter is not deemed an officer or employee of the City.
- 6) The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid to the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the District (which has no taxing power), the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the

payment of principal and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Indenture.

- 7) The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.
- 8) The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

SECURITY FOR THE BONDS

General

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE "APPENDIX B — FORM OF INDENTURE."

NOTWITHSTANDING THE FOREGOING, THE CITY HAS CREATED THE TIRZ THE BOUNDARIES OF WHICH ARE COTERMINOUS WITH THE BOUNDARIES OF THE DISTRICT AND INTENDS TO USE ANNUAL TIRZ INCREMENT RECEIPTS COLLECTED, WHICH TAX INCREMENT IS EXPECTED TO CONSIST OF AN AMOUNT EQUAL TO THIRTY PERCENT (30%) OF THE AD VALOREM TAXES (BASED ON THE CITY'S 2021 TAX RATE) LEVIED, ASSESSED AND COLLECTED WITHIN THE TIRZ ON ALL REAL PROPERTY IN THE TIRZ TAXABLE BY THE CITY THEREIN. SUCH TAX INCREMENT REVENUE, TO THE EXTENT AVAILABLE, IS EXPECTED TO BE ANNUALLY USED BY THE CITY TO OFFSET ASSESSMENTS RELATING TO THE MAJOR IMPROVEMTS ON A PARCEL-BY-PARCEL BASIS (BUT IN NO EVENT GREATER THAN THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT ESTABLISHED UNDER THE SERVICE AND ASSESSMENT PLAN) USED TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS AND THE IMPROVEMENT AREAS #1 AND 2 BONDS (COLLECTIVELY, THE "ISSUED PID BONDS"). ANY AMOUNT OF SUCH TAX INCREMENT REVENUE USED TO PAY PRINCIPAL OF AND INTEREST ON THE ISSUED PID BONDS WILL RESULT IN A REDUCTION IN ANNUAL INSTALLMENTS OF ASSESSMENTS RELATED TO SUCH ISSUED PID BONDS BY A CORRESPONDING AMOUNT. ANY TIRZ INCREMENT RECEIPTS REMAINING AFTER THE ANNUAL OFFSET OF SUCH ASSESSMENTS WILL BE TRANSFERRED TO THE CITY'S GENERAL FUND. SUCH TAX INCREMENT REVENUE IS NOT PLEDGED TO THE BONDS UNDER THE INDENTURE, NOR WILL SUCH TIRZ INCREMENT RECEIPTS BE PLEDGED PURSUANT TO THE INDENTURE RELATING TO THE IMPROVEMENT AREAS #1 AND 2 BONDS. SEE "TIRZ INCREMENT RECEIPTS MAY OFFSET ASSESSMENTS" BELOW.

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds. Investors must read the entire Indenture to obtain information essential to the making of an informed investment decision. See "APPENDIX B — Form of Indenture."

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the Pledged Revenues (as defined herein), consisting primarily of Assessments levied against the assessable parcels or

lots within the Major Improvement Area of the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (as may be amended and supplemented, the “Service and Assessment Plan”), which describes the special benefit received by the property within the District, including the Major Improvement Area of the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX C — Form of Service and Assessment Plan.”

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Major Improvement Area Projects by levying Assessments upon properties in the Major Improvement Area of the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments levied in the Major Improvement Area of the District, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

Under the Indenture:

“Additional Interest” means the amount collected by application of the Additional Interest Rate.

“Additional Interest Rate” means the 0.50% additional interest rate charged on the Major Improvement Area Assessments securing the Bonds pursuant to Section 372.018 of the PID Act.

“Annual Installment” means, with respect to the Major Improvement Area Assessed Property (as such term is defined in the Indenture and also as defined in this Limited Offering Memorandum as the Assessed Property), the annual installment payment of a Major Improvement Area Assessment (as such term is defined in the Indenture and also as defined in this Limited Offering Memorandum as the Assessed Property) as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Pledged Assessment Revenues” means monies collected by or on behalf of the City from any one or more of the following: (i) a Major Improvement Area Assessment levied against a Major Improvement Area Assessed Property, or Annual Installment payment thereof, including any interest on such Major Improvement Area Assessment or Annual Installment thereof during any period of delinquency, but excluding any portion of the Annual Installment allocable to Annual Collection Costs, (ii) a Prepayment, and (iii) Foreclosure Proceeds. Pledged Assessment Revenues do not include Delinquent Collection Costs.

“Pledged Revenues” means the sum of (i) Pledged Assessment Revenues, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds.

The City will covenant in the Indenture that it will take and pursue all actions permissible under applicable laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See “SECURITY FOR THE BONDS — Pledged Revenue Fund.” See also “APPENDIX C — Form of Service and Assessment Plan.”

TIRZ Increment Receipts May Reduce Assessments

The Assessments to be levied by the City according to the Assessment Ordinance and described in the Service and Assessment Plan are set at a level sufficient to fund a portion of the costs of the Major Improvement Area Projects. The City adopted the TIRZ Ordinance authorizing the use of revenues generated within the TIRZ (the

“TIRZ Increment Receipts”) in the amount equal to thirty percent (30%) of the City’s ad valorem taxes (based on the City’s 2021 tax rate, which is equal to \$0.454559 (i.e., approximately \$0.1363677)) collected and received by the City on the Captured Appraised Value of the TIRZ (the boundaries of which are coterminous with the boundaries of the District) for costs of certain improvements, including the Major Improvements, as provided for in the TIRZ Project Plan. “Captured Appraised Value” means the total taxable value of the District located within the boundary of the TIRZ for a given year less the total taxable value of the District located within the boundary of the TIRZ for tax year 2021. While Section 311.012(c) of the TIRZ Act provides that the tax increment base of a taxing unit is the total taxable value of all real property taxable by the unit and located in a reinvestment zone for the year in which the zone was designated under such chapter, the City and the Master Developer have contractually agreed to use tax year 2021 as the base tax year in calculating the Captured Appraised Value.

The City expects to allocate the TIRZ Increment Receipts collected, on a parcel-by-parcel basis, to offset the costs of the Major Improvements by offsetting a portion of such lot’s Annual Installment of the Assessments due each year, as calculated by the Administrator in collaboration with the City, in accordance with the Service and Assessment Plan.

The Annual Installment will be calculated by taking into consideration any TIRZ Annual Credit Amount (as defined herein) applicable to such lot, but in no event shall the TIRZ Annual Credit Amount exceed the TIRZ Maximum Annual Credit Amount (as defined herein) as described under “ASSESSMENT PROCEDURES – Assessment Amounts.” See also “APPENDIX C — Form of Service and Assessment Plan.”

Under the TIRZ Ordinance and TIRZ Project Plan, the TIRZ Increment Receipts generated by each applicable lot in any given year shall be used to calculate such lot’s TIRZ Annual Credit Amount in the following year (i.e., TIRZ Increment Receipts collected in 2022 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2023). The TIRZ Increment Receipts are generated only from ad valorem taxes levied and collected by the City on the Captured Appraised Value on the applicable lot in any year. Consequently, the TIRZ Increment Receipts are generated only if the appraised value of real property on such lot in any year is greater than the base value. Any delay or failure of the Developers to develop the Major Improvement Area may result in a reduced amount of the TIRZ Increment Receipts being available to credit the Assessments. See “ASSESSMENT PROCEDURES — Assessment Amounts — TIRZ Annual Credit Amount” and “APPENDIX C — Form of Service and Assessment Plan.” The term of the TIRZ began in 2018 and shall expire on the earlier of December 31, 2051 or such time that all project costs have been paid.

Additionally, the TIRZ may be terminated by an ordinance of City Council at any time. On an annual basis, any remaining tax increment fund balance after paying all items included in the TIRZ Project Plan for the TIRZ is expected to be released to the City’s General Fund for use as permitted by applicable law.

THE TIRZ INCREMENT RECEIPTS, IF AVAILABLE, WILL NOT BE PLEDGED TO THE PAYMENT OF THE BONDS, AND THERE IS NO GUARANTEE THAT THERE WILL EVER BE SUFFICIENT TIRZ INCREMENT RECEIPTS TO GENERATE THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ ANNUAL CREDIT AMOUNT WILL NOT BE APPLIED IN ANY MANNER THAT WOULD AFFECT THE COLLECTION AND CONTINUOUS ENFORCEMENT OF ASSESSMENTS COLLECTED FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS AND ANNUAL COLLECTION COSTS AND THE FUNDING OF THE ADDITIONAL INTEREST RESERVE REQUIREMENT, IN THE MANNER AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS. SUCH TIRZ ANNUAL CREDIT AMOUNT IS NOT EXPECTED TO BE AVAILABLE TO REDUCE THE ANNUAL INSTALLMENT FOR ANY ASSESSED PROPERTY UNTIL THE SECOND YEAR THAT A HOME ON SUCH PARCEL IS ASSESSED. TIRZ INCREMENT RECEIPTS GENERATED FROM THE CAPTURED APPRAISED VALUE FOR EACH PARCEL IN THE MAJOR IMPROVEMENT AREA OF THE DISTRICT DURING THE DEVELOPMENT OF SUCH PARCELS WILL NOT BE SUFFICIENT TO ACHIEVE THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ ANNUAL CREDIT AMOUNT IS NOT EXPECTED TO BE SUFFICIENT TO PROVIDE FOR THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT UNTIL THE SECOND YEAR THAT A HOME ON SUCH PARCEL IS ASSESSED. THE ABILITY OF THE TIRZ ANNUAL CREDIT AMOUNT TO PROVIDE FOR THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT FOR PARCELS WITHIN THE MAJOR IMPROVEMENT AREA IS DEPENDENT ON THE ACTUAL BUILDOUT VALUE IN THE MAJOR IMPROVEMENT AREA MEETING THE PROJECTIONS FOR THE ESTIMATED BUILDOUT

VALUES DESCRIBED IN THE SERVICE AND ASSESSMENT PLAN. SEE “OVERLAPPING TAXES AND DEBT,” “BONDHOLDERS’ RISKS — TIRZ CREDIT AND MARKETING OF THE DEVELOPMENT” AND “APPENDIX C — FORM OF SERVICE AND ASSESSMENT PLAN.”

Collection and Deposit of Assessments

The City has caused an assessment roll to be prepared (the “Assessment Roll”), which Assessment Roll will show the land within the Major Improvement Area of the District that has been assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessments, together with the interest thereon, will be deposited in the Pledged Revenue Fund for the payment of the principal of and interest on the Bonds, as and to the extent provided in the Service and Assessment Plan and the Indenture. See “SECURITY FOR THE BONDS — Pledged Revenue Fund.”

The Assessments assessed to pay debt service on the Bonds, together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan, which correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Annual Installment of an Assessment will be made payable in the Assessment Ordinance in each tax year of the City preceding the date of final maturity of the Bonds which, if collected, will be sufficient to first pay debt service requirements attributable to Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

The portions of the Annual Installments of Assessments collected to pay Annual Collection Costs shall be deposited in the Administrative Fund and shall not constitute Pledged Revenues or security for the Bonds.

Unconditional Levy of Assessments

The City will impose Assessments on the property within the Major Improvement Area of the District to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each fiscal year. The Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments will be calculated at the rate of interest on the Bonds plus the Additional Interest Rate, calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated on September 1 and shall be billed on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect each year while the Bonds are Outstanding and unpaid an assessment to pay the annual costs incurred by or on behalf of the City in the administration and operation of the District (the “Annual Collection Costs”). The portion of each Annual Installment used to pay such Annual Collection Costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The amounts collected to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinance on October 1 of each year and shall be delinquent if not paid by February 1 of the following year. **The amounts collected to pay Annual Collection Costs do not secure repayment of the Bonds.**

There will be no discount for the early payment of Assessments.

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the property assessed, superior to all other liens and claims, except liens or claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged), and is enforceable by the City

Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES" herein.

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Assessments and such remaining Annual Installments (including interest) shall continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Trust Estate, the filing of the Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under the Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under the Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Pledged Revenue Fund

On or before February 15, 2023 and on or before the fifteenth (15th) day of each month thereafter while the Bonds are Outstanding, the City shall deposit or cause to be deposited the Pledged Assessment Revenues into the Pledged Revenue Fund. As soon as practicable following deposit to the Pledged Revenue Fund, the Trustee shall deposit or cause to be deposited Pledged Assessment Revenues, from amounts deposited to the Pledged Revenue Fund, in the following order of priority:

- (i) *first*, to the Bond Pledged Revenue Account in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year;
- (ii) *second*, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement;
- (iii) *third*, to the Additional Interest Reserve Account in an amount equal to the Additional Interest Reserve Requirement;
- (iv) *fourth*, to the Improvement Account of the Project Fund to pay Actual Costs of the Major Improvement Area Projects; and
- (v) *fifth*, to pay other costs permitted by the PID Act.

From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) and interest due on the Bonds on the next Interest Payment Date.

If, after the foregoing transfers and any transfer from the Reserve Fund, there are insufficient funds to make the payments provided in the paragraph above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) on the Bonds.

Notwithstanding the deposit priority outlined above, the Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund.

Notwithstanding the deposit priority outlined above, the Trustee shall deposit Foreclosure Proceeds (as such are identified by a City Certificate) to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds (pursuant to a City Certificate as outlined in this Section) first to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the Assessed Property or Assessed Properties to which the Foreclosure Proceeds relate (first, to replenish the Reserve Account Requirement and second, to replenish the Additional Interest Reserve Requirement), and second, to the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in any Account in the Reserve Fund, the Trustee shall, at the direction of the City pursuant to a City Certificate, apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid.

Bond Fund

On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) and interest then due and payable on the Bonds, including any amount to be used to pay interest on the Bonds on such Interest Payment Date transferred from the Capitalized Interest Account as provided below.

If amounts in the Principal and Interest Account are insufficient for the purposes set forth in the immediately preceding paragraph, the Trustee shall withdraw, first, from the Additional Interest Reserve Account and second, from the Reserve Account of the Reserve Fund amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

Moneys in the Capitalized Interest Account shall be used for the payment of interest on the Bonds on the following date(s) and in the following amount(s):

<u>Date</u>	<u>Amount</u>
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Not later than five (5) Business Days prior to the Interest Payment Date specified above, the Trustee shall withdraw from the Capitalized Interest Account and transfer to the Principal and Interest Account of the Bond Fund the amounts specified above.

Any amounts on deposit to the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Account of the Project Fund, or if the Improvement Account of the Project Fund has been closed, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Project Fund

Pursuant to the Indenture, the City has established a Project Fund and, within such Project Fund, the following accounts and subaccounts:

- 1) Improvement Account;
- 2) Costs of Issuance Account.

Moneys in such funds and accounts shall be disbursed and transferred as follows:

a) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to and in accordance with one or more City Certificates providing for the application of such funds to be disbursed (with the exception of fees and expenses initially incurred by the Trustee, which may be withdrawn by the Trustee).

b) Except as provided in paragraphs (d) and (e), money on deposit in the Improvement Account shall be used to pay Actual Costs of the Major Improvement Area Projects.

c) Disbursements from the Improvement Account of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. All disbursement of funds from the Improvement Account of the Project Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Financing Agreement. Such provisions and procedures related to such disbursement contained in the Financing Agreement are herein incorporated by reference and deemed set forth herein in full.

d) If the City Representative reasonably determines in his or her sole discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Account due to the abandonment, or constructive abandonment, of the Major Improvement Area Projects, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Account will ever be expended for the purposes of the Improvement Account, the City Representative shall file a City Certificate with the Trustee and provide a copy of such City Certificate to the Developer prior to filing with the Trustee, which identifies the amounts then on deposit in the Improvement Account that are not expected to be used for purposes of the Improvement Account. If such City Certificate is so filed, the amounts on deposit in the Improvement Account shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture, and the Improvement Account shall be closed.

e) Upon the filing of a City Certificate stating that all Major Improvement Area Projects have been completed and that all Actual Costs of the Major Improvement Area Projects have been paid, (i) the Trustee shall transfer, pursuant to written direction in such City Certificate, the amount, if any, remaining within the Improvement Account to the Redemption Fund and (ii) the Improvement Account shall be closed.

f) Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the Bonds have been paid and the appropriate portion of the costs incidental to the organization of the District have been paid, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Costs of Issuance Account of the Project Fund that are not expected to be used for purposes of the Costs of Issuance Account. If such City Certificate is so filed, the amounts on deposit in the Costs of Issuance Account shall be transferred first to the Improvement Account of the Project Fund and used to pay Actual Costs of the Major Improvement Area Projects and second to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account of the Project Fund shall be closed.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds, and initially funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds shall be \$_____, which is an amount equal to the least of, as of the date of issuance of the Bonds, (i) Maximum Annual Debt Service on the Bonds, (ii) 125% of average Annual Debt Service on the Bonds, and (iii) 10% of the proceeds of the Bonds; provided, however, that the Reserve Account Requirement shall be reduced by the amount of any transfers made pursuant to the provisions of the two immediately succeeding paragraphs; and provided further that as a result of an optional redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the

Outstanding Bonds prior to such redemption. The City will agree to maintain in the Reserve Account an amount equal to not less than the Reserve Account Requirement.

Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to an extraordinary mandatory redemption, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account shall be equal to an amount representing the difference between (i) the lesser of (A) the Reserve Account Requirement prior to redemption and (B) the amount actually on deposit in the Reserve Account prior to redemption, and (ii) the Reserve Account Requirement after such redemption; provided, however, no such transfer from the Reserve Account shall cause the amount on deposit therein to be less than the Reserve Account Requirement to be in effect after such redemption. If after such transfer, and after applying investment earnings on the Redemption Fund toward payment of accrued and unpaid interest to the date of redemption on the Bonds to be redeemed, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall or any additional amounts to permit the redemption of Bonds to be redeemed in minimum principal amounts of \$1,000 from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess (the "Excess Reserve Amount"). The Excess Reserve Amount shall be transferred *first*, to the Additional Interest Reserve Account to the extent the Additional Interest Reserve Account Requirement has not been met and *second*, to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date, unless within forty-five (45) days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply the Excess Reserve Amount: (i) to pay amounts to be deposited in the Rebate Fund held under the Indenture, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, or (iii) to the Improvement Account of the Project Fund if such application and the expenditure of funds is expected to occur within three (3) years of the date hereof.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer *first*, from the Additional Interest Reserve Account of the Reserve Fund and *second*, from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

At the final maturity of the Bonds, the amount on deposit in the Reserve Account shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Bonds.

If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with the deposits outlined under "—Pledged Revenue Fund" above.

If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount of all Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Outstanding Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds as of such Interest Payment Date.

Additional Interest Reserve Account of the Reserve Fund

Pursuant to the Indenture, an Additional Interest Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds. The Trustee will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account, to the extent that the Reserve Account contains the Reserve Account Requirement and funds are available after application of the deposit priority described under "—Pledged Revenue Fund" above, an amount equal to the Additional Interest until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that at any time the amount on deposit

in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement, the Trustee shall resume depositing Additional Interest into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account. The “Additional Interest Reserve Requirement” means an amount equal to 5.5% of the principal amount of the then Outstanding Bonds.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer *first*, from the Additional Interest Reserve Account of the Reserve Fund and *second*, from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Additional Interest Reserve Account exceeds the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess (the “Excess Additional Interest Reserve Amount”). The Excess Additional Interest Reserve Amount shall be transferred, at the direction of the City pursuant to a City Certificate, to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date or to the Redemption Fund in order to affect the redemption of Bonds pursuant to an extraordinary optional redemption. In the event that the Trustee does not receive a City Certificate directing the transfer of the Excess Additional Interest Reserve Amount to the Administrative Fund within forty-five (45) days of providing notice to the City of such Excess Additional Interest Reserve Amount, the Trustee shall transfer the Excess Additional Interest Reserve Amount to the Redemption Fund and redeem Bonds pursuant to an extraordinary optional redemption.

At the final maturity of the Bonds, the amount on deposit in the Additional Interest Reserve Account shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Bonds.

Administrative Fund

The City has created under the Indenture an Administrative Fund held by the Trustee. The City shall deposit or cause to be deposited to the Administrative Fund the Administrative Assessment Revenues. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs. See “APPENDIX C — Form of Service and Assessment Plan.”

THE ADMINISTRATIVE FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS.

Defeasance

Any Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided in the Indenture, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the City verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts

sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the “PFIA”); and are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current State law, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

Each of the following occurrences or events constitutes an “Event of Default” under the Indenture:

- i. The failure of the City to deposit the Pledged Assessment Revenues to the Pledged Revenue Fund;
- ii. The failure of the City to enforce the collection of the Assessments, including the prosecution of foreclosure proceedings;
- iii. The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within 30 days; and
- iv. Default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture and the continuation thereof for a period of 90 days after written notice to the City by the Trustee, or by the Owners of at least 25% of the aggregate Outstanding principal of the Bonds with a copy to the Trustee, specifying such default and requesting that the failure be remedied.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may, and at the written direction of the Owners of at least 25% of the Bonds then Outstanding and its receipt of indemnity satisfactory to it shall, proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction for any relief to the extent permitted by the Indenture or by applicable laws including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and the Trustee shall not be liable to any Owner, or other Person, or the City by reason of the following selection process, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgement of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy under the Indenture, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of at least twenty-five percent (25%) of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for sixty (60) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such sixty (60) day period by the Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner provided herein and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, as advised by counsel, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

Subject to provisions of the Indenture with respect to certain liabilities of the City, nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued thereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Bonds.

In case the Trustee or any Owners shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to

the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs, and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, during the continuance of an Event of Default, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

- i. **FIRST:** To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and
- ii. **SECOND:** To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

Within ten days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to the Indenture. In the event funds are not adequate to cure any of the Events of Default described above, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of the Indenture.

The restoration of the City to its prior position after any and all defaults have been cured, as provided above, shall not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

Investment or Deposit of Funds

Money in any Fund or Account shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least two days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the PFIA, or any successor law, as in effect from time to time. The City Certificate shall direct investment in such deposits and investments (which may include repurchase agreements for such investment with any primary dealer of such agreements) so that the money required to be expended from any Fund will be available at the proper time or times. Absent written direction, the Trustee shall invest funds into the Blackrock #000U3 (CUSIP 09248U437) as standing instructions. The Trustee shall have no discretion for investing funds or advising any parties with regard to investment of funds. Such investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold in order to make the disbursements required or permitted by the Indenture or to prevent any default.

Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities unless the City instructs the Trustee otherwise by written direction.

The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses (including specifically depreciation of value) arising from any investments made pursuant to the Indenture. The Trustee shall not be required to determine the suitability or legality of any investments.

Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions in the Indenture for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee under the Indenture, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in the Indenture.

The Trustee will furnish to the City monthly cash transaction statements which include detail for all investment transactions made by the Trustee under the Indenture.

Additional Obligations and Other Liens; Future Improvement Area Bonds

The City reserves the right, subject to the provisions contained in the Indenture, to issue to issue or incur bonds, notes or other obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on any portion of the Trust Estate and are not payable from Pledged Revenues or any other portion of the Trust Estate.

Other than Refunding Bonds (as such term is defined in the Indenture) issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on any portion of the Trust Estate, and will not cause or allow any matter or things whereby the lien of the Indenture or the priority thereof might or could be lost or impaired; and the City further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with the Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in the Indenture shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds.

Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds.

Future Improvement Area Bonds (as such term is defined in the Indenture) may be issued to fund and/or to reimburse the Master Developer for funding the costs of Future Improvement Area Improvements (as such term is defined in the Indenture) within a Future Improvement Area (as such term is defined in the Indenture). The Master Developer may request that the City issue Future Improvement Area Bonds; provided, however, that no Future Improvement Area Bonds shall be issued unless the applicable requirements described below are met:

- (i) The Trustee shall receive a certificate from the City Representative certifying that the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained in the Indenture or any other indenture of trust authorizing the issuance of PID Bonds for the District; and (ii) the City has received and reviewed the items referenced in (iv), (v) and (vi) below and such items meet the requirements of the Indenture;
- (ii) The Trustee and the City shall receive a certificate from the Master Developer, through an authorized representative, certifying that the Master Developer is not in default beyond any

applicable notice and cure period in the performance and observance of any of the terms, provisions and conditions applicable to the Master Developer contained in the PID Financing Agreement, the Development Agreement or any continuing disclosure agreement entered into by the Master Developer relating to any PID Bonds, unless any defaults under the foregoing agreements (except for defaults under any continuing disclosure agreements entered into by the Master Developer which defaults shall be cured) are disclosed in a certificate from the Master Developer to the City and the City elects to proceed with the issuance of the Future Improvement Area Bonds regardless of the existence of such default or defaults;

- (iii) The City shall receive a certificate from the Administrator certifying that there is no default by the Master Developer or any owner of more than 5% of the assessed parcels in the applicable Future Improvement Area for failure to pay special assessments or ad valorem taxes on assessed parcels in such Future Improvement Area owed by the Master Developer or such owner prior to the delinquency date thereof;
- (iv) The City shall receive a certificate from the Master Developer certifying that that at least 75% of the assessed parcels in the Future Improvement Area for which Future Improvement Area Bonds will be issued are under contract with merchant builder(s) or real estate developer(s) for sale to end users;
- (v) The City shall receive either an Independent Appraisal evidencing that the Future Improvement Area Value to Lien Ratio in the Future Improvement Area for which Future Improvement Area Assessments have been or will be levied is not less than 2.0:1.

“Independent Appraisal” means, in establishing the appraised value, (i) the appraised value of a specific assessed parcel or assessed parcels, as applicable, in a specific Future Improvement Area for which the Future Improvement Area Bonds are to be issued as established by publicly available data from the City appraisal district, (ii) an “as-complete” appraisal delivered by an independent appraiser licensed in the State of Texas, which appraisal shall assume completion of the Future Improvement Area Improvements to be funded with the Future Improvement Area Bonds, (iii) a certificate delivered to the City by a qualified independent third party (which party may be a licensed appraiser, appraisal firm or Independent Financial Consultant) certifying on an individual lot type basis, the value of each lot in the Future Improvement Area, as applicable, for which such Future Improvement Area Bonds are to be issued based on either (x) the average gross sales price (which is the gross amount including escalations and reimbursements due to the seller of the lots) for each lot type based on closings of lots in the Future Improvement Area for which such Future Improvement Area Bonds are to be issued or any preceding Improvement Areas of the District for which bonds have been issued to fund Authorized Improvements or (y) the sales price in the actual lot purchase contracts in the Future Improvement Area for which the Future Improvement Area Bonds are to be issued.

“Future Improvement Area Value to Lien Ratio” means the ratio of the appraised value of a specific assessed parcel or assessed parcels, as applicable, in a Future Improvement Area, based on an Independent Appraisal, to the Future Improvement Area Assessments levied or to be levied on a specific parcel or parcels, as applicable, within such Future Improvement Area.

Notwithstanding anything in the Indenture to the contrary no Refunding Bonds, Future Improvement Area Bonds or subordinate obligations described above may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds, Future Improvement Area Bonds or subordinate obligations are scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds, Future Improvement Area Bonds or subordinate obligations must be scheduled to be paid on March 1 and/or September 1 of the years in which interest is scheduled to be paid.

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SOURCES AND USES OF FUNDS

The table that follows summarizes the expected sources and uses of proceeds of the Bonds:

Sources of Funds:

Principal Amount	\$
TOTAL SOURCES	\$

Use of Funds:

Deposit to Improvement Account of the Project Fund	\$
Deposit to Capitalized Interest Account of the Bond Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to Administrative Fund	
Underwriter's Discount ⁽¹⁾	
Deposit to Costs of Issuance Account of the Project Fund	\$
TOTAL USES	\$

⁽¹⁾ Includes Underwriter's Counsel fee of \$_____.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the anticipated debt service requirements for the Bonds:

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$	\$	\$
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
Total	 \$	 \$	 \$

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OVERLAPPING TAXES AND DEBT

The land within the Major Improvement Area of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments levied by the City.

In addition to the Assessments described above, all lot owners in the Major Improvement Area of the District will pay an annual maintenance and operation fee and/or a property owner’s association fee to the homeowner’s association for the property within the District (the “HOA”), which is expected to be formed by the Developers after delivery of the Bonds.

In addition, the City, Williamson County, Texas, the Liberty Hill Independent School District and Williamson County Emergency Services District #4 may each levy ad valorem taxes upon land in the Major Improvement Area for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or assessments levied by such other taxing authorities. The following table reflects the overlapping ad valorem taxes currently levied on property located in the Major Improvement Area.

<u>Taxing Entity</u>	<u>Improvement Area #1 Tax Year 2021 Ad Valorem Tax Rate⁽¹⁾</u>
The City	\$0.4546
Williamson County, Texas ⁽²⁾	0.4408
Williamson County ESD #4	0.0832
Liberty Hill ISD	<u>1.3620</u>
Total Existing Tax Rate	<u>\$2.3406</u>
 Estimated Average Annual Installment of the Assessments as tax rate equivalent ⁽³⁾	 <u>\$0.3478</u>
 Less TIRZ Maximum Annual Credit Amount as a tax rate equivalent ⁽⁴⁾	 <u>\$(0.1364)</u>
 Estimated Net Average Annual Installment of Assessments as tax rate equivalent⁽³⁾⁽⁴⁾	 <u>\$0.2115</u>
 Estimated Total Tax Rate and Net Average Annual Installments in the District as tax rate equivalent⁽³⁾⁽⁴⁾	 <u>\$2.5520</u>

⁽¹⁾ As reported by the taxing entities. Per \$100 in taxable assessed value.

⁽²⁾ Includes Williamson County’s road and bridges ad valorem tax rate (\$0.04 in Tax Year 2021).

⁽³⁾ Derived from information presented in the Service and Assessment Plan, and from lot counts and estimated buildout values provided by the Developer. Shown as an equivalent tax rate for illustration purposes only. See “APPENDIX C — Form of Service and Assessment Plan.” Preliminary; subject to change.

⁽⁴⁾ The City has agreed to use TIRZ Increment Receipts generated from each lot within the Major Improvement Area, in an amount not to exceed the TIRZ Maximum Annual Credit Amount, to offset a portion of such lot’s Annual Installment of Assessment due each year. Derived from information in the Service and Assessment Plan. See “ASSESSMENT PROCEDURES — Assessment Amounts – TIRZ Annual Credit Amount” herein.

Sources: Williamson Central Appraisal District, the Administrator, and the City

As noted above, the Major Improvement Area includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within the Major Improvement Area, as of November 1, 2021, and City debt to be secured by the Assessments.

<u>Taxing or Assessing Entity⁽²⁾</u>	<u>Total Outstanding Debt</u>	<u>Estimated % Applicable⁽²⁾</u>	<u>Direct and Estimated Overlapping Debt</u>
The City (Assessments – The Bonds) ⁽¹⁾	\$9,150,000	100.00%	\$9,150,000
The City (Ad Valorem Taxes)	10,452,000	4.156%	434,421
Williamson County	1,116,790,000	0.024%	270,045
Williamson County ESD #4 ⁽³⁾	5,205,136	0.398%	20,698
Liberty Hill ISD	<u>379,057,433</u>	0.544%	<u>2,161,351</u>
TOTAL	<u>\$1,538,654,569</u>		<u>\$12,036,515</u>

(1) Preliminary, subject to change.

(2) Based on the Appraisal for the Major Improvement Area of the District and on the Tax Year 2021 Net Taxable Assessed Valuations for the taxing entities.

(3) Sourced from information in the Fiscal Year 2020 Audit for Williamson County ESD #4, the most current publicly available audit for Williamson County ESD #4.

Source: Williamson Central Appraisal District and The Municipal Advisory Council of Texas.

If land is devoted principally to agricultural use, a landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land’s agricultural value. All of the property in the District is currently subject to an agricultural use valuation with respect to its ad valorem taxes. Agricultural use includes production of crops or livestock. It also can include leaving the land idle for a government program or for normal crop or livestock rotation. The Master Developer and Meritage expect to terminate the agricultural valuation in the Major Improvement Area of the District on a phase by phase basis as individual phases are developed therein, beginning in 2022.

If land is devoted principally to agricultural use, a landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land’s agricultural value. If land qualified for an agricultural valuation but the land use changes to a non-agricultural use, “rollback taxes” are assessed for each of the previous 3 years in which the land received the lower agricultural valuation. The rollback tax is the difference between taxes paid on land’s agricultural value and the taxes that the landowner would have paid if the land had been taxed on a higher market value charged for each year from the date on which taxes would have been due.

If the land use changes to a non-agricultural use on only a portion of a larger tract, the landowner can fence off the remaining land and maintain the agricultural valuation on the remaining land. In this scenario, the landowner would only be responsible for rollback taxes on that portion of the land for which use changed and not for the entire tract.

Under Texas law, an owner of land that is entitled to an agricultural valuation has the right to redeem such property after a tax sale for delinquent ad valorem property taxes for a period of two years after the tax sale by paying to the tax sale purchaser a 25% premium, if redeemed during the first year, or a 50% premium, if redeemed during the second year, over the purchase price paid at the tax sale and certain qualifying costs incurred by the purchaser.

It is expected that rollback taxes will be paid by the Master Developer, Saratoga or Meritage, as applicable, or purchasers from such parties during development of the District and prior to purchase of parcels or lots by homeowners.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this “ASSESSMENT PROCEDURES” caption and not otherwise defined in the Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Major Improvement Area Projects through Assessments, it must adopt a resolution generally describing the Major Improvement Area Projects and the land within the Major Improvement Area of the District to be subject to Assessments to pay the cost therefor. The City has caused the preparation of the Assessment Roll, which Assessment Roll identifies the land within the Major Improvement Area of the District that have been assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll will be filed with the City Clerk and made available for public inspection. Statutory notice will be given to the owners of the property to be assessed and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Major Improvement Area Projects and funding a portion of the same with Assessments. The City expects to levy the Assessments pursuant to the Assessment Ordinance immediately prior to adoption of the Bond Ordinance. Upon such adoption, the Assessments will be legal, valid and binding liens upon the property against which the Assessments are made.

Under the PID Act, the costs of the Major Improvement Area Projects may be assessed by the City against the assessable property in the Major Improvement Area of the District so long as the special benefit conferred upon the assessed property by the Major Improvement Area Projects equals or exceeds the Assessments. The costs of the Major Improvement Area Projects may be assessed using any methodology that results in the imposition of equal shares of costs on assessed property similarly benefited. The allocation of benefits and assessments to the benefitted land within the Major Improvement Area of the District is set forth in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX C — Form of Service and Assessment Plan.”

Assessment Methodology

The Service and Assessment Plan describes the special benefit received by each Parcel within the Major Improvement Area as a result of the Major Improvement Area Projects and provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Major Improvement Area Projects to Parcels in a manner that results in equal shares of costs being apportioned to Parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Major Improvement Area Projects are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Assessment.

As further set forth in the Service and Assessment Plan, costs of the Major Improvements shall be allocated to each assessed property in the District pro rata based on Estimated Buildout Value of all assessed property. The benefits received by the Major Improvement Area as a result of Major Improvement Area Projects will be allocated entirely to the Assessed Property, which currently consists of a single Parcel on the tax rolls. The entire Assessment will be levied against the initial Parcel within the Major Improvement Area. The Assessments levied on such initial Parcel shall be further allocated based on the Estimated Buildout Value of the Lot Types on any subdivided Parcel as described under “—Assessment Amounts” below.

The Service and Assessment Plan uses classifications of final building lots with similar characteristics (“Lot Type”) as determined by the Administrator and confirmed and approved by the City Council. In the case of single-family residential lots, the Lot Type is further defined by classifying the residential lots by the Estimated Buildout Value of the lot as determined by the Administrator and approved by the City Council. As used below, the following terms have the following meanings:

“Lot Type 7” means a residential Lot within the Major Improvement Area designated as a 40’ Lot by the Developer.

“Lot Type 8” means a residential Lot within the Major Improvement Area designated as a 45’ Lot by the Developer.

“Lot Type 9” means a residential Lot within the Major Improvement Area designated as a 50’ Lot by the Developer.

“Lot Type 10” means a residential Lot within the Major Improvement Area designated as a 60’ Lot by the Developer.

The following tables and calculations, including the value to assessment burden ratio of the Assessments to average lot value and ratio of Assessments to average home value, related to the Bonds are derived from information presented in the Service and Assessment Plan. See “APPENDIX C — Form of Service and Assessment Plan.”

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LIEN TO VALUE ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE AND ASSESSMENT RATIO PER UNIT IN THE MAJOR IMPROVEMENT AREA

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit⁽¹⁾	Projected Average Home Value per unit⁽¹⁾	Estimated Assessment per unit⁽³⁾	Average Annual Installment per unit^{(2) (3)}	Tax Rate Equivalent of Average Annual Installment (per \$100 Lot Value)⁽²⁾	Tax Rate Equivalent of Average Annual Installment (per \$100 Home Value)⁽²⁾	Ratio of Finished Lot Value per Lot Type to the Assessments	Ratio of Assessment to Average Home Value
Lot Type 7	122	\$71,000	\$305,000	\$15,330	\$1,061	\$1.4942	\$0.3478	4.63	19.90
Lot Type 8	331	\$79,875	\$335,000	\$16,838	\$1,165	\$1.4589	\$0.3478	4.74	19.90
Lot Type 9	61	\$88,750	\$375,000	\$18,849	\$1,304	\$1.4698	\$0.3478	4.71	19.90
Lot Type 10	27	\$106,500	\$410,000	\$20,608	\$1,426	\$1.3391	\$0.3478	5.17	19.90

Source: The Administrator and information presented in the Service and Assessment Plan

⁽¹⁾ Estimates based on values provided in the Appraisal for finished lots in Improvement Areas #1 and 2. Per the Appraisal, the estimated finished lot values are \$1,775 per front foot. See APPENDIX F. The estimated finished lot values may differ than those provided by the Master Developer, Saratoga and Meritage under “THE DEVELOPMENT.”

⁽²⁾ Does not reflect application of any potential TIRZ Annual Credit Amount. See “SECURITY FOR THE BONDS — Amount of Assessments May be Reduced by TIRZ Annual Credit Amount” and “ASSESSMENT PROCEDURES — Assessment Amounts – TIRZ Annual Credit Amount.”

⁽³⁾ Derived from information presented in the Service and Assessment Plan.

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For further explanation of the Assessment methodology, see “APPENDIX C — Form of Service and Assessment Plan.”

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels similarly situated within the Major Improvement Area. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future owners and developers within the Major Improvement Area. See “APPENDIX C — Form of Service and Assessment Plan.”

Collection and Enforcement of Assessment Amounts

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the City. The Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Assessments incur interest, penalties and attorney’s fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See “BONDHOLDERS’ RISKS — Assessment Limitations” herein.

In the Indenture, the City will covenant, agree and warrant that, for so long as any Bonds are Outstanding, that it will take and pursue all actions permissible under applicable laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by applicable laws, and, to the extent permitted by applicable laws, to cause no reduction, abatement or exemption in the Assessments. Notwithstanding the foregoing, the City shall be permitted to reduce the annual Assessments on a Parcel by the TIRZ Annual Credit Amount pursuant to the Development Agreement, the TIRZ Project and Finance Plan, and the Service and Assessment Plan; provided, however, that no such reduction shall operate to reduce the amounts levied for the payment of the Annual Collection Costs.

To the extent permitted by law, notice of the Annual Installments will be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any Delinquent Collection Costs thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property. Furthermore, nothing shall obligate the City, the City Attorney or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs in connection with its covenants and agreements under the Indenture or otherwise other than funds on deposit in the Administrative Fund.

Annual Installments will be paid to the City or its agent. Annual Installments are due when billed each year, and become delinquent on February 1 of the following year. In the event Assessments are not timely paid, there are penalties and interest as set forth below:

Date Payment <u>Received</u>	Cumulative <u>Penalty</u>	Cumulative <u>Interest</u>	<u>Total</u>
February	6%	1%	7%
March	7%	2%	9%
April	8%	3%	11%
May	9%	4%	13%
June	10%	5%	15%
July	12%	6%	18%

After July, the penalty remains at 12%, and interest accrues at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney’s collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts. The Assessment Roll sets forth for each year the Annual Installment for each Assessed Property as calculated by the Administrator and approved by the City Council consisting of the annual payment allocable to (i) the principal and interest on the Bonds, (ii) Annual Collection Costs, and (iii) the Additional Interest as described in the Service and Assessment Plan. The Annual Installments may not exceed the amounts shown on the Assessment Roll. The Assessments have been levied against the Assessed Property as indicated on the Assessment Roll. See “APPENDIX C — Form of Service and Assessment Plan.”

The Annual Installments shown on the Assessment Roll will be reduced to equal the actual costs of repaying the Bonds, the Additional Interest and actual Annual Collection Costs, taking into consideration any other available funds for these costs, such as interest income on account balances.

Maximum Assessment. The Service and Assessment Plan establishes a “Maximum Assessment” for each Lot Type. “Maximum Assessment” means for each Lot Type, an Assessment equal to the lesser of (1) the amount calculated pursuant to Section VI.A of the Service and Assessment Plan, or (2) the amount that produces an average Annual Installment resulting in the Maximum Equivalent Tax Rate. “Maximum Equivalent Tax Rate” means, for each Lot Type, \$0.75 per \$100 of Estimated Buildout Value at the time the City Council approves the applicable assessment ordinance. A “Maximum Assessment” per lot type has not currently been established in the Major Improvement Area. The \$0.75 per \$100 of Estimated Buildout Value will apply to the aggregate assessment for the lots in the Major Improvement Area based on the Assessments and any assessments levied on lots in the Major Improvement Area for Future Improvement Area Bonds, and shall be established at the time such assessments are levied for Future Improvement Area Bonds.

TIRZ Annual Credit Amount. The City has agreed to use a portion of TIRZ Increment Receipts generated from each Assessed Property as they become available to offset a portion of each Assessed Property’s Assessment relating to the Major Improvements (“TIRZ Annual Credit Amount”). The Annual Installment for each Assessed Property shall be calculated by taking into consideration any TIRZ Annual Credit Amount applicable to the Assessed Property. For Assessed Property that has not been assigned a Lot Type in the Service and Assessment Plan or Annual Service Plan Update, the TIRZ Annual Credit Amount shall be equal to the TIRZ Increment Receipts generated by such Parcel for the previous tax year. Assessed Property that has been assigned a Lot Type in the Service and Assessment Plan or Annual Service Plan Update shall receive a TIRZ Annual Credit Amount equal to the lesser of (i) the TIRZ Increment Receipts generated by the lot for the previous tax year or (ii) the TIRZ Maximum Annual Credit Amount.

The “TIRZ Maximum Annual Credit Amount” is the amount shown below for each Lot Type in the following table:

TIRZ Maximum Annual Credit Amount per Lot Type in the Major Improvement Area of the District

Improvement Area #1

<u>Lot type</u>	<u>TIRZ Maximum Annual Credit Amount per Lot</u>
Lot Type 7	\$415.92
Lot Type 8	\$456.83
Lot Type 9	\$511.38
Lot Type 10	\$559.11

In the event the TIRZ Increment Receipts generated by any Lot that has been assigned a Lot Type are greater than the TIRZ Maximum Annual Credit Amount, the amount the applicable TIRZ Increment Receipts exceed the TIRZ Maximum Credit Amount will be transferred from the TIRZ Fund to the City each year and shall not be available to offset the principal and interest related to such Lot.

TIRZ INCREMENT RECEIPTS GENERATED FROM THE CAPTURED APPRAISED VALUE FOR EACH PARCEL IN THE MAJOR IMPROVEMENT AREA DURING THE DEVELOPMENT OF SUCH PARCEL WILL NOT RESULT IN A TIRZ ANNUAL CREDIT AMOUNT WHICH IS SUFFICIENT TO ACHIEVE THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ ANNUAL CREDIT AMOUNT MAY NOT PROVIDE FOR THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT UNTIL THE SECOND YEAR THAT A HOME ON SUCH PARCEL IS ASSESSED. THE ABILITY OF THE TIRZ ANNUAL CREDIT AMOUNT TO PROVIDE FOR THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT FOR PARCELS WITHIN THE MAJOR IMPROVEMENT AREA IS DEPENDENT ON THE ACTUAL BUILDOUT VALUE IN THE MAJOR IMPROVEMENT AREA MEETING THE PROJECTIONS FOR THE ESTIMATED BUILDOUT VALUES DESCRIBED IN THE SERVICE AND ASSESSMENT PLAN. SEE “OVERLAPPING TAXES AND DEBT” AND “APPENDIX C — FORM OF SERVICE AND ASSESSMENT PLAN.” SUCH TIRZ INCREMENT RECEIPTS ARE NOT PLEDGED AS SECURITY FOR THE BONDS.

Method of Apportionment of Assessments. The City Council has determined that the Assessments related to the costs of Major Improvements shall be allocated to the each assessed property in the District pro rata based on the Estimated Buildout Value of all assessed property. The Major Improvement Area Projects are allocated entirely to the Major Improvement Area Initial Parcel as described in the Service and Assessment Plan.

Reallocation of Assessments. Assessments levied on an Assessed Property shall be reallocated upon subdivision or consolidation of an Assessed Property as follows.

Upon Division Prior to Recording of Subdivision Plat: Upon the division of any Assessed Property (without the recording of a subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

- A = the Assessment for the newly divided Assessed Property
- B = the Assessment for the Assessed Property prior to division
- C = the Estimated Buildout Value of a given newly divided Assessed Property
- D = the sum of the Estimated Buildout Value for all of the new divided Assessed Properties

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to the above shall be reflected in the next Annual Service Plan Update and update to this Service and approved by the City Council.

Upon Subdivision by a Recorded Subdivision Plat: Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the newly subdivided lots according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

A = the Assessment for the newly subdivided lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the Estimated Buildout Value of all new subdivided lots with same Lot Type

D = the sum of the Estimated Buildout Value for all of the new subdivided lots excluding Non-Benefitted Property

E = the number of lots with same Lot Type

Prior to the recording of a subdivision plat, the owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each lot created by the recorded subdivision plat. The calculation of the Estimated Buildout Value for a lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the lot.

The sum of the Assessments for all newly subdivided lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and approved by the City Council.

Upon Consolidation: If two or more lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the lots or Parcels before the consolidation to the consolidated lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update.

Reduction of Assessments. If as a result of cost savings or a Major Improvement Areas Project not being constructed, the Actual Costs of completed Major Improvement Area Projects are less than the Assessments, the Trustee shall apply amounts on deposit in the applicable account of the Project Fund relating to the Bonds that are not expected to be used for purposes of the Project Fund, to redeem outstanding Bonds, in accordance with the Indenture. The Assessment shall not, however be reduced to an amount less than the outstanding Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

Prepayment of Assessments

Voluntary Prepayment of Assessments. Pursuant to the PID Act and the Indenture, the owner of any property assessed may voluntarily prepay (a "Prepayment") all or part of any Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Assessments.

Mandatory Prepayment of Assessments. The Service and Assessment Plan requires mandatory prepayment of Assessments upon the occurrence of certain events as follows.

Transfer to exempt person or entity. If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the Administrator the

full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

True-Up of Assessments if Maximum Assessment Exceeded at Plat. Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the landowner shall partially prepay the Assessment for each Assessed Property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

Prepayment as a Result of an Eminent Domain Proceeding or Taking. If any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a "Taking"), the portion of the Assessed Property that was taken or transferred (the "Taken Property") shall be reclassified as Non-Benefitted Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property), (the "Remaining Property") following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner will remain liable to pay in Annual Installments, or payable as otherwise provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Annual Installments applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial Prepayment.

In all instances the Assessment remaining on the Remaining Property shall not exceed the Maximum Assessment.

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres of Remaining Property shall be subject to the \$100 Assessment, (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment on the Remaining Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be \$90 and the Annual Installments adjusted accordingly.

Notwithstanding the previous paragraphs in this subsection, if the owner notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall not, however, be reduced to an amount less than the outstanding Bonds

Priority of Lien

The Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the respective Assessment Ordinance until the Assessment is paid, and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any property assessed may pay the entire Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time.

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, except for unpaid Assessments on homestead property (unless the lien associated with the Assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of an Assessment will be subject to the lien established for remaining unpaid installments of the Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent installments of the Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase the property or to pay the delinquent Assessment or Annual Installment on the corresponding Assessed Property.

In the Indenture the City will covenant to take and pursue all actions permissible under applicable laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by applicable laws, and to cause no reduction, abatement or exemption in the Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See "APPENDIX B – Form of Indenture."

The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If Pledged Revenues are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See "APPENDIX B – Form of Indenture" and "APPENDIX C – Form of Service and Assessment Plan."

THE CITY

Background

The City is a political subdivision and municipal corporation of the State, located in Williamson County, Texas. The City covers approximately 4.5 square miles. The City operates as a Type A general law municipality under the laws of the State. The City is a community located in Central Texas approximately 15 miles west of Georgetown and 35 miles northwest of Austin on State Highway 29. The 2010 U.S. Census data identified the City's population at 976 and the current estimated population is 1,665.

City Government

The current members of the City Council and their respective expiration of terms of office are as follows:

<u>Name</u>	<u>Place</u>	<u>Term Expires</u>
Liz Branigan	Mayor	May 2022
Chris Pezold	Councilmember, Place 1	May 2024
Kathy Canady	Councilmember, Place 2	May 2022
Crystal Mancilla	Councilmember, Place 3	May 2024
Tony DeYoung	Councilmember, Place 4	May 2022
Angela Jones	Councilmember, Place 5	May 2024

The principal administrators of the City include the following:

<u>Name</u>	<u>Position</u>
Lacie Hale	City Administrator
Rebecca Harness	Interim City Secretary
Misti Hancock	Interim Finance Director

General information regarding the City and the surrounding area can be found in “APPENDIX A – General Information Regarding the City and Surrounding Area.”

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by the Creation Resolution for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Major Improvement Area Projects, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property being developed. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page v hereof.

Powers and Authority

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District. The PID Act provides that the City may levy and collect Assessments on property in the District, or portions thereof, payable in full or periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Major Improvement Area Projects. See “THE MAJOR IMPROVEMENT AREA PROJECTS.” Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of the Major Improvement Area Projects and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See “ASSESSMENT PROCEDURES” herein and “APPENDIX C — Form of Service and Assessment Plan.”

THE MAJOR IMPROVEMENT AREA PROJECTS

General

The Major Improvement Area Projects consist of the Major Improvement Area's proportionate share of the costs of the Major Improvements. A portion of the costs of construction of the Major Improvement Area Projects will be funded with proceeds of the Bonds. The balance of the costs of the Major Improvement Area Projects will be paid by the Master Developer. The Master Developer is responsible for the completion of the construction, acquisition or purchase of the Major Improvement Area Projects as described under "THE DEVELOPMENT." The City will pay project costs for the Major Improvement Area Projects from proceeds of the Bonds. The Master Developer will submit payment requests on a monthly basis for costs actually incurred in developing and constructing the Major Improvement Area Projects and be paid in accordance with the Indenture and the PID Financing Agreement. See "THE DEVELOPMENT – Development Plan".

Major Improvements. The Major Improvement Area Projects include the Major Improvement Area's allocable share of certain Major Improvements as described below:

Onsite

- *Streets*
Includes flexible base and subgrade stabilization (including lime treatment and compaction on high PI street sections), hot mix asphaltic concrete for the boulevard, testing, metal beam guard fences, concrete valley gutters (including concrete and reinforcing steel), concrete and reinforcing steel for curbs and gutters, ADA ramps, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, irrigation, and re-vegetation of all disturbed areas within the right-of-way are included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.
- *Wastewater*
Includes costs associated with trench excavation and embedment, trench safety, PVC piping, steel encasement piping, manholes, clean outs, testing, related earthwork, and erosion control all necessary appurtenances required to provide wastewater service. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.
- *Drainage*
Includes earthen channels, swales, curb, grate, and area inlets, piping and culvert boxes, manholes, junction boxes, headwalls, rock rip rap, inlets and outfalls, and testing as well as all related earthwork, excavation, erosion control, and all necessary appurtenances. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.
- *Water*
Includes costs associated with trench excavation and embedment, trench safety, PVC and ductile iron piping, fire hydrant assemblies, combination air and vacuum release valves, irrigation meters, automatic flushing valves, testing, related earthwork, and erosion control all necessary appurtenances required to provide water service. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.
- *Water Quality and Detention Ponds*
Includes clearing, pond excavation and embankment, soil testing, retaining walls, erosion control, clay lining, concrete access drives, concrete trickle channel, slope stabilization, vertical sediment markers, piping of inbound and outbound drainage lines, concrete and rock riprap, loose riprap walls, construction of overflow and outfall structures. Hardscape and landscape improvements including trails, wet basin planting, and re-vegetation are also included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.
- *Highway 29 Improvements*
Includes widening HWY 29 and construction of left and right turn lane with subgrade stabilization, soil testing, guard rail, and signal light. All related earthwork, excavation, erosion control, retaining walls,

intersection, signage, drainage infrastructure, and re-vegetation of all disturbed areas within the right-of-way are included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

Offsite

- *Street*
Includes demolition and replacement of existing pavement and driveway, with flex base and subgrade stabilization, concrete and reinforcing steel, hot mix asphaltic concrete, and gravel for driveways, concrete and reinforcing steel for curbs and gutters. All related earthwork, excavation, erosion control, drainage infrastructure, and re-vegetation of all disturbed areas are included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.
- *Wastewater*
Including trench excavation and embedment, trench safety, piping, PVC pipes, steel encasement, bore pit, carrier pipes, spacers, and end caps, two way clean out, swing check valve, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all lots. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.
- *Water*
Including trench excavation and embedment, trench safety, piping, ductile iron and PVC pipes, steel encasement, bore pit, carrier pipes, spacers, and end caps, gate valves, pressure relief valves and vault, fire hydrant assemblies, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all lots. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs. Design, permitting and construction to oversize the City water facilities from a 16 inch main to a 24 inch main is also included. The difference in cost between the 16 inch main and the 24 inch main will not be reimbursable through the District.

District Formation Costs: Include any cost or expense directly associated with the establishment of the District.

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The following table reflects the total expected costs of the Major Improvement Area Projects, Bond Issuance Costs (as defined in the Service and Assessment Plan) and first year’s Annual Collection Costs. For additional information about the costs of the Major Improvement Area Projects, see “APPENDIX B – Form of Service and Assessment Plan.

MAJOR IMPROVEMENT AREA PROJECTS⁽¹⁾

<u>Type of Improvement</u>	<u>Costs*</u>
<u>Major Improvement Area Projects</u>	
Onsite Major Improvements	
Street	\$1,176,149
Wastewater	158,995
Drainage	804,008
Water	306,264
Water Quality and Detention Ponds	681,751
Highway 29 Improvements ⁽²⁾	350,000
Off-Site Major Improvements	
Street	750,305
Wastewater	1,897,583
Water ⁽³⁾	1,569,170
District Formation Expenses	174,866
Improvements Subtotal	<u>\$7,869,090</u>
First Year Annual Collection Costs and Bond Issuance Costs	<u>\$1,683,405</u>
Total Cost	<u>\$9,552,495</u>

⁽¹⁾ Totals may not sum due to rounding.

⁽²⁾ Excludes \$889,135 in cost participation by the City.

⁽³⁾ Excludes \$2,222,590 in oversizing costs payable by the Developer and not applicable to parcels in the District.

The cost of the Major Improvement Area Projects and the first year’s Annual Collection Costs and Bond Issuance Costs allocated to the Major Improvement Area are expected to be approximately \$9,552,495*. A portion of the Major Improvement Area Projects will be funded by the Bonds. The remaining portion of the costs of the Major Improvement Area Projects will be funded by the Master Developer without reimbursement by the City. The remaining portion of the Major Improvements will be funded by the Improvement Areas #1 and 2 Bonds.

The City will contribute the City Highway 29 Contribution as outlined under “THE DEVELOPMENT AGREEMENT” below, a portion of which will be allocated to the Highway 29 Improvements (as defined herein).

Additionally, the Master Developer plans to construct or fund certain private improvements to serve the entire District consisting of landscaping, sidewalks, irrigation, monumentation signage and an amenity center and miscellaneous items related thereto and to the District (collectively, the “Private Improvements”). The approximate cost of the Private Improvements in the District is \$5,000,000. The costs of a portion of the Private Improvements will be paid with funds escrowed by Saratoga and Meritage for the benefit of the Master Developer as described under the heading “THE DEVELOPMENT – Amenities”. The remaining costs of the Private Improvements will be paid by the Master Developer without reimbursement by the City.

Ownership and Maintenance of the Major Improvement Area Projects

The Major Improvement Area Projects will be dedicated to and accepted by the City in accordance with City standards and specifications. The City will provide for the ongoing operation, maintenance and repair of such Major Improvement Area Projects constructed and conveyed, as outlined in the Service and Assessment Plan.

* Preliminary; subject to change.

THE DEVELOPMENT AGREEMENT

The City has approved an Annexation and Development Agreement with The Butler Family Partnership, Ltd., dated August 31, 2018, as amended by that certain First Amendment to Annexation and Development Agreement, dated January 14, 2019 and that certain Second Amendment to Annexation and Development Agreement dated September 29, 2020 (together, the “Original Development Agreement”). The Butler Family Partnership, Ltd. assigned its interest in the Original Development Agreement to the Master Developer pursuant to an Assignment of Development Agreement dated as of February 10, 2021. Subsequently the Master Developer and the City entered into that certain Third Amendment to Annexation and Development Agreement dated as of May 3, 2021, that Fourth Amendment to Annexation and Development Agreement dated as of May 24, 2021 and that Fifth Amendment to Annexation and Development Agreement dated as of October 4, 2021 (together with the Original Development Agreement, as so amended, the “Development Agreement”). The City expects to approve an amended and restated development agreement which will restate the Development Agreement upon the same terms on December 8, 2021.

The Development Agreement sets forth certain agreements between the City and the Master Developer relating to (i) the development of all property within the District, including the Developer’s and the City’s respective contributions to the Development, (ii) agreements relating to the TIRZ and (iii) the issuance of public improvement district bonds for development in the District.

In the Development Agreement, the City has agreed, inter alia, to waive certain development and inspection fees and to provide water and wastewater service to customers in the District up to 1,250 LUEs. See “THE DEVELOPMENT – Utilities” and “BONDHOLDERS’ RISKS – Availability of Utilities.” In addition, under the Development Agreement, the Master Developer is obligated, inter alia, to:

- Construct a 4.5 mile extension of City water facilities, and upsize such extension from a 16 to 24 inch main at an agreed upon estimated cost of \$1,829,461 (the “Water Facilities Upsizing Cost”);
- Design a waterline measuring approximately 950 feet within the right of way of County Road 277, (“277 Waterline”) for which the City will reimburse the Master Developer for all costs associated with the design of the 277 Waterline in an amount equal to \$26,945.00; and
- Construct certain improvements to Highway 29 (the “Highway 29 Improvements”), at an agreed upon estimated cost of approximately \$1,339,134.97 (the “Highway 29 Improvements Costs”). The Master Developer shall construct the Highway 29 Improvements shall pay the initial invoices of the Highway 29 Improvements up to \$450,000.00 (the “Master Developer Share”) and, following such payment, shall provide the invoices to the City for payment, and the City shall be responsible for the payment of the remaining portion of the Highway 29 Improvements Costs up to \$889,134.97 (the “City Highway 29 Contribution”). If any costs in excess of the Highway 29 Improvements Costs are outstanding following the payment of both the City Highway 29 Contribution and the Master Developer Share, the Master Developer shall be solely responsible for the outstanding costs.

As consideration for the payment of the Water Facilities Upsizing Cost by the Master Developer, the City has agreed to provide (i) the City Highway 29 Contribution and (ii) waivers of certain construction and inspection fees relating to various improvements in the District.

The Development Agreement also sets forth the City’s commitment with respect to the use of funds generated by the TIRZ. The City intends to dedicate a portion of the City’s tax increment attributable to the TIRZ, based on the City’s tax rate each year, which funds may be used to off-set or pay a portion of any assessments levied on the Property. Under the Development Agreement, the City’s contribution rate to the TIRZ shall be equal to 30% of the City’s ad valorem taxes (based on the City’s 2021 tax rate, which is equal to \$0.454559 (i.e., approximately \$0.1363677)) collected and received by the City on the Captured Appraised Value of the District. See “SECURITY FOR THE BONDS — Amount of Assessments May be Reduced by TIRZ Annual Credit Amount” and “ASSESSMENT PROCEDURES — Assessment Amounts – TIRZ Annual Credit Amount.”

THE DEVELOPMENT

The following information has been provided by the Master Developer, Saratoga and Meritage with respect to their respective information below. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Developers have reviewed this Limited Offering Memorandum and each warrant and represent with respect to their individual information only, that "THE DEVELOPMENT" does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developers will deliver certificates to this effect to the City and the Underwriter.

Overview

The Development is an approximately 366-acre master planned residential project is located wholly within the corporate limits of the City, in Williamson County, Texas approximately 15 miles west of Georgetown and 33 miles northwest of Austin. The City, located in the northwestern region of the Austin-Round Rock-San Marcos, Texas Metropolitan Statistical Area (the "Austin MSA"), is poised for significant growth as the overall DFW MSA continues its growth trajectory.

The Development is expected to include a variety of parks, trails, amenity centers and open space areas for its residents, and others, to enjoy. This combination will provide its residents a community environment in which to live. The Development is primarily located within the Liberty Hill Independent School District.

Development Plan

The property within the District is expected to be developed as master planned community featuring 1,182 single family lots, an amenity center, open spaces and trails in a cooperative effort between the Master Developer, Saratoga, and Meritage as described herein under "—The Saratoga Phases (Improvement Area #1)," "—the Meritage Phases (Improvement Area #2 and Phase 6 in the Major Improvement Area)," and "—The Master Developer Phases (Improvement Area #1 and Major Improvement Area)." The current development plan is divided into stages: (1) concurrent development of the Improvement Areas #1 and 2 Projects and the Major Improvement Area Projects, followed by (2) local area improvements to serve each of the Future Improvement Areas of the District, which may occur in one or more subphases. See "THE MAJOR IMPROVEMENT AREA PROJECTS" and "APPENDIX B — Form of Service and Assessment Plan."

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The following table sets forth the current ownership of land within the Development in each Improvement Area.

<u>Improvement Area</u>	<u>Phase</u>	<u>Single-Family Lots</u>	<u>Ownership</u>
1	1	20	Master Developer
	2	46	Saratoga
	3	82	Saratoga
	4	70	Saratoga
	5	47	Saratoga
2	7	87	Meritage
	8	138	Meritage
	9	151	Meritage
Major Improvement Area	6	114	Meritage
	10	27	Master Developer
	13	106	Master Developer
	14	165	Master Developer
	15	98	Master Developer
	16	31	Master Developer
Total		1,182	

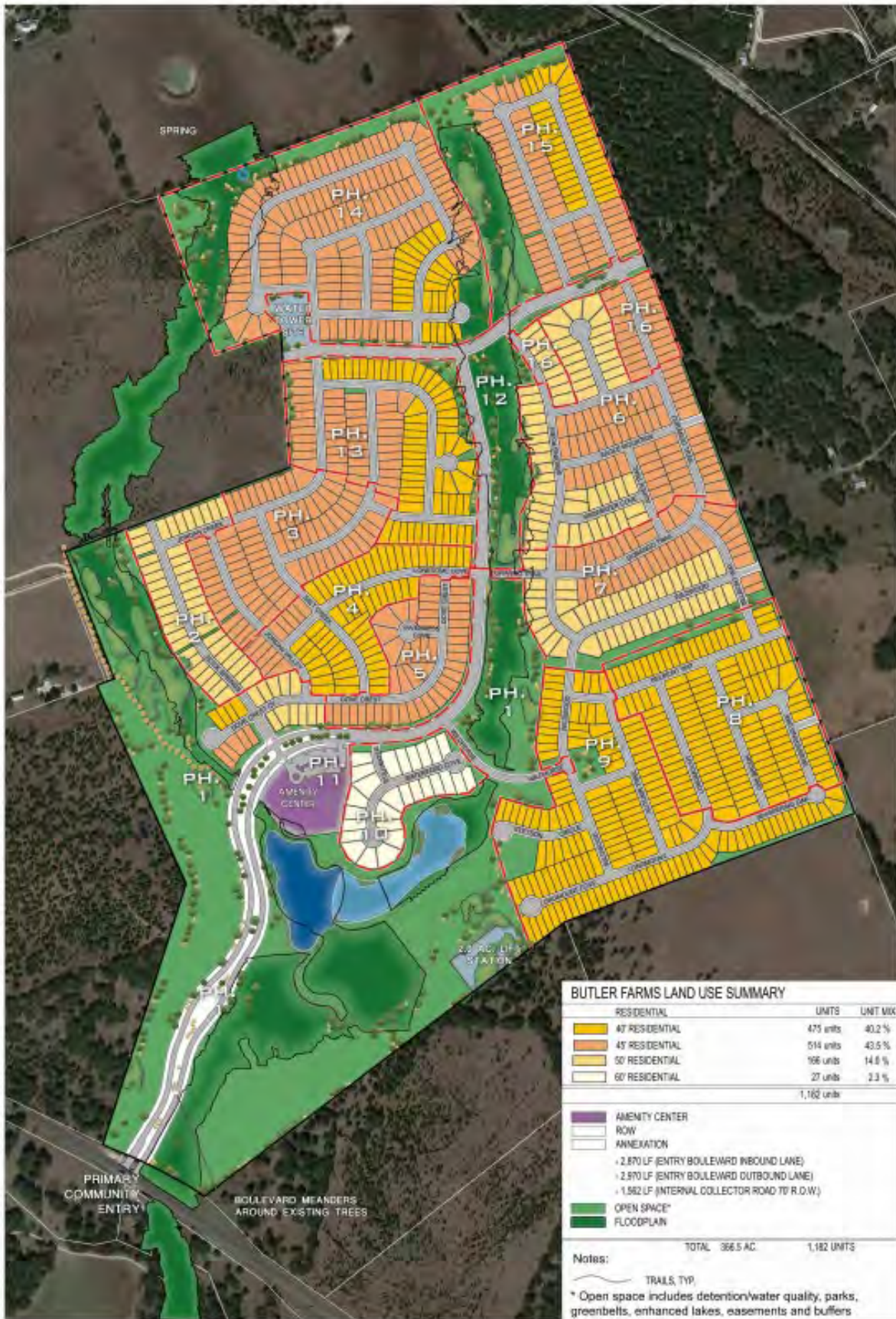
Photographs of Development in the District

Photographs of current development within the District are included herein in Appendix H.

Concept Plan

Below is the current concept plan of the Development as approved by the City. The concept plan is conceptual and subject to change consistent with the City’s zoning and subdivision regulations.

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Saratoga Phases (Improvement Area #1)

Saratoga is the owner of the Saratoga Phases, which consist of approximately 45.9 acres in the District located in Phases 2-5 (as shown on the Concept Plan above), and comprises a portion of Improvement Area #1. See “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN — Saratoga Property Acquisition and Financing.”

Saratoga will be responsible for the construction of internal improvements benefitting the Saratoga Phases, and has entered into a Management Agreement with the Master Developer pursuant to which the Master Developer will serve as the Fee Developer for the Saratoga Phases. See “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN — Master Developer as Fee Developer of the Saratoga Phases.”

Construction is expected to begin on the portion of the Improvement Area #1 Improvements which benefit Phases 2-4 in 4Q 2021 and is expected to be completed in 3Q 2022. It is expected that construction of the portion of the Improvement Area #1 Improvements benefitting Phase 5 located in Improvement Area #1 will begin in 1Q 2023 and that such improvements will be completed in 1Q 2024.

Meritage Phases (Improvement Area #2 and Phase 6 in the Major Improvement Area)

Meritage is the owner of the Meritage Phases, which consist of approximately 95.5 acres in the District, a portion of which is in Phases 7, 8 and 9 (as shown on the Concept Plan above), which comprise Improvement Area #2, and a portion of which, shown as Phase 6 on the Concept Plan above, is located in the Major Improvement Area. See “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN — Meritage Property Acquisition and Financing.”

Meritage will be responsible for the construction of internal improvements benefitting the Meritage Phases, which include the Improvement Area #2 Improvements. Meritage began construction of a portion of the Improvement Area #2 Improvements, which benefit Phase 9 in April 2021 and expects to complete such improvements in 1Q 2022. Meritage expects to begin construction of the portion of the Improvement Area #2 Improvements benefitting Phase 7 in 4Q 2021 and expects to complete such improvements in 3Q 2022. Meritage expects to begin construction of the Improvement Area #2 Improvements benefitting Phase 8 located in Improvement Area #2 in 1Q 2022 and expects to complete such improvements in 4Q 2022. As of September 30, 2021, Meritage has expended \$2,113,235 on the construction of the Improvement Area #2 Improvements.

Meritage expects to begin construction of the internal improvements benefitting Phase 6 located in the Major Improvement Area in 2Q 2022 and expects to complete such improvements in 1Q 2023.

Meritage will serve as the homebuilder for the Meritage Phases and construct homes on all lots in the Meritage Phases. Meritage expects to begin construction of homes in Improvement Area #2 in 1Q 2022.

Master Developer Phases (Improvement Area #1 and Major Improvement Area)

The Master Developer is the owner of the Master Developer Phases, which consist of all land other than the Saratoga Phases and the Meritage Phases, including Phase 1, which is located in Improvement Area #1 and all developable and non-developable Phases located in the Major Improvement Area other than Phase 6 shown on the Concept Plan above.

The Master Developer expects to construct the Major Improvements benefitting the District and the internal improvements benefitting Phase 1 of the District, which internal improvements comprise a portion of the Improvement Area #1 Improvements. The Master Developer began construction of a portion of the Improvement Area #1 Improvements which benefit Phase 1 in 1Q 2021 and expects to complete such improvements in 1Q 2022. The Master Developer began construction of the Major Improvements in 1Q 2021 and expects construction of the Major Improvements to be completed in 1Q 2022.

The Master Developer has entered into a non-binding letter of intent (the “Phase 14 LOI”) with Ashton Woods and M/I Homes of Austin (the “Phase 14 LOI Buyers”) for land (the “Phase 14 LOI Land”) expected to contain a total of 166 lots (comprised of 25 x 40’ lots and 140 x 45’ lots in Phase 14 located in the Major Improvement Area, and one model lot located in Improvement Area #1). Under the Phase 14 LOI, the base lot prices for each lot are \$800/front foot (based on the sale of the lots as unfinished paper lots). In addition to the base lot price, the Phase 14 LOI Buyers shall pay a \$2,500 per lot amenity center fee, a marketing fee of \$1,500 per lot, a wastewater impact fee of \$3,500, a water impact fee of \$3,500 per lot, and a construction management fee of \$1,200 per lot. The Phase 14 LOI Buyers are expected to purchase the Phase 14 LOI Land as paper lots and complete internal improvements thereon utilizing funds provided by such Phase 14 LOI Buyers. Under the Phase 14 LOI, the feasibility period will be expected to end on January 27, 2022 and closing of the Phase 14 LOI Land is expected to occur on or before February 15, 2022. No assurance can be given that the Master Developer and the Phase 14 LOI Buyers will proceed to contract, or that such closing will occur.

Expected Build-Out of the Development

The following tables provide the Developers’ expected build-out schedule of the Development, expected lot and home prices and absorption schedule by lot type for the District.

EXPECTED BUILDOUT OF THE DEVELOPMENT						
Improvement Area	Developer	Phase	Single-Family Lots	Expected Internal Infrastructure Start Date	Expected Internal Infrastructure Completion Date	Expected Final Lot Sale Date
1	Master Developer	1	20	Q1 2021	Q1 2022	Q2 2023*
	Saratoga	2	46	Q4 2021	Q3 2022	Q3 2024
		3	82	Q4 2021	Q3 2022	Q3 2024**
		4	70	Q4 2021	Q3 2022	Q3 2024**
		5	47	Q1 2023	Q1 2024	Q1 2026**
2	Meritage	7	87	Q4 2021	Q3 2022	Land sold in bulk to Meritage in Q1 2021 and Meritage will construct homes thereon
		8	138	Q1 2022	Q4 2022	
		9	151	Q2 2021	Q1 2022	
MIA	Meritage	6	114	Q2 2022	Q1 2023	Land sold in bulk to Meritage in Q1 2021 and Meritage will construct homes thereon
	Master Developer	10	27	TBD	TBD	TBD
		13	106	TBD	TBD	TBD
		14	165	TBD	TBD	TBD
		15	98	TBD	TBD	TBD
		16	31	TBD	TBD	TBD
Total			1,182			

* All lots in Phase 1 are model home lots held by the Master Developer.

** Saratoga purchased the land in the phases identified above in a bulk sale in Q1 2021 and expects to sell such lots in such phases to an affiliate, Saratoga Homes pursuant to the Saratoga Contract. See “— Saratoga Phases (Improvement Area #1)”.

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ESTIMATED LOT AND HOME PRICES IN THE DEVELOPMENT ⁽¹⁾					
Improvement Area	Phase	Lot Size (Width in Ft.)	Quantity	Estimated Base Lot Price	Average Base Home Price*
1	1	40	4	\$45,000	\$305,000
	1	45	5	\$50,625	\$335,000
	1	50	11	\$56,250	\$375,000
	2	50	46	\$56,550	\$373,505
	3	45	82	\$51,500	\$335,235
	4	40	60	\$45,550	\$302,950
	4	45	10	\$51,500	\$335,235
2	5	45	47	\$51,500	\$335,235
	7	45	39	\$49,500	\$285,261
	7	50	48	\$55,000	\$311,954
	8	40	138	\$44,000	\$265,081
MIA	9	40	151	\$44,000	\$265,081
	6	45	62	\$49,500	\$285,261
	6	50	52	\$55,000	\$311,954
	10	60	27	\$70,500	\$410,000
	13	40	59	\$47,000	\$305,000
	13	45	47	\$52,875	\$335,000
	14	40	25	\$47,000	\$305,000
	14	45	140	\$52,875	\$335,000
	15	40	38	\$47,000	\$305,000
	15	45	60	\$52,875	\$335,000
	16	45	22	\$52,875	\$335,000
	16	50	9	\$58,750	\$375,000
Total			1,182		

⁽¹⁾ Estimated lot and home prices are estimates provided by the Master Developer, Saratoga, or Meritage for each of their respective phases.

Future Improvement Area Bonds

Future Improvement Area Bonds to finance the cost of local improvements benefitting each of the Future Improvement Areas are anticipated to be issued in the future. The estimated costs of the local improvements benefitting the Future Improvement Area of the District will be determined at the time each Future Improvement Area is developed, and the Service and Assessment Plan will be updated to identify the improvements to be constructed within the Future Improvement Area of the District and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area of the District. It is anticipated that Future Improvement Area Bonds will be issued over a one to three year period beginning in 2022 year period.

The Bonds, the Improvement Areas #1 and 2 Bonds and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities. The City reserves the right to issue Future Improvement Area Bonds for any purpose permitted by the PID Act, including those described above.

Zoning/Permitting

The District is currently zoned as High Density Residential SF3 pursuant to Ordinance No. 18-O-115 adopted by the City Council on December 10, 2018 (the “Zoning Ordinance”).

Amenities

The Master Developer will construct certain amenities within the development as part of the costs of the Private Improvements to serve the Development, including hike and bike trails, soccer field, open space

improvements and an amenity center. The amenity center will consist of an in-ground swimming pool, play area, and restrooms. The Master Developer expects to complete construction of the amenity center in two separate phases, with the first phase to be completed in 2Q 2023 and the final phase to be completed by 3Q 2024. Construction of the hike and bike trails, open space improvements and other private improvements will be completed on a phase by phase basis. Pursuant to the PID Financing Agreement, no Future Improvement Area Bonds may be issued until the amenity center has been completed in a good and workmanlike manner in accordance with applicable City regulations, unless the City agrees to waive such construction.

The Master Developer and Meritage have entered into an Amenity Escrow Agreement pursuant to which Meritage will deposit \$1,232,500 on February 1, 2022, which funds will be held in escrow and used for the completion of the amenity center. The Master Developer and Saratoga have entered into an Amenity Escrow Agreement pursuant to which Saratoga will deposit \$612,500 to pay a portion of the costs of amenities, which funds will be held in escrow and used for the completion of the amenity center.

Education

The Liberty Hill Independent School District (“LHISD”), which serves the District, encompasses approximately 59 square miles and serves a portion of Collin and Denton Counties. LHISD enrolls over 16,000 students in two high schools, four middle schools and twelve elementary schools. Students in the District desiring to attend public school with attend Liberty Hill Elementary School (3 miles from the Development), Liberty Hill Intermediate School (4 miles from the Development), Liberty Hill Junior High (4 miles from the Development) and Liberty Hill High School (1.5 miles from the Development.) According to the Texas Education Agency (“TEA”), LHISD, Liberty Hill Junior High and Liberty Hill High School received an “A” District Accountability Rating from the TEA, Liberty Hill Elementary School received a “C” District Accountability Rating from the TEA, and Liberty Hill Intermediate received a “B” District Accountability Rating from the TEA for 2018-19. District Accountability Ratings are not available for the 2019-2020 or 2020-2021 school years.

Environmental

Phase One. A Phase One Environmental Site Assessment (a “Phase One ESA”) of the land in the District was completed in May 2017 by Horizon Environmental Services. Based on the information presented in the Phase One ESA, there was no evidence that the site was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the site.

Endangered Species. According to the website for the United States Fish and Wildlife Service, the tooth cave spider, the bone cave harvestman spider, the tooth cave ground beetle, the red knot and the whooping crane are endangered species in Williamson County. The Developers are not aware of any endangered species located on District property.

Flood Designation

According to Federal Emergency Management Agency (“FEMA”) FEMA Insurance Rate Map No. Panel 48491C0230F dated December 20, 2019, no property in the District lies in an area of special flood hazard designation.

Utilities

Water and Wastewater. The City will provide water and wastewater to the District. Under the terms of the Development Agreement and in connection with the construction of the Major Improvements for the District, the Master Developer is constructing a 4.5 mile extension connection to facilitate the integration of the water and wastewater utilities for the District into the city’s existing system.

Currently, the City has available water supply to cover existing City demand and 161 homes in the District. The sources of the City’s water are various wells and a water supply agreement dated as of August 1, 2013 with the City of Leander (“Leander”). Recently, Leander requested that the City take less water than its contracted amount

under the water supply agreement, so that it can remedy certain water transportation and distribution issues related to its water system. Leander and the City are working to resolve Leander's transportation and distribution issues so that Leander can supply the contracted amount of water at the amount and pressures required under the water supply agreement. The Texas Commission on Environmental Quality is monitoring the situation with Leander's system and is working with both cities on a resolution. Due to demands by developers for developments within the City and the City's extraterritorial jurisdiction, the City is also actively identifying and considering additional water sources, including but not limited to agreements with other water suppliers and additional water facilities. If necessary, until additional water sources are secured, and transportation infrastructure is in place, the City can pump water from its wells or purchase water from other water sources on a temporary basis and have the water delivered to the water storage tank and pump station designated for service to the District.

Currently, the City has the wastewater capacity to serve 275 homes in the District, and the City has agreed to allow the Master Developer provide pump and haul services to the District in order to allow for additional wastewater capacity. In order to provide additional wastewater capacity to serve the District as well as wastewater capacity for other developments in the area, the Master Developer expects to construct certain additional expansions of wastewater improvements and a lift station (the "Wastewater Capital Improvement Projects") located near the project on behalf of the City at an expected cost of approximately \$3.1 million. The City and the Master Developer have entered into a letter of intent for the construction of the Wastewater Capital Improvement Projects pursuant to which, inter alia, the City has agreed to provide certain impact fee credits for property in the District and the Master Developer will construct the Wastewater Capital Improvement Projects.

The Wastewater Capital Improvement Projects are not part of the Improvement Areas #1 and 2 Projects or the Major Improvement Area Projects and are expected to initially be financed by the Master Developer through amounts advanced from (i) Saratoga at the time final plat maps are recorded for the Saratoga Phases, (ii) Meritage at the time final plat maps are recorded for the Meritage Phases and (iii) future builders at the time lots are sold for the remaining phases, with such amounts being equivalent to the impact fees due and to be due related to the respective homebuilder. The Master Developer is also expected to receive impact fee credits related to the construction of the Wastewater Capital Improvements. The Wastewater Capital Improvement are expected to be completed in Q1 2023. The Master Developer will receive impact fee credits for the construction of the Wastewater Capital Improvement Projects.

Other Utilities. Additional utilities in the District are provided by: (1) Phone/Data – Suddenlink and AT&T; (2) Electric – Pedernales Electric Cooperative; (3) Cable – Suddenlink and AT&T; and (4) Natural Gas – Atmos Energy.

THE DEVELOPERS

The following information has been provided the Master Developer, Saratoga and Meritage with respect to their respective information below. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Developers have reviewed this Limited Offering Memorandum and each warrant and represent with respect to their individual information only, neither that (i) the information herein under the caption "THE DEVELOPERS" nor (ii) the information relating to the Developers under the subcaption "BONDHOLDERS' RISKS" contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to homebuilders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of the Bonds. A developer is

generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development.

The Developers develop infrastructure and community improvements (amenities, parks, trails, etc.) and sells residential lots to high-quality production homebuilders under lot takedown contracts.

The Master Developer

The Master Developer, 366 TX 29, Ltd., is a single purpose limited partnership entity established to invest in the Butler Farms Development. Its limited partners are comprised of Butler Family Partnership, Ltd. (the "Class A Limited Partner") and 79 Entertainment (the "Class B Limited Partner").

The Class A Limited Partner is composed of trusts and individuals affiliated with or related to a prominent, long-time Austin family with a successful business with a significant net worth. The Class A Limited Partner has a 30% limited partnership interest and made an initial capital contribution \$1.36 million in equity to the Master Developer (which was used to reimburse the Class B Limited Partner for the costs to entitle the property in the Development). The Class A Limited Partner is also required to contribute an additional \$640,000 if necessary, which additional capital contribution may be treated as a loan. The Master Developer may seek out loans in amounts up to \$5 million, or the Class A Limited Partner may elect to make capital contributions or loans to the Master Developer in an amount up to \$5 million.

The Class B Limited Partner is an affiliate of MA Partners (described below) and is controlled by Wyatt Henderson. The Class B Limited Partner maintains a 30% limited partnership interest. The Class B Limited Partner is not obligated to fund equity into the Master Developer. Furthermore, it will not receive distributions until the Class A Limited Partners have been returned their equity, any loans loan, and achieved a certain internal rate of return.

The Master Developer is managed by its general partner MA Butler Farms, LLC ("MA Butler Farms"), who will also act as development manager. The Master Developer and MA Butler Farms are affiliates of MA Partners, LLC ("MA Partners"), a leading master-planned developer with properties under development and management in Texas, North Carolina and California.

The past management and development projects of MA Partners include:

- 180,000 square foot Texas A&M University Health Science Center and medical school in Round Rock, Texas
- Avery Ranch, 1,800 acre master planned residential community featuring 3,500 homes, the best-selling Austin area community 5 years in a row
- Sedona Lakes, a 500 acre master planned community featuring 1,000 home sites in Manville, Texas
- MorningStar, a 530 acre mixed use master planned community with 1,300 home sites and 115 acres of mixed use development
- Schaffer's Mill Golf and Lake Club, a 475 acre resort community in the Lake Tahoe area with 458 home sites
- Bear Lake Reserve, a 2,146 acre resort community entitled for 914 home sites in Cashiers, North Carolina

Master Developer/MA Partners Executive Biographies

Wyatt Henderson, Co-Founder & Principal of MA Partners. Wyatt Henderson is the head of the project team for the Development. Wyatt has spent the last 22 years focused in real estate development and homebuilding. He started his career with KPMG Peat Marwick and has worked with some of the nation's largest homebuilders, including KB Home, Lennar Homes and Ashton Woods Homes, where he served as a controller responsible for project finance and business plan development. With MA Partners, Wyatt is responsible for the execution of development projects and is instrumental in sourcing and evaluating opportunities. He is active in investor relations as well as negotiations with sellers, lenders, and municipalities. Wyatt attended Midwestern State University and then continued at Baylor University in Waco, Texas earning a Bachelor's degree in Business Administration & Accounting with a minor in Information Systems.

John Marlin, Co-Founder & Principal of MA Partners. John Marlin is co-founder and a principal of MA Partners. John has extensive experience in the acquisition, development and disposition of both horizontal and vertical construction, including overseeing the construction and sales of several thousand homes and the development of several thousand lots. He has also constructed multi-floor condominiums and re-developed office buildings, commercial storefronts and large condominium complexes.

John is responsible for developing the company's investment strategy in addition to overseeing the design, marketing, promotion, delivery and quality of all the company's programs. He is also instrumental in navigating each project through the municipal entitlement process, mitigating a significant component of the development risk.

Allen Jones, Principal. Allen Jones is responsible for sourcing and underwriting investment opportunities and overseeing all financial analysis and reporting, as well as managing existing projects and investor relations. Allen has spent the last 20 years in real estate with a primary emphasis on residential land development. In roles as an analyst, acquisitions director, and chief financial officer, he has been involved in the acquisition and management of more than 25 real estate investment and development opportunities totaling more than 7,000 acres and a combined 12,000 developed and entitled residential lots.

David Howell, Director of Project Management, MA Partners. David will oversee execution and management of development operations, including feasibility, entitlement, design and construction to ensure timely and successful completion of projects. David holds a Bachelor of Science in Civil Engineering from the University of Texas in Austin. He is a registered Professional Engineer and a licensed real estate salesperson in the State of Texas. David has spent the past 30 years focused on real estate acquisition and development of master planned single family residential projects. He has extensive expertise in project feasibility, market analysis, subdivision design, land-use entitlement and construction management of both horizontal and vertical improvements. David began his career as a consulting engineer in private practice before entering the real estate development field. He has been involved in the acquisition, entitlement, development and management of projects totaling more than 12,000 lots. With MA Partners, David is responsible for execution and management of development operations, overseeing feasibility, entitlement, design and construction to ensure timely and successful completion of projects.

Master Developer as the Improvement Area #1 Fee Developer

Pursuant to the Management Agreement, the Master Developer has been engaged by Saratoga to serve as the Fee Developer for the Saratoga Phases.

Saratoga

Saratoga Group, LLC and Related Companies is engaged in building residential housing and developing residential real estate in the El Paso, Houston, Austin and Killeen, Texas, areas. Saratoga Group, LLC is a consolidated group of companies comprised of Saratoga Homes, Inc., Saratoga Homes Texas Austin, LLC, Saratoga Homes Texas Houston, LLC, Saratoga, and Saratoga Corporate Management Group, LLC. Saratoga is part of a consolidated group of companies comprised of JNC Development, Inc., Ravenna, LLC, Duechelli, LLC, Foxtail Sky, LLC and Glendale Forest, LLC. Saratoga is a 50% or more joint venture owner of Ravenna, LLC, Duechelli, LLC, Foxtail Sky, LLC and Glendale Forest, LLC. Saratoga is a privately held Texas corporation, the majority

shareholders of which are David Bombach (1/3), James Frances Bombach (1/3), and Carlos D. Bombach (1/3). There is no JV contemplated with any other entity at this time.

Biographies of the major officers for Saratoga Group are below.

CEO: Carlos D. (“Charlie”) Bombach. Charlie has been with Saratoga for over 25 years, working in almost every facet of the home building, land acquisition and development arenas within Saratoga throughout his tenure. He holds degrees in Finance and International Business from Trinity University. Charlie is a former Director of both the Texas Association of Builders and the El Paso Association of Builders. Charlie is a strong family-oriented leader who believes in applying the principles taught to him and his brother by his father, David. In addition to leading the entire Saratoga Management Team, Charlie oversees the entire corporate structure of the Saratoga Group, its affiliates, and all divisions and departments therein.

Vice President of Land Acquisition: Nagesh Basnyat. Nagesh has worked for Saratoga for over 20 years. He began working as a Construction Manager. Now, Nagesh heads up the Land Acquisition Department and has successfully developed 19 projects comprising over 1,400 finished lots, and at least 5 additional projects underway, with more to come online this year. He holds a degree in Construction Management from Minnesota State University.

Chairman of the Board for Saratoga Group: David Bombach. Mr. Bombach founded Saratoga Homes in 1983 with a \$2,000 gift from his father-in-law, Frank Hourigan. Mr. Bombach holds a business degree from UTEP and a Doctor of Jurisprudence from Texas Tech School of Law, having graduated with honors and received the Order of the Coif. He is an Army Veteran, serving American interests in Heidelberg, Germany in 1968 in the Signal Corp., and in 1969 in the I Corp. region of Vietnam in the 326th Combat Engineer Battalion within the 101st Airborne Division. Mr. Bombach’s goal with Saratoga Homes has been to provide the American dream of home ownership through a consistent product line of affordable, quality single-family homes.

COO: James F. (“Jack”) Bombach. Jack has been with Saratoga for approximately 15 years, having worked as a Sales Manager, VP of Production and Land Acquisition Manager. In addition to being Chief Operating Officer, Jack is also the Division President for the Austin and Killeen Divisions. He holds a degree in economics from the University of Chicago. Jack oversees the strategic operations, marketing and planning for the Houston, Austin and Killeen Divisions.

Meritage

Meritage is a subsidiary of Meritage Homes (“Meritage Homes”) and was created by Meritage Homes for the purpose of acquiring, owning, holding, managing, operating, investing, reinvesting, accumulating, improving, and developing residential housing upon property located in the State of Texas, including developing, managing and ultimately conveying property to third parties. Meritage is wholly owned by Meritage Homes.

Meritage Homes stock trades on the New York Stock Exchange under the symbol MTH. Meritage Homes is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the “SEC”). The file number for Meritage Homes is No.1-9977. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Section of the SEC, Room 100 F Street, N.E., Washington D.C. 20549 and at the SEC’s internet website at <http://www.sec.gov>. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. All documents subsequently filed by Meritage Homes pursuant to the requirements of the Securities and Exchange Commission Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

THE BONDS AND THE ASSESSMENTS DO NOT CONSTITUTE INDEBTEDNESS OF, AND ARE NOT GUARANTEED BY, THE MASTER DEVELOPER, SARATOGA, MERITAGE OR ANY OF THEIR AFFILIATES.

ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN

Costs of Improvements to be Constructed by the Developers

Improvement Areas #1 and 2 Projects. The Master Developer and Saratoga will each construct a portion of the Improvement Area #1 Improvements at the expected costs shown below. Meritage will construct the Improvement Area #2 Improvements at the expected costs shown below. Proceeds of the Improvement Areas #1 and 2 Bonds will pay for a portion of the costs of the Improvement Areas #1 and 2 Projects (which consist of the Improvement Area #1 Improvements, the Improvement Area #2 Improvements and the pro rata portion of the Major Improvements benefitting Improvement Areas #1 and 2). To the extent the costs of the Improvement Areas #1 and 2 Projects applicable to the Saratoga Phases and the Meritage Phases are not paid with the Improvement Areas #1 and 2 Bonds, Saratoga and Meritage will execute a completion agreement relating to their respective portions of such improvements. Saratoga has not begun construction of the Improvement Area #1 Improvements benefitting the Saratoga Phases. As of September 30, 2021, Meritage has advanced \$2,113,235 on the costs of the Improvement Area #2 Improvements. See “THE DEVELOPMENT – Saratoga Phases (Improvement Area #1)” and “THE DEVELOPMENT – Saratoga Phases (Improvement Area #2 and Phase 6 in the Major Improvement Area).”

Major Improvements. The Master Developer will construct the Major Improvements benefitting Improvement Area #1, Improvement Area #2 and the Major Improvement Area at the expected costs shown below which costs exclude the District Formation Costs. A portion of the costs of the Major Improvements will be paid from the Bonds and the Improvement Areas #1 and 2 Bonds. The remaining costs of the Major Improvements have been advanced by the Master Developer and will not be reimbursed by the City. As of September 30, 2021, the Master Developer has advanced approximately \$10.4 million relating to costs of the Major Improvements and \$1.0 million relating to the costs of the Improvement Area #1 Improvements.

Major Improvements ^[a]			
Description	366 TX 29		Total
Description	Onsite & Offsite	Offsite Upsizing ^[b]	Total
Street	\$ 4,131,282	\$ -	\$ 4,131,282
Wastewater	\$ 4,410,335	\$ -	\$ 4,410,335
Drainage	\$ 1,724,197	\$ -	\$ 1,724,197
Water	\$ 4,021,871	\$ 2,222,590	\$ 6,244,461
Water Quality & Detention	\$ 1,462,015	\$ -	\$ 1,462,015
Hwy 29	\$ 1,639,710	\$ -	\$ 1,639,710
Total	\$ 17,389,411	\$ 2,222,590	\$ 19,612,000

Footnotes:

[a] Includes \$889,135 City participation for Highway 29 improvements.

[b] The Developer has elected to upsize the Off-Site Major Water Improvements. The upsizing costs are included as a Non-PID Improvement item in the Engineer's Report.

Master Developer Property Acquisition and Financing

Property Acquisition. The Master Developer acquired the property in the District from the Class A Limited Partner on February 10, 2021 at a purchase price of \$8,552,950. The purchase price was paid with \$4,424,050 in cash provided through the concurrent sale of the Meritage Phases and the Saratoga Phases, and a loan from the Class A Limited Partner in the amount of \$4,128,900 (the “Purchase Loan”). The Purchase Loan bears interest at a rate of 3% per annum, and annual interest payments on the Purchase Loan are due on March 10 of each year beginning March 10, 2022. Annual principal reduction payments of \$1,000,000 are due on March 10 each year. The Purchase Loan matures on March 10, 2026. The Purchase Loan is secured by a lien on the Master Developer’s property within the District, which lien has been subordinated to the lien securing the Master Developer Development Loan (as defined herein).

The Master Developer sold the property in the Saratoga Phases and the Meritage Phases on February 10, 2021 as described below. The Master Developer is the current owner of the property in Master Developer Phases.

Master Developer Development Financing: The Master Developer expects to finance its portion of the Improvement Area #1 Improvements through the Bonds and funds previously advanced by the Master Developer. The Master Developer expects to fund development of the Major Improvements through the issuance of the Bonds, the Improvement Areas #1 and 2 Bonds, and through funds previously advanced by the Master Developer from the Master Developer Development Loan (as defined below). See “SECURITY FOR THE BONDS – Project Fund” and “SOURCES AND USES”. As of September 30, 2021, the Master Developer has advanced approximately \$10.4 million relating to costs of the Major Improvements and \$1.0 million relating to the costs of the Improvement Area #1 Improvements. The Master Developer expects to use additional amounts provided through the sale of property in the District under lot purchase and sale agreements to fund development in Future Improvement Areas to the extent the Future Improvement Area Improvements will be funded by the Master Developer.

To fund development of its property in the District, the Master Developer acquired a loan from Bank of Austin in an amount up to \$6,000,000 (the “Master Developer Development Loan”). The Master Developer Development Loan bears interest at a floating rate equal to the lesser of (i) the Maximum Rate (18.00%) and (ii) the U.S. Prime Rate as published by the Wall Street Journal plus 0.75%, and monthly interest payments on the Master Developer Development Loan are due on the 27th of each month beginning September 27, 2021. All principal of the Master Developer Development Loan is due at maturity. The Master Developer Development Loan matures on August 27, 2022. The Master Developer Development Loan is secured by a lien on the Master Developer’s property within the District, and is guaranteed by Wyatt Henderson, Arthur Jones, and John Marlin.

The PID Act provides that the Assessment Lien is a first and prior lien against an Assessed Parcel within the District and is superior to all other liens and claims except liens or claims for state, county, school district, or municipality ad valorem taxes, including any lien for the Purchase Loan and the Master Developer Development Loan.

Saratoga Property Acquisition and Financing

Saratoga acquired the property in the Saratoga Phases from the Master Developer on February 10, 2021 at a purchase price of \$4,382,000. In connection with such sale, the Master Developer retained all rights to reimbursement for improvements constructed in the Saratoga Phases. The conveyance of the Saratoga Phases is subject to a Repurchase Option Agreement in favor of the Master Developer which allows the Master Developer to repurchase the property in the Saratoga Phases at the Saratoga Purchase Price (accruing interest at a rate of 5% per annum) if Saratoga fails to commence construction of internal improvements in the first phase within 18 months of the closing and, 36 months with respect to the last phase.

The Saratoga Purchase Price was paid in part with a combined Acquisition & Development and Land Loan from a lender, Flagstar Bank, FSB in a total principal amount of up to \$9,150,000 (the “Saratoga Loan”). Additional proceeds of the Saratoga Loan are expected to be used to fund development in the Saratoga Phases, including its portion of the Improvement Area #1 Improvements allocable to Phase 2-4. The Saratoga Loan bears interest at a rate of the greater of 3.75% or an adjustable rate of 90 Day LIBOR + 2.75% per annum. Interest payments on the Saratoga Loan are due monthly beginning March 10, 2022. Principal reduction payments on the Saratoga Loan are due beginning on May 31, 2022 and are payable every 90 days thereafter. The Saratoga Loan matures on November 10, 2023. As of October 12, 2021, the outstanding balance of the Saratoga Loan is \$1,793,255.87. The Saratoga Loan is secured by a lien on the Saratoga Phases. Saratoga expects to secure additional loan funds to fund the portion of the Improvement Area #1 Improvements benefitting Phase 5 in 1Q 2023.

Saratoga does not own property within the Major Improvement Area of the District.

Meritage Property Acquisition and Financing

Meritage acquired the property in the Meritage Phases on February 10, 2021 at a purchase price of \$8,494,000 (the “Meritage Purchase Price”). The conveyance of the Meritage Phases is subject to a Repurchase Option Agreement in favor of the Master Developer which allows the Master Developer to repurchase the property

in the Meritage Phases at the Meritage Purchase Price (accruing interest at a rate of 5% per annum) if Meritage fails to commence construction of internal improvements in the first phase within 18 months of the closing and, 36 months with respect to the last phase. In addition, Meritage holds an option to purchase (i) six model home lots (located in Phase 1) at a price of \$1,125 per front foot for a period of 9 months from February 10, 2021 and (ii) 125 lots in Phases 15 and 16 located in the Major Improvement Area for a period of 25 months from February 10, 2021, at a price of \$25 per front foot during the first year and a price of \$450 per front foot during the remaining 13 months. In connection with such sale, the Master Developer retained all rights to reimbursement for improvements constructed in the Meritage Phases.

Meritage has not acquired loans for the purchase of its land within the District and does not expect to acquire loans or other financing secured by land within the District. Meritage's purchase of the land within the District was financed with cash, and the development of the Meritage Phases, to the extent not financed with the proceeds of the Bonds, will be paid for by Meritage in cash. Accordingly, there are no financing liens on the property, nor does Meritage expect to incur such liens on its the property in the District.

THE ADMINISTRATOR

The following information has been provided by the Administrator. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Administrator has reviewed this Limited Offering Memorandum and warrant and represent that the information herein under the caption "THE ADMINISTRATOR" does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.

The City has selected P3Works, LLC as the initial Administrator for the District. The Administrator is a consulting firm with a specialized consulting practice providing services related to the formation and administration of special tax and special assessment districts. The City has entered into an agreement with the Administrator to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The Administrator is a consulting firm focused on providing district services relating to the formation and administration of public improvement districts, and is based in North Richland Hills, Texas and Austin, Texas.

The Administrator's duties will include:

- Preparation of the annual update to the Service and Assessment Plan
- Preparation of assessment rolls for City billing and collection
- Establishing and maintaining a database of all City parcel IDs within the District
- Trust account analysis and reconciliation
- Property owner inquiries
- Determination of Prepayment amounts
- Preparation and review of disclosure notices with Dissemination Agent
- Review of developer draw requests for reimbursement of authorized improvement costs.

APPRAISAL OF PROPERTY WITHIN THE MAJOR IMPROVEMENT AREA OF THE DISTRICT

The Appraisal

General. The AEGIS Group, Inc. (the “Appraiser”), prepared an appraisal report for the City effective as of October 18, 2021 (the “Appraisal”). The Appraisal was prepared at the request of the City.

The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the Major Improvement Area of the District. The Appraisal is attached hereto as APPENDIX F and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See “APPENDIX F — APPRAISAL OF PROPERTY IN THE DISTRICT.”

Value Estimates. The Appraiser estimated the aggregate market value of the fee simple interest in various tracts of land in the Major Improvement Area of the District under the hypothetical condition that the Major Improvement Area Projects are complete. See “THE MAJOR IMPROVEMENT AREA PROJECTS,” “PLAN OF FINANCE” and “THE DEVELOPMENT – Development Plan.” The Appraisal does not reflect the as-is condition of the Major Improvement Area of the District as the Improvement Areas #1 and 2 Projects have not yet been constructed. Moreover, the Appraisal does not reflect the value of the Major Improvement Area of the District as if sold to a single purchaser in a single transaction. The Appraisal provides the fee simple estate values for the Major Improvement Area of the District. See “APPENDIX F — APPRAISAL OF PROPERTY IN THE DISTRICT.”

The value estimate for the assessable property within the Major Improvement Area of the District using the methodologies described in the Appraisal and subject to the limiting conditions and hypothetical assumptions set forth in the Appraisal, as of October 18, 2021, is \$18,300,000. For further information about the value of the land within the Major Improvement Area and the lien relating to the Assessments, see “ASSESSMENT PROCEDURES – Assessment Methodology.”

None of the City, the Developer nor the Underwriter makes any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions. Prospective investors should read the complete Appraisal in order to make an informed decision regarding any contemplated purchase of the Bonds. The complete Appraisal is attached hereto as APPENDIX F.

BONDHOLDERS’ RISKS

Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR

REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within the Major Improvement Area of the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within the Major Improvement Area of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within the Major Improvement Area of the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in the Major Improvement Area of the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the Major Improvement Area of the District should proceed more slowly than expected and the Master Developer and Meritage are unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within the Major Improvement Area of the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Underwriter is not obligated to make a market in or repurchase any of the Bonds, and no representation is made by the Underwriter, the City or the City's Financial Advisor that a market for the Bonds will develop and be maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the Bonds.

The City has not applied for or received a rating on the Bonds. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so.

Assessment Limitations

Annual Installments of Assessments are billed to property owners in the Major Improvement Area of the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as described under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in the Major Improvement Area of the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy" herein.

Upon an ad valorem tax lien foreclosure event of a property within the Major Improvement Area of the District, any lien securing an Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the

delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, § 372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code § 372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. **However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property.** It is unclear under State law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights had been claimed. Furthermore, the Master Developer and Meritage are not eligible to claim homestead rights and the Master Developer and Meritage owned all property within the Major Improvement Area of the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Assessed Properties superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE PERSONAL OBLIGATIONS OF AND CHARGES AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN THE MAJOR IMPROVEMENT AREA OF THE DISTRICT.

Competition; Real Estate Market

The successful sale of lots to homebuilders and the successful sale of residential units, in turn, by homebuilders to end users once homes are built within the District, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer. Contracts that the Developer may have with individual homebuilders are subject to a myriad of contractual conditions and contingencies, all or some of which if not complied with, could precipitate a termination or winding up of such contractual arrangement for the sale of lots, causing the Developer to possibly need to execute a different strategy for the development and sale of lots and residential units within the Development. Neither the Developer nor any other subsequent landowner in the District has any obligation to pay the Assessments. As described herein, the Assessments are an imposition against the land only. Neither the Developer nor any other subsequent landowner is a guarantor of the Assessments and the recourse for the failure of the Developer or any other landowner to pay the Assessments is limited to the collection proceedings against the land as described herein.

Additionally, recent demand in the real estate sector has resulted in increases in the prices of commodities used for real estate construction and development. There can be no guarantee that prices of such commodities will

not continue to increase in the future which may impact the Developer's ability to complete development within the District as described.

The 87th Legislature passed HB 1543, which took effect September 1, 2021, requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the purchaser is entitled to terminate the contract. If the Master Developer or homebuilders within the District do not provide the required notice and prospective purchasers of property within the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected. No assurance can be given that the projected absorption schedule presented in this Limited Offering Memorandum will be realized.

TIRZ Credit and Marketing of the Development

The TIRZ Increment Receipts are generated only from ad valorem taxes levied and collected by the City on the Captured Appraised Value in the TIRZ in any year. Any delay or failure by the Developers to develop the District may result in a reduced amount of the TIRZ Increment Receipts being available to credit the Assessments. TIRZ Increment Receipts generated from the Captured Appraised Value for each parcel in the Major Improvement Area during the development of such parcel will result in a TIRZ Annual Credit Amount which is not sufficient to provide for the TIRZ Maximum Annual Credit Amount. The TIRZ Annual Credit Amount will likely not provide for the TIRZ Maximum Annual Credit Amount until the second year that a home on such parcel is assessed. See "OVERLAPPING TAXES AND DEBT."

It is uncertain what impact, if any, the TIRZ Annual Credit Amount application to the Annual Installments will have on the underwriting of residential mortgages. If the underwriter of a residential mortgage does not recognize the TIRZ Annual Credit Amount it may make it more difficult for a borrower to qualify for a home mortgage which could have a negative impact on home sales and projected absorption.

If the City contributes the TIRZ Increment Receipts to the payment of the Major Improvements the City will deposit less tax revenue into its general fund for use on public services, such as police and fire protection. Application of the TIRZ Annual Credit Amount may affect the City's ability to provide for such basic services.

Loss of Tax Exemption

The Indenture contains covenants by the City intended to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes. As discussed under the caption "TAX MATTERS" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Bankruptcy

The payment of Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within the Major Improvement Area of the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within the Major Improvement Area of the District and will likely do so in the future. Such entities could also impose assessment liens on the property within the Major Improvement Area of the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Assessments.

Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within the Major Improvement Area of the District to pay the Assessments when due could result in the rapid, total depletion of Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Account of the Reserve Fund. The Indenture provides that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Fund Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under “SECURITY FOR THE BONDS — Reserve Account of the Reserve Fund” herein.

Hazardous Substance

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or “Superfund Act,” is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the Major Improvement Area of the District be affected by a hazardous substance, the marketability and value of such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the Major Improvement Area of the District does not take into account the possible liability of the Master Developer and Meritage for the remediation of a hazardous substance condition on the property in the Major Improvement Area of the District. The City has not independently verified, and is not aware, that the Master Developer and Meritage have such a current liability with respect to the Major Improvement Area; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within the Major Improvement Area of the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

See “THE DEVELOPMENT – Environmental” for discussion of the Phase I ESA performed on certain property within the District.

Exercise of Third Party Property Rights

Certain Third-Party Property Rights reservations located within the District and not owned by the Developers or any of their affiliates. There may also be additional mineral rights and related real property rights

reflected in the chain of title for the real property within the District recorded in the real property records of Williamson County.

The Developers do not expect the existence or exercise of any Third Party Property Rights, mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the Major Improvement Area of the District to pay Assessments. However, none of the City, the Financial Advisor, or the Underwriter, provide any assurances as to such Developer expectations.

Regulation

Development within the District may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of at least 25% of the owners of the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the Major Improvement Area of the District or sell property within the Major Improvement Area of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within the Major Improvement Area of the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Assessments, or delinquent ad valorem taxes, against such property owner.

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity.

Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages in the absence of County action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of

mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

No Acceleration

The Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of the owners of the Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. The City is authorized under Texas law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) Annual Collection Costs are paid in full, (5) all regulatory or electoral approvals required under Texas law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt.

Management and Ownership

The management and ownership of the Master Developer, Saratoga or Meritage could change in the future. The management of the Development could change in the future. Purchasers of the Bonds should not rely on the management experience of the Master Developer, Saratoga or Meritage. There are no assurances that the Master Developer, Saratoga or Meritage will not sell the subject property, that officers or managers of the Master Developer, Saratoga or Meritage will not resign or be replaced. In such circumstances, a new developer, project manager and/or new officers or managers in management positions, as the case may be, may not have comparable experience in development projects comparable to that of the Master Developer, Saratoga or Meritage or their officers or managers, as the case may be.

Availability of Utilities

The progress of development within the District is also dependent upon the City providing an adequate supply of water and sufficient capacity for the collection and treatment of wastewater. If the City fails to supply water and wastewater services to the property within the District, the development of the land in the District could be adversely affected.

The City currently does not have sufficient water capacity to serve the expected development in the District. As described under "THE DEVELOPMENT – Utilities" the City is working to increase water capacity and supply to the City to provide for additional water capacity sufficient to serve the District. No assurance can be given that the City will obtain such supply.

The City currently does not have sufficient wastewater capacity to serve the expected development in the District. The Master Developer is expected to construct the Wastewater Capital Improvement Projects as described under “THE DEVELOPMENT – Utilities” to provide for additional wastewater capacity. The Master Developer may provide, and is responsible for the cost of, pumping and hauling wastewater generated by the Development until adequate capacity is obtained.

The Master Developer’s failure to timely construct the Wastewater Capital Improvement Projects could result in the Master Developer being responsible for the costs of pumping and hauling wastewater generated by the Development. The incursion of substantial costs associated with wastewater pumping and removal may affect the ability of the Master Developer to make full and timely payment of the portion of the Assessments payable by the Master Developer, which could affect the ability of the City to meet its debt service obligations with respect to the Bonds.

Dependence Upon Developers

The Master Developer currently has the obligation for payment a total of approximately 80% of the Assessments. Meritage currently has the obligation for payment a total of approximately 20% of the Assessments. Collectively, the Master Developer and Meritage are responsible for 100% of the payment of the Assessments.

The ability of such parties, as owners of land in the Major Improvement Area of the District, to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The Master Developer is a limited, special purpose entity and the only assets of the Master Developer are land its land within the District, related permits and development rights, and minor operating accounts. The source of funding for future land development activities and infrastructure construction to develop the lots proposed for the Major Improvement Area of the District also consists of proceeds from the Bonds and proceeds of lot sales, as well as possible bank financing and equity contributions by the Master Developer and Meritage. There can be no assurances given as to the financial ability of the Master Developer and Meritage to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Master Developer and Meritage will advance such funds.

Moreover, the City will pay to the Master Developer or the Master Developer’s designee costs for a portion of the Major Improvement Area Projects from proceeds of the Bonds. The Developers will submit reimbursement requests on a monthly basis for costs actually incurred in developing and constructing the Major Improvement Area Projects, and be reimbursed in accordance with the PID Financing Agreement and the Indenture. See “THE MAJOR IMPROVEMENT AREA PROJECTS – General” and “THE DEVELOPMENT.” There can be no assurances given as to the financial ability of the Master Developer to complete such improvements.

Financial History of Past Entities Involving Master Developer Principal

In 2009, a lender foreclosed on land securing a loan relating to a special purpose entity (the “SPE”) managed by John Marlin, a principal of the Master Developer, and, as a result of such foreclosure, the SPE entered an voluntary Chapter 11 Bankruptcy. On August 29, 2012, the Bankruptcy Court entered an order authorizing the liquidation of the SPE.

General Risks of Real Estate Investment and Development

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, as well as the operating revenues of the Master Developer, Saratoga or Meritage, including those derived from the Development, are not within the control of the Master Developer, Saratoga or Meritage. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the

sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Master Developer, Saratoga or Meritage.

The Development cannot be initiated or completed without the Master Developer, Saratoga or Meritage obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Master Developer, Saratoga or Meritage.

Additionally, recent demand in the real estate sector has resulted in increases in the prices of commodities used for real estate construction and development. There can be no guarantee that prices of such commodities will not continue to increase in the future which may impact the Master Developer, Saratoga or Meritage's ability to complete development within the District as described herein.

Agricultural Use Valuation and Redemption Rights

All of the property within the Major Improvement Area of the District is currently entitled to valuation for ad valorem tax purposes based upon its agricultural use. Under Texas law, an owner of land that is entitled to an agricultural valuation has the right to redeem such property after a tax sale for delinquent ad valorem property taxes for a period of two years after the tax sale by paying to the tax sale purchaser a 25% premium, if redeemed during the first year, or a 50% premium, if redeemed during the second year, over the purchase price paid at the tax sale and certain qualifying costs incurred by the purchaser. Although Assessments are not considered a tax under Texas law, the PID Act provides that the lien for Assessments may be enforced in the same manner as a lien for ad valorem taxes. This shared enforcement mechanism raises a possibility that the right to redeem agricultural valuation property may be available following a foreclosure of a lien for Assessments, though there is no indication in Texas law that such redemption rights would be available in such a case.

At closing of the Bonds, the Master Developer will execute a Waiver Of Right Of Redemption And Tax Escrow Agreement Butler Farms Public Improvement District – Major Improvement Area (a “Redemption Agreement”) with the City related to the Master Developer's property in the Major Improvement Area of the District pursuant to which the Master Developer will waive its right to redeem any agricultural valuation property and require any subsequent purchaser from the Master Developer to execute a similar conveyance. Although the Redemption Agreement is intended to protect the City and the owners of the Bonds against potential redemption rights of the Developer and any subsequent purchaser in the context of a foreclosure proceeding, because there is currently no case law with respect to waiver of redemption rights or an agricultural valuation, it is unclear whether the Redemption Agreement is enforceable under Texas law.

Because the enforceability of a Redemption Agreement is not certain, as additional protection against the occurrence of a tax sale for non-payment of ad valorem taxes and the associated risk of redemption rights arising, the Master Developer will deposit with the City prior to delivery of the Bonds, and the City will maintain at all times while there exists property in the Major Improvement Area of the District that is entitled to valuation based on its agricultural use, an amount equal to the estimated ad valorem taxes assessed against agricultural valuation property to become due in the next two years. Such funds will be held by the City and used to pay delinquent ad valorem taxes on agricultural valuation property and thereby potentially avoid the possibility of a sale for non-payment of ad valorem taxes and the associated risk of redemption rights arising. In the event such funds are used to pay delinquent ad valorem taxes, the Master Developer will be required to replenish such funds previously held by the City.

The Master Developer and Meritage expect to terminate the agricultural valuation in the Major Improvement Area of the District on a phase by phase basis as individual phases are developed therein, beginning in 2022.

Potential Future Changes in State Law Regarding Public Improvement Districts

During prior sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding state level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. To date, no legislation has been passed to act on such recommendations; however, it is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

Use of Appraisal

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The Appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation and specified therein. The estimated market value specified in the Appraisal is not a precise measure of value, but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the appraiser's forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District.

In performing its analysis, the Appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the Appraiser's, Underwriter's and City's control, as well as certain factual matters. Furthermore, the Appraiser's analysis, opinions and conclusions are necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation and date of the Appraisal.

Infectious Disease Outbreak – COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States. On March 13, 2020, the President of the United States declared the Pandemic a national emergency and the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State in response to the Pandemic. Under State law, the proclamation of a state of disaster by the Governor may not continue for more than 30 days unless renewed by the Governor. The Governor has renewed his declaration monthly, most recently on November 27, 2021. On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has since issued a number of executive orders relating to COVID-19 preparedness, mitigation and phased reopening of the State. On March 2, 2021, the Governor issued Executive Order GA-34, which, among other things, removed any COVID-19-related operating limits for any business or other establishment and ended the State-wide mask mandate. Most recently, on July 29, 2021, the Governor issued Executive Order GA-38, which, among other things, maintains that there are no COVID-19 related operating limits for any business or establishment and that no person may be required by any jurisdiction to wear or mandate the wearing of a face covering. The Governor's order also maintains, in providing or obtaining services, every person (including individuals, businesses, and other legal

entities) should use good-faith efforts and available resources to follow the minimum standard health protocols. Executive Order GA-38 remains in place until amended, rescinded, or superseded by the Governor. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>.

Most of the federal and state actions and policies under the aforementioned disaster declarations are focused on limiting instances where the public can congregate or interact with each other, which affects the operation of businesses and directly impacts the economy. Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. Stock values and crude oil prices, in the United States and globally, have seen significant declines attributed to COVID-19 concerns. The State may be particularly at risk from any global slowdown, given the prevalence of international trade in the State and the risk of contraction in the oil and gas industry and spillover effects into other industries.

Such adverse economic conditions, if they continue, may reduce or negatively affect economic conditions in the City and lead to unemployment for property owners within the District or may otherwise have a negative impact on the sale of parcels, lots or homes within the District. The Bonds are secured primarily by Assessments levied on benefitted property within the District. If lot or home sales are negatively impacted by the Pandemic, the Developer will continue to be responsible for the payment of the Assessments as long as it owns such lots.

The City continues to monitor the spread of COVID-19 and is working with local, State, and national agencies to address the potential impact of the Pandemic upon the City. While the potential impact of the Pandemic on the City cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the City's operations and financial condition. None of the City, the Financial Advisor, the Underwriter or the Developer can predict the impact the Pandemic may have on the City, the financial and operating condition of the Developer, the projected buildout schedule, home prices and buildout values or an investment in the Bonds.

Risk from Weather Events

All of the State, including the City, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, heavy rains and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in disruptions in the Electric Reliability Council of Texas power grid and prolonged blackouts throughout the State. It is impossible to predict whether similar events will occur in the future and the impact they may have on the City, including land within the District.

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within the Major Improvement Area available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and the Assessments may be adversely affected by the effects of market conditions on the foreclose sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Credit Rating

The City has not applied for or received a rating on the Bonds. Even if a credit rating had been sought for the Bonds, it is not anticipated that such a rating would have been investment grade. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will

develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Limited Secondary Market for the Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of the Major Improvement Area subject to the Assessments, existing real estate and financial market conditions and other factors.

TAX MATTERS

Opinion

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix D hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Certificate, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The City has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal

income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislature proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the City and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the City or the Beneficial Owners to incur significant expense.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by (i) the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, (ii) based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

Orrick, Herrington & Sutcliffe LLP, Austin, Texas, serves as Bond Counsel to the City. Winstead PC serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal thereof and interest thereon, are payable from and secured by a pledge of and lien on the Trust Estate. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS." A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX D — Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds" (except for the final paragraph thereof), "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS" (except for the second paragraph under the subcaption "General" and the subcaption "TIRZ Increment Receipts May Reduce Assessments"), "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (except for the final paragraph thereof), "LEGAL MATTERS — Legal Opinions" (except for the final paragraph thereof), "CONTINUING DISCLOSURE – The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and "APPENDIX C – Form of Indenture" and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained therein accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

Litigation — The Master Developer

Master Developer Certificate. At the time of delivery and payment for the Bonds, the Master Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Master Developer, threatened against or affecting the Master Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Master Developer or its

officers or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the PID Financing Agreement, the Development Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds.

Hutto Co-op Development Litigation, Cause No. 21-0759-C425, 425th Judicial District Court in Williamson County Texas. The City of Hutto and the River Creek Development Corporation (the “Plaintiffs”), on May 28, 2021, filed a “Plaintiffs’ Verified Original Petition and Application for Temporary Restraining Order, Temporary Injunction and Permanent Injunction” (the “Lawsuit Petition”) in the 425th Judicial District Court in Williamson County Texas (the “Court”) as Cause No. 21-0759-C425, identifying 79 HCD Development LLC (a related party to Master Developer), Kenneth Paxton Jr. Attorney General of Texas, Preston Hollow Capital, LLC, the Wisconsin Public Finance Authority (the “Authority”), and U.S. Bank National Association (collectively, the “Defendants”). Among other items, the Lawsuit Petition sought the following:

- declarations from the Court regarding the validity of the “installment sales contract”, whether certain bonds issued by the Authority were issued in strict compliance with state law, and whether state law required all promissory notes issued by a Chapter 431 corporation or local government corporation be submitted to the Attorney General.
- a temporary restraining order restraining the defendants from any further use, expenditure, collection, or other action related to bond funds or bonds issued by the Authority, and a court hearing for the application of a temporary injunction.
- temporary and permanent injunctions against all the Defendants from any further use, expenditure, collection, related to bond funds and bonds issued by the Authority.
- a judicial declaration that the bonds and notes issued by the Authority were issued in violation of state law and therefore void.
- the awarding of attorney’s fees to Plaintiffs.

79 HCD Development, LLC, filed a general denial on June 25, 2021. On June 28, 2021, a temporary injunction hearing was held before Judge Betsy F. Lambeth of the 425th Judicial District Court, with counsel and parties present. Plaintiffs requested a temporary injunction preventing Defendants from, inter alia, using remaining bond funds while litigation progressed. At that hearing, after presentation of evidence and arguments, Judge Betsy F. Lambeth denied the Plaintiff’s request for a temporary injunction.

On September 20, 2021, Judge Lambeth granted defendant Preston Hollow Capital, LLC’s Motion for Summary Judgment. The Master Developer believes this ruling will resolve all claims in favor of all Defendants, including 79 HCD Development, LLC. As of the date of the Limited Offering Memorandum, the City has not appealed this ruling.

79 HCD Development, LLC is a single asset entity controlled and managed by John Marlin and Wyatt Henderson. 366 TX 29 has some of the same membership as 79 HCD Development, LLC but does not share any of the same assets. If the Plaintiffs in this lawsuit are successful in their claims and receive the declarations sought, the Master Developer does not believe that it is subject to any liability, and the financing of the District will not be affected.

Litigation — Saratoga

At the time of delivery and payment for the Bonds, Saratoga will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of Saratoga, threatened against or affecting Saratoga wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of Saratoga or its officers or would adversely affect (1) the transactions contemplated by, or the validity

or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the PID Financing Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds.

Litigation — Meritage

At the time of delivery and payment for the Bonds, Meritage will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of Meritage, threatened against or affecting Meritage wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of Meritage or its officers or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the PID Financing Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds.

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Master Developer, Meritage and Saratoga, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

NO RATING

No application for a rating on the Bonds has been made to any rating agency, nor is there any reason to believe that the City would have been successful in obtaining an investment grade rating for the Bonds had application been made.

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City, P3Works, LLC (the “Administrator”), and Specialized Public Finance Inc. (in such capacity, the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement (the “Issuer Disclosure Agreement”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Issuer Disclosure Agreement, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E-1 — Form of Issuer Disclosure Agreement.” Under certain circumstances, the failure of the City to comply with its obligations under the Issuer Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Issuer

Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The City has agreed to update information and to provide notices of certain specified events only as provided in the Issuer Disclosure Agreement. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Issuer Disclosure Agreement. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Issuer Disclosure Agreement or from any statement made pursuant to the Issuer Disclosure Agreement.

The City's Compliance with Prior Undertakings

Except as described below, during the last five years, the City has complied in all material respects with all of its continuing disclosure undertakings pursuant to the Rule.

Due to an administrative oversight, the City's audited financial statements were not timely filed for the fiscal years ending in 2011, 2012 and 2013. The City has confirmed that all information has since been filed, including an event notice filed on April 24, 2017. The City has implemented additional policies and procedures to ensure that in the future it fully complies with its continuing disclosure undertakings.

The Master Developer

The Master Developer will enter into a Continuing Disclosure Agreement (the "Developer Disclosure Agreement") with the Administrator, and the Dissemination Agent for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Developer Disclosure Agreement, certain information regarding the Major Improvement Area of the District and the Major Improvement Area Projects (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 — Form of Master Developer Disclosure Agreement."

Under certain circumstances, the failure of Master Developer or the Administrator to comply with their respective obligations under the respective Developer Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Developer Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Developer Disclosure Agreement are voluntary agreements made for the benefit of the holders of the Bonds and are not entered into pursuant to the Rule.

The Master Developer has agreed to provide (i) certain updated information to the Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Developer Disclosure Agreement. The Master Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Developer Disclosure Agreement. The Master Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Master Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Developer Disclosure Agreement or from any statement made pursuant to the Developer Disclosure Agreement.

Master Developer Prior Undertakings

The Master Developer has not previously entered into any continuing disclosure undertakings.

UNDERWRITING

FMSbonds, Inc. (the “Underwriter”), has agreed to purchase the Bonds from the City at a purchase price of \$_____ (the par amount of the Bonds, less an underwriting discount of \$_____, which includes Underwriter’s Counsel’s fee of \$_____). The Underwriter’s obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Securities Act in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Under the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State that have adopted investment policies and guidelines in accordance with the PFIA, the Bonds may have to be assigned a rating of at least “A” or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. See “NO RATING” above. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies and political subdivisions, and are legal security for those deposits only to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes.

INVESTMENTS

The City invests its funds in investments authorized by Texas law in accordance with investment policies approved by the City Council. Both Texas law and the City’s investment policies are subject to change.

Under Texas law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies,

counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the City selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as its custodian of the banking deposits issued for its account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under Securities and Exchange Commission Rule 15c3-3; (9) (i) certificates of deposit and share certificates issued by or through an institution that either has its main office or a branch office in the State, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Insurance Fund, or are secured as to principal by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) above or clause (12) below, which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less; (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (14) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and comply with federal Securities and Exchange Commission Rule 2a-7; and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount

of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than “AAA” or “AAA-m” or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted “Investment Strategy Statement” that specifically addresses each fund’s investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset and fund type invested at the beginning and end of the reporting period by the type of asset and fund type invested, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

Under Texas law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers’ with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City’s investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City’s entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management

controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the officers of the City; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

The City has appointed BOKF, NA, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at www.bokf.com. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Master Developer, Saratoga and Meritage, and their representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City, the Master Developer, Saratoga and Meritage, described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Major Improvement Area Projects, the Development, the Master Developer, Meritage and Saratoga, generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE — Development Plan and Plan of Finance" and "—Financing of Development in the District," "THE MAJOR IMPROVEMENT AREA

PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPERS,” “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN,” “BONDHOLDERS’ RISKS,” (only as it pertains to the Master Developer, Saratoga and Meritage, the Major Improvement Area Projects and the Development), “LEGAL MATTERS — Litigation — The Master Developer, “LEGAL MATTERS — Litigation —Saratoga, and “LEGAL MATTERS — Litigation —Meritage,” “CONTINUING DISCLOSURE — The Master Developer” and “— Master Developer Prior Undertakings” has been provided by the Master Developer, Meritage and Saratoga, as applicable, and the Master Developer, Meritage and Saratoga warrant and represent, each solely with respect to information pertaining to such entity, that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Master Developer, Meritage and Saratoga will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works, LLC and has been included in reliance upon the authority of such firm as experts in the field of formation and administration of public improvement districts.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by The Aegis Group, and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the City’s obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “anticipate,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED HEREIN TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

AUTHORIZATION AND APPROVAL

The City Council has approved the form and content of this Preliminary Limited Offering Memorandum and has authorized this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

Major Employers

The major employers in the City are set forth in the table below.

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Liberty Hill ISD	Education	475
Meridell Achievement Center	Healthcare	200
H K Computers	Information Technology	150
Dahlia's Café	Restaurant	75
Pedernales Electric Co-op	Electric Utility	50
P&C Communications	Network Cabling	35
International Print & Pack	Labels & Packaging	32
Edel Golf	Golf Equipment Manufacturing	30
City of Liberty Hill	Government	21

Source: Municipal Advisory Council of Texas

Historical Employment in Williamson County

	<u>Average Annual⁽¹⁾</u>				
	<u>2021⁽²⁾</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Civilian Labor Force	335,391	318,447	318,841	304,100	290,728
Total Employed	323,537	299,801	309,869	294,742	281,162
Total Unemployed	11,854	18,646	8,972	9,358	9,566
Unemployment Rate	3.5%	5.9%	2.8%	3.1%	3.3%

⁽¹⁾ Source: Texas Workforce Commission.

⁽²⁾ Data through September 2021.

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Surrounding Economic Activity

The major employers of municipalities surrounding the City are set forth in the table below.

City of Killeen		City of Georgetown		City of Round Rock	
Approximately 33 miles from the City		Approximately 15 miles from the City		Approximately 18 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
Fort Hood	49,182	Georgetown ISD	1,744	Dell Inc.	13,000
Killeen ISD	6,000	Williamson County	1,600	Round Rock ISD	6,106
Teleperformance	1,800	City of Georgetown	896	City of Round Rock	1,005
Central Texas College	1,488	Airborn, Inc.	630	Emerson Process Management	875
City of Killeen	1,282	St. David's Hospital	525	Round Rock Premium Outlets	800
Advent Health	1,000	Southwestern University	450	Scott & White University Medical Campus	750
ESP, Inc.	420	Wesleyan Homes	420	Seton Medical Center Williamson	750
Z-Systems	413	Caring Home Health	310	Round Rock Medical Center	689
		Smile Doctors	300	United Parcel Service	563
		Rock Springs Health	224	Trellis Company	485
				Employer	Employees
				State Government	38,589
				University of Texas at Austin	27,426
				City of Austin	14,471
				HEB	13,901
				Federal Government	13,400
				Dell Computer Corporation	13,000
				Austin ISD	11,098
				St. David's Healthcare	10,665
				Seton Healthcare Network	10,513
				Samsung Austin Semiconductor	8,935
City of San Marcos Approximately 54 miles from the City					
				Employer	Employees
				Texas State University	3,730
				Amazon	2,200
				Premium Outlets San Marcos	1,600
				Tanger Factory Outlet Center	1,540
				San Marcos CISD	1,400
				Hays County	885
				City of San Marcos	817
				HEB Distribution Center	750
				Central Texas Medical Center	675
				CFAN	600

Source: Municipal Advisory Council of Texas

APPENDIX B
FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF LIBERTY HILL, TEXAS

and

BOKF, NA,
as Trustee

DATED AS OF JANUARY 1, 2022

SECURING

\$(PRINCIPAL)
CITY OF LIBERTY HILL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(BUTLER FARMS PUBLIC IMPROVEMENT DISTRICT
MAJOR IMPROVEMENT AREA PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of January 1, 2022 is by and between the CITY OF LIBERTY HILL, TEXAS (the “City”), and BOKF, NA, a national banking association, as trustee (together with its successors, the “Trustee”). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition (the “Petition”) requesting the creation of a public improvement district located in the City to be known as the Butler Farms Public Improvement District (the “District”) was signed and submitted by Butler Family Partnership, Ltd, a Texas limited partnership (the “Petitioner”), (i) the then owner of taxable real property representing more than 50% of the appraised value of taxable real property liable for assessment in the proposed District, and (ii) the then record owner of taxable real property that constituted more than 50% of the area of all taxable real property that was liable for assessment in the proposed District, and filed with the City Secretary of the City (the “City Secretary”), pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “PID Act”); and

WHEREAS, on December 10, 2018, after due notice, the City Council of the City (the “City Council”) held a public hearing in the manner required by law on the advisability of the improvement projects and services described in the Petition as required by Section 372.009 of the PID Act, made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 18-R-118 adopted by a majority of the members of the City Council, authorized the creation of the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, on December 13, 2018, the City published notice of its authorization of the creation of the District in the *Liberty Hill Independent*, a newspaper of general circulation in the City; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after December 13, 2018; and

WHEREAS, on November 22, 2021, the City Council by Resolution No. 21-R-[__] made findings and determinations relating to the Actual Costs (as defined herein) of certain Major Improvement Area Projects (as defined herein), received and accepted a preliminary service and assessment plan and proposed assessment roll, called a public hearing for December 13, 2021 and directed City staff to (i) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act and (ii) publish notice as required by Section 372.016(b) of the PID Act relating to the December 13, 2021 hearing; and

WHEREAS, on December 2, 2021, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in the *Liberty Hill Independent*, a newspaper of general circulation in the City, to consider the proposed Major Improvement Area Assessment Roll and the Service and Assessment Plan and the levy of the Major Improvement Area Assessments on property in the Major Improvement Area (each term as defined herein) of the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Major Improvement Area Assessment Roll and the Service and Assessment Plan and the levy of Major Improvement Area Assessments on property in the Major Improvement Area of the District to the last known address of the owners of the property liable for the Major Improvement Area Assessments; and

WHEREAS, the City Council convened the hearing on December 13, 2021, and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Major Improvement Area Assessment Roll and the Major Improvement Area Assessments, and there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Actual Costs, the Major Improvement Area Assessment Roll, and the levy of the Major Improvement Area Assessments; and

WHEREAS, the City Council closed the hearing, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City Secretary or the City, if any; and

WHEREAS, on December 13, 2021, the City approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted an ordinance (the "Assessment Ordinance") and therein levied the Major Improvement Area Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Major Improvement Area Assessments for the purposes of (i) paying a portion of the Actual Costs of the Major Improvement Area Projects, (ii) paying a portion of the interest on bonds during and after the period of acquisition and construction of the Major Improvement Area Projects, (iii) funding a reserve account for payment of principal and interest on bonds, (iv) funding the initial deposit to the Administrative Fund for payment of the initial Annual Collection Costs, and (v) paying costs of issuance of such bonds; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such series of bonds to be entitled "City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District Major Improvement Area Project)" (the "Bonds"), such Bonds being payable solely from the Trust Estate (as defined herein) and for the purposes set forth in this preamble; and

WHEREAS, the Trustee has agreed to accept the trusts herein created and to serve as Trustee upon the terms set forth in this Indenture;

NOW, THEREFORE, the City, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, PLEDGE, TRANSFER, ASSIGN, and DELIVER to the Trustee for the benefit of the Owners, a security interest in all of the moneys, rights and properties described in the Granting Clauses hereof, as follows (collectively, the "Trust Estate"):

FIRST GRANTING CLAUSE

The Pledged Revenues and all moneys and investments held in the Pledged Funds, including any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

SECOND GRANTING CLAUSE

Any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the City or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof; and

THIRD GRANTING CLAUSE

Any and all proceeds and products of the foregoing property described in the above granting clauses;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors or assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

PROVIDED, HOWEVER, that if and to the extent Major Improvement Area Assessments have been prepaid, the lien on real property associated with such Prepayment (as defined herein) shall be released, and the rights of the Trustee and the Owners under this Indenture to proceed against the City for the purpose of protecting and enforcing the rights of the Owners with respect to such released real property shall terminate;

PROVIDED, FURTHER, HOWEVER, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or redemption price of and the interest on all the Bonds at the times and in the manner stated in the Bonds, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect; and

IN ADDITION, the Bonds are special obligations of the City payable solely from the Trust Estate, as and to the extent provided in this Indenture. The Bonds do not give rise to a charge against the general credit or taxing powers of the City and are not payable except as provided in this Indenture. Notwithstanding anything to the contrary herein, the Owners shall never have the right to demand payment thereof out of any funds of the City other than the Trust Estate. The City

shall have no legal or moral obligation to pay for the Bonds out of any funds of the City other than the Trust Estate.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

ARTICLE I
DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Indenture, the following terms shall have the meanings specified below:

“Account” means any of the accounts established pursuant to Section 6.1 of this Indenture.

“Actual Costs” means, with respect to Major Improvement Area Projects, the actual costs paid or incurred by or on behalf of the Developer of the District: (1) to plan, finance, design, acquire, construct, install, and dedicate such improvements to the City; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities. Actual Costs shall not include general contractor’s fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to 4% of the costs incurred. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

“Additional Interest” means the amount collected by application of the Additional Interest Rate.

“Additional Interest Rate” means the 0.50% additional interest rate charged on Major Improvement Area Assessments pursuant to Section 372.018 of the PID Act.

“Additional Interest Reserve Account” means the Account established pursuant to Section 6.1 hereof.

“Additional Interest Reserve Requirement” means an amount equal to 5.5% of the principal amount of the Outstanding Bonds which will be funded from the payment of the Additional Interest deposited to the Pledged Revenue Fund.

“Administrative Assessment Revenues” means monies collected by or on behalf of the City from any one or more of the following: (i) the portion of the Annual Installment of Major Improvement Area Assessments allocable to Annual Collection Costs, and (ii) Delinquent Collection Costs.

“Administrative Fund” means that Fund established by Section 6.1 and administered pursuant to Section 6.9 hereof.

“Administrator” means the City or the person or independent firm designated by the City who shall have the responsibility provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and responsibility of the administration of the District.

“Annual Collection Costs” means the actual or budgeted costs and expenses related to the creation and operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Major Improvement Area Assessments and Annual Installments; (4) preparing and maintaining records with respect to the Major Improvement Area Assessment Roll and Annual Service Plan Updates; (5) issuing, paying, and redeeming Bonds; (6) investing or depositing Major Improvement Area Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the PID Act with respect to the administration of a reimbursement agreement and the issuance and sale of Bonds, including continuing disclosure requirements; and (8) the paying agent/registrars and Trustee in connection with the Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemption dates), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) due in such Bond Year).

“Annual Installment” means, with respect to the Major Improvement Area Assessed Property, the annual installment payment of a Major Improvement Area Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Annual Service Plan Update” means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

“Applicable Laws” means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State of Texas or of the United States, by which the City and

its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

“Assessment Ordinance” means the ordinance adopted by the City Council on December 13, 2021, that levied the Major Improvement Area Assessments on the Major Improvement Area Assessed Properties in the District.

“Authorized Denomination” means \$100,000 and any integral multiple of \$1,000 in excess thereof; provided, however, that if the total principal amount of the Outstanding Bonds is less than \$100,000 then the Authorized Denomination shall be the amount of the Outstanding Bonds. Notwithstanding the foregoing, Authorized Denominations shall also include Bonds issued in \$1,000 in principal amount and integral multiples of \$1,000 in the following instances: (A) any Bonds or any portion thereof that have been redeemed in part pursuant to an extraordinary optional redemption or (B) any Bonds or any portion thereof that have been defeased in part pursuant to an extraordinary optional redemption.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, including those listed in Section III of the Service and Assessment Plan.

“Bond” means any of the Bonds.

“Bond Counsel” means Orrick, Herrington & Sutcliffe LLP or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the Fund established pursuant to Section 6.1 and administered as provided in Section 6.4 hereof.

“Bond Ordinance” means the ordinance adopted by the City Council on December 13, 2021 authorizing the issuance of the Bonds pursuant to this Indenture.

“Bond Pledged Revenue Account” means the Account of such name established pursuant to Section 6.1 hereof.

“Bonds” means the City’s bonds authorized to be issued by Section 3.1(a) of this Indenture entitled “City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District Major Improvement Area Project)”.

“Bond Year” means the one-year period beginning on October 1 in each year and ending on September 30 in the following year.

“Business Day” means any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the City or the Trustee.

“Capitalized Interest Account” means the Account of such name established pursuant to Section 6.1 hereof.

“Certification for Payment” means a certificate substantially in the form attached as Exhibit B hereto or otherwise approved by the Developer and the City Representative executed by the Developer and an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, delivered to the City Representative and the Trustee specifying the amount of work performed and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in the applicable Accounts within the Project Fund as further described in Section 6.5 herein.

“City” means the City of Liberty Hill, Texas.

“City Certificate” means a certificate signed by a City Representative and delivered to the Trustee.

“City Representative” means any official or agent of the City authorized by the City Council to undertake the action referenced herein.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

“Costs of Issuance Account” means the Account established pursuant to Section 6.1 hereof.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities.

“Delinquent Collection Costs” means for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Major Improvement Area Assessments, delinquent Annual Installments, or any other delinquent amounts due under the Service and Assessment Plan, including costs and expenses to foreclose liens.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office located at BOKF, NA, Corporate Trust Services, 111 Fillmore Ave E, St. Paul, Minnesota, 55107, or such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“Developer” means 366 TX 29, LTD, a Texas limited partnership, including its successors or assigns.

“Development Agreement” means the Butler Farms First Amended and Restated Annexation and Development Agreement, dated December 8, 2021, between the City and the Developer.

“District” means the Butler Farms Public Improvement District.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Event of Default” shall have the meaning, with respect to this Indenture, set forth in Section 11.1 hereof.

“Excess Additional Interest Reserve Amount” shall have the meaning set forth in Section 6.7(f) hereof.

“Excess Reserve Amount” shall have the meaning set forth in Section 6.7(e) hereof.

“Financing Agreement” means the Butler Farms Public Improvement District Financing Agreement, dated as of December 8, 2021 between the City and the Developer, and as joined by Meritage and Saratoga, as consenting parties, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of Actual Costs of Major Improvement Area Projects, the reimbursement of Actual Costs to the Developer from the proceeds of the Bonds for funds advanced by the Developer and used to pay Actual Costs of Major Improvement Area Projects and other matters related thereto.

“Foreclosure Proceeds” means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Major Improvement Area Assessments against any Major Improvement Area Assessed Property or Major Improvement Area Assessed Properties, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

“Fund” means any of the funds established pursuant to Section 6.1 of this Indenture.

“Future Improvement Area” means a distinct portion of the Major Improvement Area described by metes and bounds and developed as an individual Improvement Area after Improvement Area #1 and Improvement Area #2, with such area(s) to be described and designated in future Annual Service Plan Updates.

“Future Improvement Area Assessment” means an assessment levied on Future Improvement Area Assessed Property (as defined in the Service and Assessment Plan) for the purpose of financing Future Improvement Area Improvements. The Future Improvement Area Assessments are not a part of the Trust Estate and are not security for the Bonds.

“Future Improvement Area Bonds” means the bonds that are authorized to be issued in accordance with the terms and conditions prescribed in Section 13.2 of this Indenture.

“Future Improvement Area Improvements” mean Authorized Improvements which only benefit the Future Improvement Area Assessed Property within the applicable Future Improvement Area.

“Future Improvement Area Value to Lien Ratio” means the ratio of the appraised value of a specific assessed parcel or assessed parcels, as applicable, in a Future Improvement Area, based on an Independent Appraisal, to the Future Improvement Area Assessments levied or to be levied on a specific parcel or parcels, as applicable, within such Future Improvement Area.

“Improvement Account” means the Account established pursuant to Section 6.1 hereof.

“Improvement Area” mean one or more Parcels within the District that will be developed in the same general time period.

“Improvement Area #1” means the first Improvement Area developed within the District as more fully described in the Service and Assessment Plan.

“Improvement Area #1 and 2 Bonds” means those certain “City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District Improvement Areas #1 and 2 Project)” and, in the event the City issues refunding bonds pursuant to the indenture authorizing the issuance of the Improvement Area #1 and 2 Bonds, the term “Improvement Area #1 and 2 Bonds” shall include such refunding bonds.

“Improvement Area #2” means the second Improvement Area developed within the District as more fully described in the Service and Assessment Plan.

“Indenture” means this Indenture of Trust as originally executed or as it may be from time to time supplemented or amended by one or more indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.

“Independent Appraisal” means, in establishing the appraised value, (i) the appraised value of a specific assessed parcel or assessed parcels, as applicable, in a specific Future Improvement Area for which the Future Improvement Area Bonds are to be issued as established by publicly available data from the City appraisal district, (ii) an “as-complete” appraisal delivered by an independent appraiser licensed in the State of Texas, which appraisal shall assume completion of the Future Improvement Area Improvements to be funded with the Future Improvement Area Bonds, (iii) a certificate delivered to the City by a qualified independent third party (which party may be a licensed appraiser, appraisal firm or Independent Financial Consultant) certifying on an individual lot type basis, the value of each lot in the Future Improvement Area, as applicable, for which such Future Improvement Area Bonds are to be issued based on either (x) the average gross sales price (which is the gross amount including escalations and reimbursements due to the seller of the lots) for each lot type based on closings of lots in the Future Improvement Area for which such Future Improvement Area Bonds are to be issued or any preceding Improvement Areas of the District for which bonds have been issued to fund Authorized Improvements or (y) the sales price in the actual lot purchase contracts in the Future Improvement Area for which the Future Improvement Area Bonds are to be issued.

“Independent Financial Consultant” means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest,

direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

“Initial Bond” means the Initial Bond as set forth in Exhibit A to this Indenture.

“Initial Developer Deposit” shall have the meaning set forth in Section 6.02(b) hereof.

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year, commencing _____, 20__.

“Investment Securities” means those authorized investments described in the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended; and provided further investments are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time.

“Major Improvement Area Assessed Property” means any Parcel within the Major Improvement Area against which a Major Improvement Area Assessment is levied.

“Major Improvement Area Assessment Roll” means the assessment roll for the Major Improvement Area Assessed Property within the District, included in the Service and Assessment Plan as Exhibit J, as updated, modified or amended from time to time in accordance with the procedures set forth in the Service and Assessment Plan and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Major Improvement Area Assessments” mean the aggregate assessments shown on the Major Improvement Area Assessment Roll. The singular of such term means the assessment levied against a Major Improvement Area Assessed Property, as shown on the Major Improvement Area Assessment Roll, subject to reallocation upon the subdivision of a Major Improvement Area Assessed Property or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

“Major Improvement Area Projects” mean the Major Improvement Area’s allocable share of the Major Improvements.

“Major Improvements” mean the Authorized Improvements that benefit the entire District and are allocated pro rata to Improvement Area #1, Improvement Area #2 and the Major Improvement Area, as described in the Service and Assessment Plan.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Meritage” means Meritage Homes of Texas, LLC, an Arizona limited liability company, including its successors or assigns.

“Outstanding” means, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under this Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in Article IV, and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Section 3.11 herein.

“Owner” means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.12 herein.

“Parcel” means a specific property within the boundaries of the District identified by either a tax map identification number assigned by the Williamson Central Appraisal District for real property tax purpose, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of Williamson County, or by any other means determined by the City.

“Paying Agent/Registrar” means initially the Trustee, or any successor thereto as provided in this Indenture.

“Person” or “Persons” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Petitioner” means Butler Family Partnership, Ltd, a Texas limited partnership, including its successors and assigns.

“PID Act” means Texas Local Government Code, Chapter 372, Public Improvement Districts, as amended.

“PID Bonds” means any bonds issued by the City, in one or more series, secured in whole or in part by an assessment levied against a parcel within the District and imposed pursuant to an assessment ordinance and the provisions in the Service and Assessment Plan, including the Bonds, any Refunding Bonds, the Improvement Area #1 and 2 Bonds, and any Future Improvement Area Bonds, if any.

“Pledged Assessment Revenues” means monies collected by or on behalf of the City from any one or more of the following: (i) a Major Improvement Area Assessment levied against a Major Improvement Area Assessed Property, or Annual Installment payment thereof, including any interest on such Major Improvement Area Assessment or Annual Installment thereof during any period of delinquency, but excluding any portion of the Annual Installment allocable to Annual Collection Costs, (ii) a Prepayment, and (iii) Foreclosure Proceeds. Pledged Assessment Revenues do not include Delinquent Collection Costs.

“Pledged Funds” means the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

“Pledged Revenue Fund” means that Fund established pursuant to Section 6.1 and administered pursuant to Section 6.3 hereof.

“Pledged Revenues” means the sum of (i) Pledged Assessment Revenues, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds.

“Prepayment” means the payment of all or a portion of a Major Improvement Area Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of a Major Improvement Area Assessment are not to be considered a Prepayment, but rather are to be treated as a payment of the regularly scheduled Major Improvement Area Assessment.

“Principal and Interest Account” means the Account established pursuant to Section 6.1 hereof.

“Project Fund” means that Fund established pursuant to Section 6.1 and administered pursuant to Section 6.5 hereof.

“Purchaser” means the initial purchaser of the Bonds.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Rebate Fund” means that Fund established pursuant to Section 6.1 and administered pursuant to Section 6.8 hereof.

“Record Date” means the close of business on the fifteenth calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

“Redemption Fund” means that Fund established pursuant to Section 6.1 and administered pursuant to Section 6.6 hereof.

“Redemption Price” means 100% of the principal amount of such Bonds called for redemption, or portions thereof, to be redeemed plus accrued and unpaid interest to the date fixed for redemption.

“Refunding Bonds” means Bonds secured by a parity lien, with the Outstanding Bonds, on the Trust Estate issued pursuant to Section 3.6 hereof, as more specifically described in a Supplemental Indenture, authorizing the refunding of all or any portion of the Outstanding Bonds.

“Register” means the register specified in Article III of this Indenture.

“Reserve Account” means that Account established pursuant to Section 6.1 hereof.

“Reserve Account Requirement” means the least of, as of the date of issuance of the Bonds: (i) Maximum Annual Debt Service on the Bonds, (ii) 125% of average Annual Debt Service on the Bonds, or (iii) 10% of the proceeds of the Bonds; provided, however, the Reserve Account Requirement shall be reduced by the amount of any transfers made pursuant to subsections (d) and

(e) of Section 6.7; and provided further that as a result of an optional redemption pursuant to Section 4.3, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the Closing Date of the Bonds, the Reserve Account Requirement is \$[_____] [which is an amount equal to the Maximum Annual Debt Service on the Bonds] as of the date of issuance and the City shall promptly consult with the Trustee to establish any necessary reduction to the Reserve Account Requirement.

“Saratoga” means JNC Development Inc, a Texas corporation, including its successors or assigns.

“Service and Assessment Plan” means the document, including the Major Improvement Area Assessment Roll, as amended, including any annual updates thereto, which is attached as Exhibit A to the Assessment Ordinance.

“Stated Maturity” means the date the Bonds are scheduled to mature without regard to any redemption or Prepayment.

“Supplemental Indenture” means an indenture which has been duly executed by the Trustee and the City Representative pursuant to an ordinance adopted by the City Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

“Tax Certificate” means the Certificate as to Tax Exemption delivered by the City on the Closing Date for the Bonds setting forth the facts, estimates and circumstances in existence on the Closing Date which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the interest on such Bonds to be included in the gross income of the Owners thereof for Federal income tax purposes.

“Trust Estate” means the Trust Estate described in the granting clauses of this Indenture.

“Trustee” means BOKF, NA, a national banking association, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

Section 1.2. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.3. Table of Contents, Titles and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never

be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

ARTICLE II
THE BONDS

Section 2.1. Security for the Bonds.

The Bonds, as to both principal and interest, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under this Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds; and the Bonds

shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council of the City. The City has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 2.4. Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds and to prescribe the rights of the Owners, and the rights and duties of the City and the Trustee.

(b) In consideration of the purchase and acceptance of any or all of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the City with the Owners, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$[PRINCIPAL] for the purpose of (i) paying a portion of the Actual Costs of the Major Improvement Area Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Major Improvement Area Projects, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying the costs of issuance of the Bonds.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(c) The Bonds shall be dated January 1, 2022 and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(d) Interest shall accrue and be paid on each Bond from the later of the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing [_____, 20__] computed on the basis of a 360-day year of twelve 30-day months.

(e) The Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest as set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(f) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A to this Indenture.

Section 3.3. Conditions Precedent to Delivery of Bonds.

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery (which delivery may be via electronic mail in portable document (PDF) or similar format) to the Trustee of:

- (a) a certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Financing Agreement;
- (d) a copy of this Indenture executed by the Trustee and the City; and
- (e) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

Section 3.4. Medium, Method and Place of Payment.

(a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.

(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event

of nonpayment of interest on a scheduled Interest Payment Date that continues for thirty (30) days or more thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

(c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, United States mail, first-class, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State of Texas, any such payments remaining unclaimed by the Owners entitled thereto for two (2) years after the applicable payment or redemption date shall be applied to the next payment or payments on such Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State of Texas, including the provisions of Title 6 of the Texas Property Code, as amended.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem of the City and City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds

shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his or her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas, is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas, including the provisions of Title 6 of the Texas Property Code, as amended.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor or Mayor Pro Tem and the City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6. Refunding Bonds.

(a) Except in accordance with the provisions of this Indenture, including Section 13.2, the City shall not issue additional bonds, notes or other obligations payable from any portion of the Trust Estate, other than Refunding Bonds. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State of Texas.

(b) Upon their authorization by the City, the Refunding Bonds of a series issued under this Section 3.6 and in accordance with Article IV hereof shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee the items required by Section 3.3 above.

Section 3.7. Ownership.

(a) The City, the Trustee the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the relevant Record Date) and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Trustee, nor the Paying Agent/Registrar, shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.8. Registration, Transfer and Exchange.

(a) So long as any Bond remains Outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will file and maintain a copy of the Register with the City, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register. If any Bond is not presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the City to the Owner thereof for the payment of such Bond shall forthwith cease and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part under this Indenture, or with respect to, said Bond.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first-class, postage prepaid, to the Owner

or his designee. Each transferred Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such transferred Bond is delivered.

(e) Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different Authorized Denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond or portion thereof called for redemption prior to maturity within forty-five (45) days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond redeemed in part.

Section 3.9. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of cancelled Bonds in accordance with the records retention requirements of the Trustee.

Section 3.10. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Indenture.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel

the Bonds in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.11. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the City shall issue and the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee and the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.12. Book-Entry Only System.

The Bonds shall initially be issued in book-entry-only form and shall be deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the letter of representations from the City to DTC. On the Closing Date the definitive Bonds shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede & Co., as nominee for DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.13. Successor Securities Depository: Transfer Outside Book-Entry-Only System.

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the City to DTC, the City

shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.14. Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

ARTICLE IV
REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

The Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article IV.

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds are subject to mandatory sinking fund redemption prior to their respective Stated Maturity and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective principal amounts as set forth in the following schedule:

\$ _____	Bonds Maturing September 1, 20____
Mandatory Sinking Fund	
<u>Redemption Date</u>	<u>Principal Amount</u>

*Stated Maturity

(b) At least forty-five (45) days prior to each mandatory sinking fund redemption date and subject to any prior reduction authorized by subparagraphs (c) and (d) of this Section 4.2, the Trustee shall select for redemption by lot, a principal amount of Bonds of such maturity equal to the principal amount of such Bonds to be redeemed on such mandatory sinking fund redemption date, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least forty-five (45) days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis by the principal amount of any Bonds of such maturity, which, at least forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions in Sections 4.3 and 4.4, respectively, hereof, and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 20__, such redemption date or dates to be fixed by the City, at the Redemption Price. The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of Bonds not less than forty-five (45) days prior to the required notice mailing date provided in Section 4.6.

Section 4.4. Extraordinary Optional Redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity dates, in whole or in part, on the first day of any month, at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of this Indenture. The Trustee shall receive written notice from the City of the City's intention to conduct an extraordinary optional redemption of Bonds not less than forty-five (45) days prior to the required notice mailing date provided in Section 4.6.

Notwithstanding the foregoing, the Trustee will not be required to make an extraordinary optional redemption pursuant to this Section 4.4 unless it has at least \$1,000 available in the Redemption Fund with which to redeem the Bonds.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Sections 4.2, 4.3, or 4.4 hereof, Bonds shall be redeemed in minimum principal amounts of \$1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the principal amount of the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

(b) If less than all of the Bonds are called for optional redemption pursuant to Section 4.3 hereof, the City shall, pursuant to a City Certificate, determine the Bond or Bonds or the amount thereof within a Stated Maturity to be redeemed and direct the Trustee to call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

(c) If less than all of the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds. If less than all Bonds within a Stated Maturity are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Trustee shall call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

(d) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Section 4.6. Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds are in book-entry-only form and held by the DTC as security depository, Owner means Cede & Co., as nominee for DTC.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5 hereof, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(e) With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.6 of this Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE V
FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in Exhibit A to this Indenture with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 5.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP Services managed by S&P Global Market Intelligence on behalf of The American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, Trustee or the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 5.3. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VI
FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

(a) Creation of Funds. The following Funds are hereby created and established under this Indenture:

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund; and
- (vii) Administrative Fund.

(b) Creation of Accounts.

(i) The following Account is hereby created and established under the Pledged Revenue Fund:

- (A) Bond Pledged Revenue Account;

(ii) The following Accounts are hereby created and established under the Bond Fund:

- (A) Capitalized Interest Account; and
- (B) Principal and Interest Account;

(iii) The following Accounts are hereby created and established under the Reserve Fund:

- (A) Reserve Account; and
- (B) Additional Interest Reserve Account;

(iv) The following Accounts are hereby created and established under the Project Fund:

- (A) Improvement Account; and

(B) Costs of Issuance Account.

(c) Each Fund and Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds.

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

(e) The Trustee may, from time to time, upon written direction from the City pursuant to a City Certificate, create additional Funds or Accounts hereunder as may be necessary for the receipt and application of the Pledged Assessment Revenues or the Administrative Assessment Revenues, to account properly for the payment of the Actual Costs of the Major Improvement Area Projects or to facilitate the payment or redemption of the Bonds.

Section 6.2. Initial Deposits to Funds and Accounts.

(a) The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

- (i) to the Capitalized Interest Account of the Bond Fund: \$_____;
- (ii) to the Reserve Account of the Reserve Fund: \$_____;
- (iii) to the Costs of Issuance Account of the Project Fund: \$_____;
- (iv) to the Improvement Account of the Project Fund: \$_____; and
- (v) to the Administrative Fund: \$_____.

Section 6.3. Pledged Revenue Fund.

(a) On or before February 15, 2023 and on or before the fifteenth (15th) day of each month thereafter while the Bonds are Outstanding, the City shall deposit or cause to be deposited the Pledged Assessment Revenues into the Pledged Revenue Fund. As soon as practicable following deposit to the Pledged Revenue Fund, the Trustee shall deposit or cause to be deposited Pledged Assessment Revenues, from amounts deposited to the Pledged Revenue Fund, in the following order of priority:

- (i) *first*, to the Bond Pledged Revenue Account in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year;
- (ii) *second*, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement;

(iii) *third*, to the Additional Interest Reserve Account in an amount equal to the Additional Interest Reserve Requirement;

(iv) *fourth*, to the Improvement Account of the Project Fund to pay Actual Costs of the Major Improvement Area Projects; and

(v) *fifth*, to pay other costs permitted by the PID Act.

Along with each deposit of Pledged Assessment Revenues to the Pledged Revenue Fund, the City shall provide a City Certificate to the Trustee identifying (i) the portions of the Pledged Assessment Revenues attributable to principal (including Sinking Fund Installments) and interest on the Bonds, Additional Interest, Prepayments and Foreclosure Proceeds, (ii) the Funds and Accounts into which the amounts are to be deposited and (iii) the amounts of any payments to be made from such Funds and Accounts.

(b) From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) and interest due on the Bonds on the next Interest Payment Date.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7 herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) on the Bonds.

(d) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund.

(e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Foreclosure Proceeds (as such are identified by a City Certificate) to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds (pursuant to a City Certificate as outlined in this Section) first to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the Major Improvement Area Assessed Property or Major Improvement Area Assessed Properties to which the Foreclosure Proceeds relate (*first*, to replenish the Reserve Account Requirement and *second*, to replenish the Additional Interest Reserve Requirement), and second, to the Redemption Fund.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in any Account in the Reserve Fund, the Trustee shall, at the direction of the City pursuant to a City Certificate, apply Major Improvement Area Assessments for any lawful purposes permitted by the PID Act for which Major

Improvement Area Assessments may be paid. The Trustee may rely on such City Certificate and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Section 6.4. Bond Fund.

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) and interest then due and payable on the Bonds, including any amount to be used to pay interest on the Bonds on such Interest Payment Date transferred from the Capitalized Interest Account as provided below.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw, *first*, from the Additional Interest Reserve Account and *second*, from the Reserve Account of the Reserve Fund amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

(c) Moneys in the Capitalized Interest Account shall be used for the payment of interest on the Bonds on the following date(s) and in the following amount(s):

<u>Date</u>	<u>Amount</u>
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Not later than five (5) Business Days prior to the Interest Payment Date specified above, the Trustee shall withdraw from the Capitalized Interest Account and transfer to the Principal and Interest Account of the Bond Fund the amounts specified above.

Any amounts on deposit to the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Account of the Project Fund, or if the Improvement Account of the Project Fund has been closed as provided in Section 6.5(d) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

(a) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to and in accordance with one or more City Certificates providing for the application of such funds to be disbursed (with the exception of fees and expenses initially incurred by the Trustee, which may be withdrawn by the Trustee).

(b) Except as provided in Section 6.5(d) and (e), money on deposit in the Improvement Account shall be used to pay Actual Costs of the Major Improvement Area Projects.

(c) Disbursements from the Improvement Account of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment in the form attached hereto as Exhibit B. All disbursement of funds from the Improvement Account of the Project Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Financing Agreement. Such provisions and procedures related to such disbursement contained in the Financing Agreement are herein incorporated by reference and deemed set forth herein in full.

(d) If the City Representative reasonably determines in his or her sole discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Account due to the abandonment, or constructive abandonment, of the Major Improvement Area Projects, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Account will ever be expended for the purposes of the Improvement Account, the City Representative shall file a City Certificate with the Trustee and provide a copy of such City Certificate to the Developer prior to filing with the Trustee, which identifies the amounts then on deposit in the Improvement Account that are not expected to be used for purposes of the Improvement Account. If such City Certificate is so filed, the amounts on deposit in the Improvement Account shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture, and the Improvement Account shall be closed.

(e) Upon the filing of a City Certificate stating that all Major Improvement Area Projects have been completed and that all Actual Costs of the Major Improvement Area Projects have been paid, (i) the Trustee shall transfer, pursuant to written direction in such City Certificate, the amount, if any, remaining within the Improvement Account to the Redemption Fund and (ii) the Improvement Account shall be closed.

(f) Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the Bonds have been paid and the appropriate portion of the costs incidental to the organization of the District have been paid, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Costs of Issuance Account of the Project Fund that are not expected to be used for purposes of the Costs of Issuance Account. If such City Certificate is so filed, the amounts on deposit in the Costs of Issuance Account shall be transferred first to the Improvement Account of the Project Fund and used to pay Actual Costs of the Major Improvement Area Projects and second to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account of the Project Fund shall be closed.

(g) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(h) In providing any disbursement from the Improvement Account of the Project Fund, the Trustee may conclusively rely as to the completeness and accuracy of all statements in a Certification for Payment if such certificate is signed by a City Representative, and the Trustee shall not be required to make any independent investigation or verify any calculations in connection therewith. The execution of any Certification for Payment by a City Representative

shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed.

Section 6.6. Redemption Fund.

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee shall cause to be deposited to the Redemption Fund from the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4.

Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. Reserve Fund.

(a) The Reserve Account will initially be funded with a deposit of \$_____ from the proceeds of the Bonds and the City agrees with the Owners of the Bonds to accumulate from the deposits outlined in Section 6.3(a) hereof, and when accumulated maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

(b) The Trustee will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account, to the extent that the Reserve Account contains the Reserve Account Requirement and funds are available after application of the deposit priority in Section 6.3(a) hereof, an amount equal to the Additional Interest until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that at any time the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement, the Trustee shall resume depositing Additional Interest into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account.

(c) Whenever a transfer is made from an Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(d) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account shall be equal to an amount representing the difference between (i) the lesser of (A) the Reserve Account Requirement prior to redemption and (B) the amount actually on deposit in the Reserve Account prior to redemption, and (ii) the Reserve Account Requirement after such redemption; provided, however, no such transfer from the Reserve Account shall cause the amount on deposit therein to be less than the Reserve Account Requirement to be in effect after such redemption. If after such transfer, and after applying investment earnings on the Redemption Fund

toward payment of accrued and unpaid interest to the date of redemption on the Bonds to be redeemed, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall or any additional amounts to permit the redemption of Bonds to be redeemed in minimum principal amounts of \$1,000 from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess (the "Excess Reserve Amount"). The Excess Reserve Amount shall be transferred *first*, to the Additional Interest Reserve Account to the extent the Additional Interest Reserve Account Requirement has not been met and *second*, to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within forty-five (45) days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply the Excess Reserve Amount: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, or (iii) to the Improvement Account of the Project Fund if such application and the expenditure of funds is expected to occur within three (3) years of the date hereof.

(f) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Additional Interest Reserve Account exceeds the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess (the "Excess Additional Interest Reserve Amount"). The Excess Additional Interest Reserve Amount shall be transferred, at the direction of the City pursuant to a City Certificate, to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date or to the Redemption Fund in order to affect the redemption of Bonds pursuant to Section 4.4 hereof. In the event that the Trustee does not receive a City Certificate directing the transfer of the Excess Additional Interest Reserve Amount to the Administrative Fund within forty-five (45) days of providing notice to the City of such Excess Additional Interest Reserve Amount, the Trustee shall transfer the Excess Additional Interest Reserve Amount to the Redemption Fund and redeem Bonds pursuant to Section 4.4 hereof.

(g) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer *first*, from the Additional Interest Reserve Account of the Reserve Fund and *second*, from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

(h) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Bonds.

(i) If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from

the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with Section 6.3.

(j) If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount of all Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Outstanding Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds as of such Interest Payment Date.

Section 6.8. Rebate Fund: Rebate Amount.

(a) There is hereby established a special fund of the City to be designated “City of Liberty Hill, Texas, Special Assessment Revenue Bonds (Butler Farms Public Improvement District Major Improvement Area) Rebate Fund” (the “Rebate Fund”) to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Trustee shall transfer from the Pledged Revenue Fund to the credit of the Rebate Fund each amount instructed by City Certificate to be transferred thereto.

(b) In order to assure that the Rebate Amount is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate. The Trustee shall withdraw from the Rebate Fund and pay to the United States the amounts instructed by City Certificate.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and Section 7.5(h) hereof and shall not be liable or responsible if it follows the written instructions of the City and shall not be required to take any action under this Section and Section 7.5(h) in the absence of written instructions from the City.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the City may direct the Trustee, pursuant to a City Certificate, to transfer the amount in excess of the Rebate Amount to the Principal and Interest Account of the Bond Fund.

Section 6.9. Administrative Fund.

(a) The City shall deposit or cause to be deposited to the Administrative Fund the Administrative Assessment Revenues and other funds directed by this Indenture to be deposited therein.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan.

(c) The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10. Investment of Funds.

(a) Money in any Fund established pursuant to this Indenture shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least two (2) days in advance of the making of such investment (or as directed below) in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time. The City Certificate shall direct investment in such deposits and investments (which may include repurchase agreements for such investment with any primary dealer of such agreements) so that the money required to be expended from any Fund will be available at the proper time or times. Absent written direction, the Trustee shall invest funds into the Blackrock #000U3 (CUSIP 09248U437) as standing instructions. The Trustee shall have no discretion for investing funds or advising any parties with regard to investment of funds. Such investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold in order to make the disbursements required or permitted by this Indenture or to prevent any default.

(b) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer shall be accomplished by transferring a like amount of Investment Securities unless the City instructs the Trustee otherwise by written direction.

(c) The Trustee and its affiliates may act as sponsor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses (including specifically depreciation of value) arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments or whether investments comply with Section 6.11(a) above.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish the City monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Section 6.11. Advances from Available Funds.

In the event of a delinquency in the payment of any installment of the Major Improvement Area Assessment levied upon any property for the payment of the principal portion of an Annual Installment, the City may, but is not obligated to, be the purchaser of the delinquent property upon which any of said Major Improvement Area Assessments are levied in like manner in which it may become the purchaser of property sold for the nonpayment of general ad valorem property taxes, and in the event the City does so become the purchaser of such property, shall pay and transfer and deposit into the Pledged Revenue Fund the amount of any remaining amount of unpaid Major Improvement Area Assessment, delinquent Major Improvement Area Assessment installments and interest thereon. The City may also pay and transfer from available funds and deposit into the Pledged Revenue Fund, but shall not be so obligated, the amount of any such Major Improvement Area Assessment pending redemption or sale. Any amounts so advanced by the City shall be recoverable upon sale or redemption of the property. The City shall not be obligated to advance available funds to cure any deficiency in the Pledged Revenue Fund, or any other Fund created hereunder, and has determined that it would not obligate itself to advance available funds from other funds of the City to cure any such deficiency.

Section 6.12. Security of Funds.

All Funds or Accounts heretofore created or reaffirmed, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds or Accounts shall be used only for the purposes and in the manner permitted or required by this Indenture.

**ARTICLE VII
COVENANTS**

Section 7.1. Confirmation of Major Improvement Area Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Major Improvement Area Assessments against the respective Major Improvement Area Assessed Properties from which the Assessment Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Major Improvement Area Assessments.

(a) For so long as any Bonds are Outstanding, and/or amounts are due to the Developer under the Financing Agreement to reimburse it for its funds it has contributed to pay Actual Costs of the Major Improvement Area Projects, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Major Improvement Area Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Major Improvement Area Assessments.

(b) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Major Improvement Area Assessment or the corresponding Major Improvement Area Assessed Property. Furthermore, nothing shall obligate the City, the City Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues, the Trust Estate, or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

(b) So long as Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness other than Refunding Bonds secured by any pledge of or other lien or charge on the Trust Estate or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain Outstanding and unpaid, and/or the obligation to the Developer to reimburse it under the Financing Agreement for Major Improvement Area Projects remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Major Improvement Area Assessments. The Trustee and the Owner or Owners of any Bonds or any duly authorized agent or agents of such Owners shall have the right at all reasonable times, but not the responsibility or duty, to inspect the Project, including all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect the Project and such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

For any Bonds for which the City intends that the interest on the Bonds shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all

applicable temporary, proposed and final regulations (the “Regulations”) and procedures promulgated thereunder and applicable to the Bonds, the City covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Bonds (including all property the acquisition, construction or improvement of which is to be financed directly or indirectly with the proceeds of the Bonds) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Code and the Regulations to cause interest on the Bonds to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the owners of the Bonds for federal income tax purposes. Without limiting the generality of the foregoing, the City shall comply with each of the following covenants:

(a) The City will use all of the proceeds of the Bonds to provide funds for the purposes described in Section 3.1 hereof. The City will not use any portion of the proceeds of the Bonds to pay the principal of or interest or redemption premium on, any other obligation of the City or a related person.

(b) The City will not directly or indirectly take any action, or omit to take any action, which action or omission would cause the Bonds to constitute “private activity bonds” within the meaning of Section 141(a) of the Code.

(c) Principal of and interest on the Bonds will be paid solely from the Major Improvement Area Assessments collected by the City and investment earnings on such collections.

(d) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Bonds are delivered, the City reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds or any portion thereof to be an “arbitrage bond” within the meaning of Section 148 of the Code.

(e) At all times while the Bonds are outstanding, the City will identify and properly account for all amounts constituting gross proceeds of the Bonds in accordance with the Regulations. The City will monitor the yield on the investments of the proceeds of the Bonds and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Bonds. To the extent necessary to prevent the Bonds from constituting “arbitrage bonds,” the City will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Bonds to be less than the yield that is materially higher than the yield on the Bonds.

(f) The City will not take any action or knowingly omit to take any action that, if taken or omitted, would cause the Bonds to be treated as “federally guaranteed” obligations for purposes of Section 149(b) of the Code.

(g) The City represents that not more than fifty percent (50%) of the proceeds of the Bonds will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the City reasonably expects that at least eighty-five percent (85%) of the spendable proceeds of the Bonds will be used to carry out the governmental purpose of the Bonds within the three-year period beginning on the date of issue of the Bonds.

(h) The City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Bonds, if any, be rebated to the federal government. Specifically, the City will (i) maintain records regarding the receipt, investment, and expenditure of the gross proceeds of the Bonds as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the City allocable to other obligations of the City or moneys which do not represent gross proceeds of any obligations of the City and retain such records for at least six years after the day on which the last outstanding Bond is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of any gross proceeds, (iii) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Bonds and (iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the City will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, interest thereon and any penalty.

(i) The City will not directly or indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if such arrangement had been at arm's length and had the yield on the Bonds not been relevant to either party.

(j) The City will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Bonds on such form and in such place as the Secretary may prescribe.

(k) The City will not issue or use the Bonds as part of an “abusive arbitrage device” (as defined in Section 1.148-10(a) of the Regulations). Without limiting the foregoing, the Bonds are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the City to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.

(l) Proper officers of the City charged with the responsibility for issuing the Bonds are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Bonds and stating whether there are facts, estimates or circumstances that would materially change the City’s expectations. On or after the date of issuance of the Bonds, the City will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.

(m) The covenants and representations made or required by this Section are for the benefit of the Owners and any subsequent Owner, and may be relied upon by the Owners and any subsequent Owners and bond counsel to the City.

(n) In complying with the foregoing covenants, the City may rely upon an unqualified opinion issued to the City by nationally recognized bond counsel that any action by the City or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Bonds to be includable in gross income for federal income tax purposes under existing law.

(o) Notwithstanding any other provision of this Indenture, the City's representations and obligations under the covenants and provisions of this Section shall survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the exclusion of interest on the Bonds from the gross income of the owners for federal income tax purposes.

(p) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Administrator, Finance Director, or City Secretary, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

ARTICLE VIII LIABILITY OF CITY

Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds, and except for the Trust Estate, no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds or other obligations relating to the District, other than as specifically provided for in this Indenture.

The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or Event of Default thereunder.

In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the

issuance, sale, delivery, or administration of the Bonds (collectively, the “Bond Documents”), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Annual Collection Costs) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City’s failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Trust Estate or the amounts collected to pay Annual Collection Costs on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or the Finance Director, City Administrator or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX
THE TRUSTEE

Section 9.1. Trustee as Registrar and Paying Agent.

The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and in respect to the Bonds. The Trustee hereby accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the express terms and conditions, and subject to the provisions of this Indenture to all of which the parties hereto and the Owners of the Bonds agree. No implied covenants or obligations shall be read into this Indenture against the Trustee.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified, to the extent permitted by law, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that absent an Event of Default, the Trustee shall not request or require indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue Fund, to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

(a) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture, or the Bonds, or the right, title or interest of the City therein, or with respect to the security afforded by this Indenture, or the technical or financial feasibility of the Project, or the compliance of the Project with the PID Act or the tax-exempt status of the Bonds, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; or (iv) any calculation of arbitrage or rebate under the Code.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture. The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and, with respect to such permissive rights, the Trustee shall not be answerable for other than its negligence or willful misconduct. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages.

(d) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(e) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee is notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by an Owner of the Bonds. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above, unless Trustee has actual knowledge of an Event of Default.

(f) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys, or receivers, and shall not be responsible for misconduct or negligence of any such agent, attorney or receiver appointed with due care, and the Trustee shall be entitled to rely and act upon the opinion or advice of its own counsel, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of its own counsel.

Section 9.4. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. Trustee Protected in Relying on Certain Documents.

The Trustee may conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture or the Financing Agreement, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry and shall not be deemed to have knowledge into any statements contained or matters referred to in any such instrument. The Trustee may consult with any counsel that is nationally recognized in the field of municipal bond law, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request, or giving such authority or consent to the Owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor and upon transfer or in place thereof.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

The Trustee shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13 herein.

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, upon written direction of the City, compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, upon delivery of an invoice therefor to the City, and the Trustee shall have a lien therefor on the Administrative Fund. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City fails to make any payment required by this Section, the Trustee may make such payment from any moneys in the Administrative Fund. The right of the Trustee to fees, expenses, and indemnification shall survive the release, discharge, and satisfaction of this Indenture.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the Owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds Outstanding.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than thirty (30) days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by the Owners of at least a majority of the aggregate principal amount of the Bonds Outstanding by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by

any court of competent jurisdiction upon the application of the Owners of not less than ten percent (10%) of the aggregate principal amount of the Bonds Outstanding.

Section 9.10. Successor Trustee.

If the Trustee resigns, is removed, is dissolved, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property is appointed, or if any public officer takes charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee becomes vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed after any such vacancy occurs by the Owners of at least twenty-five percent (25%) of the aggregate principal amount of the Bonds Outstanding by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

Until such successor Trustee shall have been appointed by the Owners of the Bonds in accordance with the immediately preceding paragraph, the City shall forthwith (and in no event in excess of thirty (30) days after such vacancy occurs) appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within thirty (30) days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee pursuant to the provisions set forth herein, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

If in a proper case no appointment of a successor Trustee is made within forty-five (45) days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process. Any duties and obligations of such predecessor Trustee shall thereafter cease and terminate, and the payment of the fees and expenses owed to the predecessor Trustee shall be paid in full.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and

undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds and each of the Owners of the Bonds.

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Security Interest in Trust Estate.

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Trust Estate provided for herein, and such pledge is, under current law, valid, effective and perfected. The City shall cause to be filed all appropriate initial financing statements, if any, naming the Trustee as secured party or additional secured party, to ensure that the Trustee (for the benefit of the Owners of the Bonds) is granted a valid and perfected first priority lien on the entire

Trust Estate. Nothing herein shall obligate the Trustee to file any initial financing statements. Upon the City's timely delivery of a copy of such filed initial financing statement, if any, to the Trustee, the Trustee shall file continuation statements of such initial financing statement.

Section 9.14. Offering Documentation.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, financial report or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds.

Section 9.15. Expenditure of Funds and Risk.

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of its rights or powers if the Trustee shall have reasonable grounds for believing that the repayment of such funds or indemnity against such risk or liability is not assured. The Trustee shall not be required to make any disbursement of funds until having collected funds.

Section 9.16. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the principal of or interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to the pledge and lien created for the benefit of the Bonds, (iii) except for the issuance of Refunding Bonds or as otherwise permitted by this Indenture and Applicable Law, permit the creation by the City of any pledge or lien upon the Trust Estate, or any portion thereof, on a parity with the pledge and lien created for the benefit of the Bonds, or (iv) reduce the percentage of the Owners of Bonds required for the amendment of this Indenture. Any

such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to authorize Refunding Bonds in accordance with the provisions of this Indenture; and

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

Notwithstanding the above, no Supplemental Indenture under this Section shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted by and in compliance with this Indenture and will not adversely affect the (i) interests of the Owners in any material respect, or (ii) exclusion of interest on any Bond from gross income for purposes of federal income taxation. Any modification made pursuant to this Section 10.1 shall not be subject to the notice procedures specified in Section 10.3 below.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt reasonable rules and regulations for the conduct of said meeting; provided, however, that the same may not conflict with the terms of this Indenture. Without limiting the generality of the immediately preceding sentence, such rules and regulations may not reduce the percentage of Owners of Bonds required for the amendment of this Indenture as provided herein.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by

Section 10.1 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture, a notice shall have been mailed as hereinafter in this Section provided and the City has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of forty-five (45) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such forty-five (45) day period; provided, however, that the Trustee during such forty-five (45) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its sole discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as it may deem expedient.

Section 10.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee, and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of

any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.5. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.6. Amendatory Endorsement of Bonds.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 10.7. Waiver of Default.

Subject to the second and third sentences of Section 10.1 hereof, with the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners. For the avoidance of doubt, any waiver given pursuant to this Section shall be subject to Section 11.5 below.

Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of Bond Counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture or otherwise.

Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of Bond Counsel addressed and delivered to the Trustee in accordance with this Article X.

ARTICLE XI
DEFAULT AND REMEDIES

Section 11.1. Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an “Event of Default,” to wit:

(i) The failure of the City to deposit the Pledged Assessment Revenues to the Pledged Revenue Fund;

(ii) The failure of the City to enforce the collection of the Major Improvement Area Assessments including the prosecution of foreclosure proceedings;

(iii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days; and

(iv) Default in the performance or observance of any other covenant, agreement or obligation of the City under this Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of at least twenty-five percent (25%) of the aggregate principal amount of the Bonds then Outstanding with a copy to the Trustee, specifying such default and requesting that the failure be remedied.

Nothing in this Section will be viewed to be an Event of Default if it is in violation of any applicable state law or court order. Nothing in (iii) above shall require the City to advance funds other than Pledged Revenues that have been received by the City or other funds available in the Pledged Funds to pay principal of or interest on the Bonds.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any one or more of the Events of Default described in Section 11.1, the Trustee may, and at the written direction of the Owners of at least twenty-five percent (25%) of the Bonds then Outstanding and its receipt of indemnity satisfactory to it shall, proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by this Indenture or by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

(b) THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of at least twenty-five percent (25%) of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for sixty (60) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such sixty (60) day period by the Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the

Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, as advised by counsel, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce by action at law payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

(c) In case the Trustee or any Owners shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs, and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due and to the Owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in

proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee, if previously directed in writing by Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding, shall waive any Event of Default hereunder and its consequences.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bonds in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the City shall be promptly delivered to the Trustee and cancelled. Such Bonds will not be deemed Outstanding for any purpose, including without limitation, the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

Section 11.10. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11. Direction by Owners.

Anything herein to the contrary notwithstanding, the Owners of at least a majority of the aggregate principal amount of the Bonds Outstanding shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method and place of conducting any proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with law and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

ARTICLE XII
GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Trust Estate are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) The City will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Major Improvement Area Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

(d) To the extent permitted by law, statements for the Annual Installments shall be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

Section 12.2. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, during the Trustee's regular business hours and each Owner or their representatives duly authorized in writing providing reasonable notice to the Trustee.

Section 12.3. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

Section 12.4. No Israel Boycott.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates,

if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, ‘boycott Israel,’ a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17. C.F.R. § 230.133(f), and exists to make a profit.

Section 12.5. No Terrorist Organization.

The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer’s Internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made to solely to enable the City to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such section does not contravene applicable Texas or federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17. C.F.R. § 230.133(f), and exists to make a profit.

Section 12.6. No Discrimination Against Fossil-Fuel Companies.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, “boycott energy companies,” a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business

purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Trustee understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17. C.F.R. § 230.133(f), and exists to make a profit.

Section 12.7. No Discrimination Against Firearm Entities and Firearm Trade Associations.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law.

As used in the foregoing verification and the following definitions, (a) “discriminate against a firearm entity or firearm trade association” a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association, (b) “firearm entity” a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including

detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and (c) “firearm trade association” a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code. The Trustee understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17. C.F.R. § 230.133(f), and exists to make a profit.

Section 12.8. Disclosure of Interested Parties.

Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Trustee hereby represents that it is a publicly traded business entity or a wholly owned direct or indirect subsidiary of a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Indenture.

ARTICLE XIII
SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Other Obligations or Other Liens; Refunding Bonds; Future Improvement Area Bonds.

(a) The City reserves the right, subject to the provisions contained in this Section 13.2, to issue to issue or incur bonds, notes or other obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on any portion of the Trust Estate and are not payable from Pledged Revenues or any other portion of the Trust Estate.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on any portion of the Trust Estate, and will not cause or allow any matter or things whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds.

(c) Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds.

(d) Future Improvement Area Bonds may be issued to fund and/or to reimburse the Developer for funding the costs of Future Improvement Area Improvements within a Future Improvement Area. The Developer may request that the City issue Future Improvement Area Bonds; provided, however, that no Future Improvement Area Bonds shall be issued unless the applicable requirements in this Section 13.2(d) are met:

(i) The Trustee shall receive a certificate from the City Representative certifying that the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained in this Indenture or any other indenture of trust authorizing the issuance of PID Bonds for the District; and (ii) the City has received and reviewed the items referenced in Section 13.2(d)(iv), (v) and (vi) and such items meet the requirements of this Indenture;

(ii) The Trustee and the City shall receive a certificate from the Developer, through an authorized representative, certifying that the Developer is not in default beyond any applicable notice and cure period in the performance and observance of any of the terms, provisions and conditions applicable to the Developer contained in the Financing Agreement, the Development Agreement or any continuing disclosure agreement entered into by the Developer relating to any PID Bonds, unless any defaults under the foregoing agreements (except for defaults under any continuing disclosure agreements entered into by the Developer which defaults shall be cured) are disclosed in a certificate from the Developer to the City and the City elects to proceed with the issuance of the Future Improvement Area Bonds regardless of the existence of such default or defaults;

(iii) The City shall receive a certificate from the Administrator certifying that there is no default by the Developer or any owner of more than 5% of the assessed parcels in the applicable Future Improvement Area for failure to pay special assessments or ad valorem taxes on assessed parcels in such Future Improvement Area owed by the Developer or such owner prior to the delinquency date thereof;

(iv) The City shall receive a certificate from the Developer certifying that that at least 75% of the assessed parcels in the Future Improvement Area, for which Future Improvement Area Bonds will be issued are under contract with merchant builder(s) or real estate developer(s) for sale to end users; and

(v) The City shall receive either an Independent Appraisal evidencing that the Future Improvement Area Value to Lien Ratio in the Future Improvement Area for which Future Improvement Area Assessments have been or will be levied is not less than 2.0:1.

(e) Notwithstanding anything to the contrary herein no Refunding Bonds, Future Improvement Area Bonds or subordinate obligations described by Section 13.2(c) above may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds, Future Improvement Area Bonds or subordinate obligations are scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds, Future Improvement Area Bonds or subordinate obligations must be scheduled to be paid on March 1 and/or September 1 of the years in which interest is scheduled to be paid.

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the City, which relate to the Trust Estate, and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

ARTICLE XIV PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the

City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. Bonds Deemed Paid.

All Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the City verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

ARTICLE XV
MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any City Certificate or City Certificate, shall be in writing and shall be delivered by hand, mailed by first class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the City:

City of Liberty Hill, Texas
926 Loop 332 (physical address)
P.O. Box 1920 (mailing address)
Liberty Hill, Texas 78642
Attn: Finance Director
Telephone: (512) 548-5506
Email: bwilkins@libertyhilltx.gov

If to the Trustee
or the Paying Agent/Registrar:

BOKF, NA
5956 Sherry Lane
Dallas, Texas 75225
Attn: Kathy McQuiston
Telephone: (214) 932-3061
Email: kmcquiston@bokf.com

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five (5) Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The Trustee shall mail to each Owner of a Bond notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Outstanding.

(c) The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the City shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method and the Trustee in its sole discretion elects to act upon such instructions), the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a previous or a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date, but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF LIBERTY HILL, TEXAS

By: _____
Mayor

BOKF, NA,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

REGISTERED

REGISTERED

No. _____

\$ _____

United States of America
State of Texas

CITY OF LIBERTY HILL, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(BUTLER FARMS PUBLIC IMPROVEMENT DISTRICT
MAJOR IMPROVEMENT AREA PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
%	September 1, 20__	_____	_____

The City of Liberty Hill, Texas (the "City"), for value received, hereby promises to pay, solely from the Trust Estate, to

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing [_____, 20__], until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in St. Paul, Minnesota (the “Designated Payment/Transfer Office”), of BOKF, NA, a national banking association, as trustee and paying agent/registrar (the “Trustee”, which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the “Record Date,” which shall be the fifteenth (15th) calendar day (whether or not a Business Day) of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and that continues for thirty (30) days or more thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the “Bonds”), dated January 1, 2022 and issued in the aggregate principal amount of \$[PRINCIPAL] and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of January 1, 2022 (the “Indenture”), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the Owners, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each Owner of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Major Improvement Area Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Major Improvement Area Projects, (iii) funding a reserve fund

for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for payment of the initial Annual Collection Costs, and (v) paying the costs of issuing the Bonds.

The Bonds are special, limited obligations of the City payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of \$100,000 and any multiple of \$1,000 in excess thereof.

The Bonds are subject to mandatory sinking fund redemption prior to their respective Stated Maturity and will be redeemed by the City in part at a price equal to 100% of the principal amount thereof, or portions thereof, to be redeemed plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the respective principal amounts as set forth in the following schedule:

<u>Term Bonds Maturing September 1, 20</u>	
Mandatory Sinking Fund	
<u>Redemption Date</u>	<u>Principal Amount</u>

*Stated Maturity.

At least forty-five (45) days prior to each mandatory sinking fund redemption date and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption by lot, a principal amount of Bonds of such maturity equal to the principal amount of such Bonds to be redeemed on such mandatory sinking fund redemption date, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least forty-five (45) days prior to the mandatory

sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis by the principal amount of any Bonds of such maturity, which, at least forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions, and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity dates, in whole or in part, on any date on or after [September 1, 20__], such redemption date or dates to be fixed by the City, at 100% of the principal amount of such Bonds called for redemption, or portions thereof, to be redeemed plus accrued and unpaid interest to the date fixed for redemption.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on the first day of any month, at a redemption price equal to 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued and unpaid interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture.

If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in minimum principal amounts of \$1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the principal amount of the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

If less than all of the Bonds are called for optional redemption, the Trustee shall rely on directions provided in a City Certificate in selecting the Bonds to be redeemed.

If less than all of the Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the redemption price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds, and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the Owners under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the Owners of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the Owners, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the Owner of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such Owner and upon all future Owners thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within forty-five (45) calendar days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond redeemed in part.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City reserved the right to issue Future Improvement Area Bonds and Refunding Bonds on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF LIBERTY HILL, TEXAS, WILLIAMSON COUNTY, TEXAS, OR THE

STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

Mayor, City of Liberty Hill, Texas

City Secretary, City of Liberty Hill, Texas

[City Seal]

* * *

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
§
THE STATE OF TEXAS §

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

Comptroller of Public Accounts
of the State of Texas

[SEAL]

* * *

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

BOKF, NA,
as Trustee

DATED: _____

By: _____
Authorized Signatory

* * *

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and zip code of transferee):

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

Authorized Signatory

* * *

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b), (d) and (e) of this Exhibit A, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal amounts and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
-------------	-------------------------	----------------------

(Information to be inserted from Section 3.2(c) of the Indenture); and

(iii) the Initial Bond shall be numbered T-1.

EXHIBIT B

FORM OF CERTIFICATION FOR PAYMENT

(Certification for Payment – Butler Farms Major Improvement Area)

CERTIFICATION FOR PAYMENT FORM NO.

The undersigned _____ (the “**Construction Manager**”) requests payment from the Improvement Account of the Project Fund from the City of Liberty Hill, Texas (the “**City**”) in the amount of \$_____ for labor, design, materials, fees, and/or other general costs related to the acquisition or construction of certain Major Improvement Area Projects providing a special benefit to property within the Butler Farms Public Improvement District (the “**District**”). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust between the City and BOKF, NA, as trustee (the “**Indenture**”).

In connection with the above referenced payment, the Construction Manager represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Construction Manager, is qualified to execute this Certification for Payment Form No. _____ on behalf of the Construction Manager, and is knowledgeable as to the matters set forth herein.
2. The work described in Attachment A has been completed in the percentages stated therein.
3. The Certification for Payment for the below referenced Major Improvement Area Projects has not been the subject of any prior Certification for Payment submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
4. The amounts listed for Actual Costs of the Major Improvement Area Projects, as set forth in Attachment A, is a true and accurate representation of the Actual Costs associated with the acquisition, design or construction of said Major Improvement Area Projects, and such costs (i) are in compliance with the Financing Agreement, and (ii) are consistent with the Service and Assessment Plan.
5. The allocation of the Actual Costs of the Authorized Improvements, as set forth in Attachment A, between the Improvement Areas are in compliance with the percentage allocation set forth in the Service and Assessment Plan.

6. Following is an itemized list of all deposits to and disbursements from the Improvement Account.

<u>Account</u>	<u>Deposits</u>	<u>Disbursements</u>
Improvement Account	\$	\$
		Certification for Payment Form No. ____
	\$	\$
		Certification for Payment Form No. ____
Total	\$	\$

7. The Construction Manager is in compliance with the terms and provisions of the Financing Agreement, the Service and Assessment Plan, the Development Agreement, and the Continuing Disclosure Agreement of the Developer.
8. The Construction Manager has timely paid all ad valorem taxes and annual installments of Major Improvement Area Assessments it owes or an entity under common control with the Construction Manager owes, located in the District and has no outstanding delinquencies for such taxes and assessments.
9. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.
10. The work with respect to the Major Improvement Area Projects referenced below (or its Segment) has been completed, and the City has inspected [and accepted] such Major Improvement Area Projects (or its completed Segment). ***[Include bracketed language if final progress payment for such Major Improvement Area Project]***
11. The Construction Manager agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.
12. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for the Major Improvement Area Projects identified may be paid until the work with respect to such Major Improvement Area Projects (or Segment thereof) has been completed and the City has accepted such Major Improvement Area Projects (or Segment thereof). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Major Improvement Area Projects (or Segment thereof).
13. [Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.][***Include bracketed language if final progress payment for such Major Improvement Area Project***]

14. Attached hereto as Attachment C are invoices, receipts, purchase orders, change orders, and similar instruments, which are in sufficient detail to allow the City to verify the Actual Costs for which payment is requested.
15. Also attached hereto as Attachment D are any lender consents or approvals that the Construction Manager may be required to obtain under any loan documents relating to the District.
16. Pursuant to the Financing Agreement, after receiving this Certification for Payment, the City has inspected [and accepted] the completed Major Improvement Area Projects and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations. ***[Include bracketed language if final progress payment for such Major Improvement Area Project]***
17. The Developer confirms that payment of the amounts requested in this Certification for Payment, taking into account all prior payments for the Major Improvement Area Projects and the amount of work related to the Major Improvement Area Projects remaining to be completed as of the date of this Certification for Payment will not cause the amounts on deposit in the Improvement Account available to pay Actual Costs of the Major Improvement Area Projects to fall below the amount necessary to complete the remaining Major Improvement Area Projects.

(Signature pages follow)

I hereby declare that the above representations and warranties are true and correct.

366 TX 29, LTD,
a Texas limited partnership, as
CONSTRUCTION MANAGER

By:

Name: _____

Title: Manager

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

[CFS CIVIL GROUP, LLC]

By:
Name: _____
Title: _____

APPROVAL OF CERTIFICATION FOR PAYMENT BY CITY

The City is in receipt of the attached Certification for Payment Form No. _____, acknowledges the Certification for Payment, acknowledges that the Major Improvement Area Projects (or its Segment) covered by the certificate have been inspected by the City, and otherwise finds the Certification for Payment Form No. _____ to be in order. After reviewing the Certification for Payment Form, the City approves the Certification for Payment Form No. _____ and shall direct the Trustee to make payment from the Improvement Account of the Project Fund to the Construction Manager or to any person designated by the Construction Manager.

CITY OF LIBERTY HILL, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT A TO CERTIFICATION FOR PAYMENT FORM NO. ____

<u>Segment</u>	Description of Work Completed under this Certification for Payment	Type of Authorized Improvement (Internal Improvement, Major Improvement)	Total Actual Costs of Authorized Improvements \$	Percentage and Amount of Actual Costs Allocated to Improvement Area #1 %	Percentage and Amount of Actual Costs Allocated to Improvement Area #2 \$	Percentage and Amount of Actual Costs Allocated to Major Improvement Area %

ATTACHMENT B TO CERTIFICATION FOR PAYMENT FORM NO. _____

*[Include Attachment B bracketed if final progress payment for such
Major Improvement Area Project]*

[bills paid affidavit and release of liens - attached]

ATTACHMENT D TO CERTIFICATION FOR PAYMENT FORM NO. _____

[lender consents or approvals - attached]

APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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Butler Farms Public Improvement District

PRELIMINARY SERVICE AND ASSESSMENT PLAN
NOVEMBER 22, 2021



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INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section” or an “Exhibit” shall be a reference to a Section of this Service and Assessment Plan or an Exhibit attached to and made a part of this Service and Assessment Plan for all purposes.

On December 10, 2018 the City passed and approved Resolution No. 18-R-118 authorizing the creation of the District in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act. The purpose of the District is to finance the Actual Costs of the Authorized Improvements for the benefit of property within the District. The District contains approximately 366.455 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**.

The PID Act requires a service plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements. The Service Plan is contained in **Section IV**.

The PID Act requires that the Service Plan include an assessment plan that assesses the Actual Costs of the Authorized Improvements against Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City. The Assessment against each Assessed Property must be sufficient to pay the share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized Improvements. The Improvement Area #1 Assessment Roll is contained in **Exhibit F**. The Improvement Area #2 Assessment Roll is contained in **Exhibit H**. The Major Improvement Area Assessment Roll is contained in **Exhibit J**.

SECTION I: DEFINITIONS

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner of the District: (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities. Actual Costs shall not include general contractor’s fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to 4% of the costs incurred. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

“Additional Interest” means the amount collected by application of the Additional Interest Rate.

“Additional Interest Rate” means the 0.50% additional interest charged on the Assessments that secure PID Bonds pursuant to Section 372.018 of the PID Act.

“Administrator” means the City or the person or independent firm designated by the City who shall have the responsibility provided in this Service and Assessment Plan, the Indenture, or any other agreement or document approved by the City related to the duties and responsibility of the administration of the District.

“Annual Collection Costs” means the actual or budgeted costs and expenses related to the creation and operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the PID Act with respect to the administration of a reimbursement agreement and the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not

expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable.

“Annual Service Plan Update” means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

“Assessed Property” means any Parcel within the District against which an Assessment is levied.

“Assessment” means an assessment levied against a Parcel and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Assessment Ordinance” means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment.

“Assessment Plan” means the methodology employed to assess the Actual Costs of the Authorized Improvements against Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements, more specifically described in **Section V**.

“Assessment Roll” means the assessment roll for the Assessed Property within the District and included in this Service and Assessment Plan as **Exhibit F** for Improvement Area #1, **Exhibit H** for Improvement Area #2 and **Exhibit J** for the Major Improvement Area, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Authorized Improvements” mean improvements authorized by Section 372.003 of the PID Act, including Improvement Area #1 Improvements, Improvement Area #2 Improvements, Major Improvements, Future Improvement Area Improvements, if any, and District Formation Expenses and Bond Issuance Costs as more specifically described in **Section III**.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, underwriter’s

discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

“Captured Appraised Value” means the total taxable value of the District located within the boundary of the TIRZ for a given year less the total taxable value of the District located within the boundary of the TIRZ for the year in which the TIRZ was created.

“City” means the City of Liberty Hill, Texas.

“City Council” means the governing body of the City.

“County” means Williamson County, Texas.

“Delinquent Collection Costs” means, for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan, including costs and expenses to foreclose liens.

“Developer” means 366 TX 29, Ltd.

“District” means the approximately 366.455 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**.

“District Formation Expenses” means any cost or expense directly associated with the establishment of the District.

“Estimated Buildout Value” means the estimated value of an Assessed Property after completion of the vertical improvements (e.g. house, office building, etc.), and shall be determined by the Administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, information provided by the Owners, reports from third party consultants, or any other information that may impact value.

“Future Improvement Area” means a distinct portion of the Major Improvement Area described by metes and bounds and developed as an individual improvement area after Improvement Area #1 and Improvement Area #2, with such area(s) to be described and designated in future Annual Service Plan Updates.

“Future Improvement Area Assessed Property” means any and all Parcels within the Future Improvement Area other than Non-Benefitted Property.

“Future Improvement Area Assessment” means an Assessment levied on Future Improvement Area Assessed Property for the purpose of (i) financing Future Improvement Area Improvements and (ii) paying District Formation Expenses and Bond Issuance Costs, as applicable, of the Future Improvement Area Bonds. The Future Improvement Area Assessments, if any, while separately levied, are on parity with the Major Improvement Area Assessments.

“Future Improvement Area Bonds” mean PID Bonds issued to finance Future Improvement Area Improvements and District Formation Expenses and Bond Issuance Costs, as applicable, related to such Future Improvement Area Bonds. If issued, Future Improvement Area Bonds will be secured by and paid from only the Future Improvement Area Assessments levied on Parcels located within the Future Improvement Area benefitting from the Future Improvement Area Improvements and District Formation Expenses and Bond Issuance Costs being financed.

“Future Improvement Area Improvements” mean Authorized Improvements which only benefit the Assessed Property within the applicable Future Improvement Area.

“Improvement Area #1” means approximately 50.791 acres located within the District, as shown on **Exhibit B-2** and more specifically described in **Exhibit A-2**.

“Improvement Area #1-2 Bonds” mean those certain “City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District, Improvement Area #1-2 Project)”, that are secured by Improvement Area #1 Assessments and Improvement Area #2 Assessments.

“Improvement Area #1 Annual Installment” means the annual installment payment of the Improvement Area #1 Assessment after application of the TIRZ Annual Credit Amount, if any, as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

“Improvement Area #1 Assessed Property” means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

“Improvement Area #1 Assessment” means an Assessment levied against a Parcel within Improvement Area #1 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #1 Assessment Roll” means the assessment roll for the Improvement Area #1 Assessed Property and included in this Service and Assessment Plan as **Exhibit F**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and

in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Improvement Area #1 Improvements” mean those Authorized Improvements that only benefit Improvement Area #1, more specifically described in **Section III.B** and in the Engineer’s Report attached as **Appendix A**.

“Improvement Area #1 Initial Parcel” means all of the area within Improvement Area #1, other than Non-Benefited Property, as generally described by metes and bounds in **Exhibit A-2** and shown on the map on **Exhibit B-2**, consisting of approximately 50.791 acres. Until a plat has been recorded on a property ID within Improvement Area #1, the Improvement Area #1 Annual Installment will be allocated to each property ID within the Improvement Area #1 Initial Parcel based on the Williamson Central Appraisal District acreage for billing purposes only.

“Improvement Area #1 Projects” means the Improvement Area #1 Improvements and Improvement Area #1’s allocable share of the Major Improvements.

“Improvement Area #2” means approximately 71.805 acres located within the District, as shown on **Exhibit B-3** and more specifically described in **Exhibit A-3**.

“Improvement Area #2 Annual Installment” means the annual installment payment of the Improvement Area #2 Assessment after application of the TIRZ Annual Credit Amount, if any, as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

“Improvement Area #2 Assessed Property” means any Parcel within Improvement Area #2 against which an Improvement Area #2 Assessment is levied.

“Improvement Area #2 Assessment” means an Assessment levied against a Parcel within Improvement Area #2 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #2 Assessment Roll” means the Assessment Roll for the Improvement Area #2 Assessed Property and included in this Service and Assessment Plan as **Exhibit H**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Improvement Area #2 Improvements” mean those Authorized Improvements that only benefit Improvement Area #2, and more specifically described in **Section III.B** and in the Engineer’s Report attached as **Appendix A**.

“Improvement Area #2 Initial Parcel” means all of the area within Improvement Area #2, other than Non-Benefited Property, as generally described by metes and bounds in **Exhibit A-3** and shown on the map on **Exhibit B-3**, consisting of approximately 71.805 acres. Until a plat has been recorded on a property ID within Improvement Area #2, the Improvement Area #2 Annual Installment will be allocated to each property ID within the Improvement Area #2 Initial Parcel based on the Williamson Central Appraisal District acreage for billing purposes only.

“Improvement Area #2 Projects” mean Improvement Area #2 Improvements and Improvement Area #2’s allocable share of the Major Improvements.

“Indenture” means an Indenture of Trust entered into in connection with the issuance of PID Bonds, as amended, supplemented, or modified from time to time, between the City and the Trustee setting forth terms and conditions related to the PID Bonds.

“Landowner Certificate” means a Landowner Certificate executed by an Owner as described in Section V. C. hereof.

“Lot” means (1) for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat, and (2) for any portion of the District for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multi-family, single-family residential, etc.), as determined by the Administrator and confirmed and approved by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the estimated buildout value of the Lot as determined by the Administrator and confirmed and approved by the City Council.

“Lot Type 1” means a residential Lot within Improvement Area #1 designated as a 40’ Lot by the Developer.

“Lot Type 2” means a residential Lot within Improvement Area #1 designated as a 45’ Lot by the Developer.

“Lot Type 3” means a residential Lot within Improvement Area #1 designated as a 50’ Lot by the Developer.

“Lot Type 4” means a residential Lot within Improvement Area #2 designated as a 40’ Lot by the Developer.

“Lot Type 5” means a residential Lot within Improvement Area #2 designated as a 45’ Lot by the Developer.

“Lot Type 6” means a residential Lot within Improvement Area #2 designated as a 50’ Lot by the Developer.

“Lot Type 7” means a residential Lot within the Major Improvement Area designated as a 40’ Lot by the Developer.

“Lot Type 8” means a residential Lot within the Major Improvement Area designated as a 45’ Lot by the Developer.

“Lot Type 9” means a residential Lot within the Major Improvement Area designated as a 50’ Lot by the Developer.

“Lot Type 10” means a residential Lot within the Major Improvement Area designated as a 60’ Lot by the Developer.

“Major Improvement Area” means approximately 243.846 acres located within the District, as shown on **Exhibit B-4** and more specifically described in **Exhibit A-4**.

“Major Improvement Area Annual Installment” means the annual installment payment of the Major Improvement Area Assessment after application of the TIRZ Annual Credit Amount, if any, as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

“Major Improvement Area Assessed Property” means any Parcel within the Major Improvement Area against which a Major Improvement Area Assessment is levied.

“Major Improvement Area Assessment” means an Assessment levied against a Parcel within Major Improvement Area and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Major Improvement Area Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Major Improvement Area Assessment Roll” means the assessment roll for the Major Improvement Area Assessed Property within the District and included in this Service and

Assessment Plan as **Exhibit J**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Major Improvement Area Bonds” mean those certain “City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District, Major Improvement Area Project)”, that are secured by Major Improvement Area Assessments.

“Major Improvement Area Initial Parcel” means all of the area within Major Improvement Area, other than Non-Benefited Property, as generally described by metes and bounds in **Exhibit A-4** and shown on the map on **Exhibit B-4**, consisting of approximately 243.846 acres. Until a plat has been recorded on a property ID within Major Improvement Area, the Major Improvement Area Annual Installment will be allocated to each property ID within the Major Improvement Area Initial Parcel based on the Williamson Central Appraisal District acreage for billing purposes only.

“Major Improvement Area Projects” mean the Major Improvement Area’s allocable share of the Major Improvements.

“Major Improvements” mean the Authorized Improvements that benefit the entire District and are allocated pro rata to Improvement Area #1, Improvement Area #2 and the Major Improvement Area based on Estimated Buildout Value and depicted in the Engineer’s Report attached as **Appendix A**.

“Maximum Assessment” means for each Lot Type, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) the amount that produces an average Annual Installment resulting in the Maximum Equivalent Tax Rate. The Maximum Assessment for each Lot Type within Improvement Area #1 and Improvement Area #2 is shown on **Exhibit O**.

“Maximum Equivalent Tax Rate” means, for each Lot Type, \$0.75 per \$100 of Estimated Buildout Value at the time the City Council approves the Assessment Ordinance, as shown on **Exhibit L**.

“Meritage” means Meritage Homes of Texas, LLC.

“Non-Benefited Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements. Property is identified as Non-Benefited Property at the time the Assessments (1) are levied or (2) are reallocated pursuant to a subdivision of a Parcel that receives no benefit.

“Owner” means collectively Saratoga, Meritage and the Developer.

“Parcel(s)” means a property, within the boundaries of the District, identified by either a tax map identification number assigned by the Williamson Central Appraisal District for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means as determined by the City.

“PID Act” means Chapter 372, Texas Local Government Code, as amended.

“PID Bonds” mean bonds issued by the City that are secured by Assessments levied on Assessed Property within the District including the Improvement Area #1-2 Bonds and the Major Improvement Area Bonds.

“Prepayment” means the payment of all or a portion of an Assessment before the due date of an Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of Assessment are not to be considered a Prepayment, but rather are to be treated as a payment of the regularly scheduled Assessment.

“Prepayment Costs” mean interest, Annual Collection Costs, and Additional Interest, if applicable, incurred up to the date of Prepayment.

“Saratoga” means JNC Development Inc.

“Service and Assessment Plan” and means this Service and Assessment Plan, as it may be modified and updated from time to time.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

“Tax Year” means a 12-month period beginning January 1 of a given year, when assessed values are determined and taxes are levied on property, with the taxes becoming delinquent if not paid by the January 31st of the following year (e.g. Tax Year 2021 taxes are delinquent if not paid by January 31st, 2022).

“TIRZ” means Tax Increment Reinvestment Zone Number 3, Butler Farms TIRZ.

“TIRZ Agreement” means the *TIRZ Agreement (Butler Farms)*, effective as of [December 15], 2021.

“TIRZ Annual Credit Amount” will be calculated pursuant to **Section V.F.** of this Service and Assessment Plan and applied as described in **Section V.F.** and the TIRZ Agreement, which amount

shall be applied as a credit against the Improvement Area #1 Assessments, the Improvement Area #2 Assessments, and the Major Improvement Area Assessments, and shall not exceed the TIRZ Maximum Annual Credit Amount. There will not be a TIRZ Annual Credit Amount for any Future Improvement Area Assessments.

“TIRZ Creation Ordinance” means Ordinance No. 18-O-116 adopted by the City Council on December 10, 2018, creating the TIRZ and the TIRZ Fund, as amended by Ordinance No. 10-13-01.

“TIRZ Fund” means the tax increment fund created pursuant to the TIRZ Creation Ordinance.

“TIRZ Increment Receipts” mean, for each Tax Year, an amount equal to 30% of the ad valorem taxes (based on the City’s 2021 tax rate, which is equal to \$0.454559 (i.e., approximately \$0.1363677) collected and received by the City on the Captured Appraised Value of the District minus administration costs which are deposited in the TIRZ Fund to be used to reduce the Improvement Area #1 Assessments, the Improvement Area #2 Assessments, and the Major Improvement Area Assessments pursuant to the TIRZ Plan Ordinance, as described in the TIRZ Plan, and the TIRZ Agreement.

“TIRZ Maximum Annual Credit Amount” means for each Lot Type, the amount shown on **Exhibit N**.

“TIRZ Plan” means the Tax Increment Reinvestment Zone Number 3 Butler Farms TIRZ Project and Financing Plan, dated _____, as the same may be amended from time to time.

“TIRZ Plan Ordinance” means Ordinance No. _____ adopted by the City Council on _____, approving the TIRZ Plan and authorizing the use of TIRZ Increment Receipts for project costs related to certain public improvements under the Chapter 311, Texas Tax Code as amended, as provided for in the TIRZ Plan, as amended.

“Trustee” means the trustee (or successor trustee) under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 366.455 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**. Development of the District is anticipated to include 1,182 single-family homes.

The District is comprised of three distinct areas. Improvement Area #1 includes approximately 50.791 acres and is anticipated to contain 265 single family homes. Improvement Area #2 includes approximately 71.805 acres and is anticipated to contain 376 single family homes. The Major Improvement Area includes approximately 243.846 acres and is anticipated to contain 541 single family homes.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, determined that the Authorized Improvements confer a special benefit on the Assessed Property. The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit C**. A map of the Major Improvements, Improvement Area #1 Improvements, and Improvement Area #2 Improvements, is contained within the Engineer's Report attached as **Appendix A**. This Service and Assessment Plan will be updated to include a list of the Future Improvement Area Improvements as Future Improvement Areas are developed within the Major Improvement Area.

A. Major Improvements

Onsite

▪ *Streets*

Includes flexible base and subgrade stabilization (including lime treatment and compaction on high PI street sections), hot mix asphaltic concrete for the boulevard, testing, metal beam guard fences, concrete valley gutters (including concrete and reinforcing steel), concrete and reinforcing steel for curbs and gutters, ADA ramps, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, irrigation, and re-vegetation of all disturbed areas within the right-of-way are included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Wastewater*
Includes costs associated with trench excavation and embedment, trench safety, PVC piping, steel encasement piping, manholes, clean outs, testing, related earthwork, and erosion control all necessary appurtenances required to provide wastewater service. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.
- *Drainage*
Includes earthen channels, swales, curb, grate, and area inlets, piping and culvert boxes, manholes, junction boxes, headwalls, rock rip rap, inlets and outfalls, and testing as well as all related earthwork, excavation, erosion control, and all necessary appurtenances. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.
- *Water*
Includes costs associated with trench excavation and embedment, trench safety, PVC and ductile iron piping, fire hydrant assemblies, combination air and vacuum release valves, irrigation meters, automatic flushing valves, testing, related earthwork, and erosion control all necessary appurtenances required to provide water service. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.
- *Water Quality and Detention Ponds*
Includes clearing, pond excavation and embankment, soil testing, retaining walls, erosion control, clay lining, concrete access drives, concrete trickle channel, slope stabilization, vertical sediment markers, piping of inbound and outbound drainage lines, concrete and rock riprap, loose riprap walls, construction of overflow and outfall structures. Hardscape and landscape improvements including trails, wet basin planting, and re-vegetation are also included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.
- *Highway 29 Improvements*
Includes widening HWY 29 and construction of left and right turn lane with subgrade stabilization, soil testing, guard rail, and signal light. All related earthwork, excavation, erosion control, retaining walls, intersection, signage, drainage infrastructure, and re-vegetation of all disturbed areas within the right-of-way are included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

Offsite

- *Street*

Includes demolition and replacement of existing pavement and driveway, with flex base and subgrade stabilization, concrete and reinforcing steel, hot mix asphaltic concrete, and gravel for driveways, concrete and reinforcing steel for curbs and gutters. All related earthwork, excavation, erosion control, drainage infrastructure, and re-vegetation of all disturbed areas are included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Wastewater*

Including trench excavation and embedment, trench safety, piping, PVC pipes, steel encasement, bore pit, carrier pipes, spacers, and end caps, two way clean out, swing check valve, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide wastewater service to all lots. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Water*

Including trench excavation and embedment, trench safety, piping, ductile iron and PVC pipes, steel encasement, bore pit, carrier pipes, spacers, and end caps, gate valves, pressure relief valves and vault, fire hydrant assemblies, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all lots. Design, permitting and construction to oversize the City water facilities from a 16-inch main to a 24-inch main is also included. The difference in cost between the 16-inch main and the 24-inch main will not be reimbursable through the District.

- *District Formation Expenses*

Including any cost or expense directly associated with the establishment of the District.

B. Improvement Area #1 Improvements

- *Street*

Includes flexible base and subgrade stabilization (including lime treatment and compaction on high PI street sections), hot mix asphaltic concrete for the boulevard, testing, metal beam guard fences, concrete valley gutters (including concrete and reinforcing steel), concrete and reinforcing steel for curbs and gutters, ADA ramps, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, irrigation, and re-vegetation

of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within Improvement Area #1. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Wastewater*

Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connection, testing, related earthwork, and erosion control all necessary appurtenances required to provide wastewater service. The wastewater improvements will provide wastewater service to each Lot within Improvement Area #1. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Drainage*

Includes earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage. The drainage improvements will provide drainage service to each Lot within Improvement Area #1. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Water*

Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, and erosion control all necessary appurtenances required to provide water service. The water improvements will provide water service to each Lot within Improvement Area #1. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

C. Improvement Area #2 Improvements

- *Street*

Includes flexible base and subgrade stabilization (including lime treatment and compaction on high PI street sections), hot mix asphaltic concrete for the boulevard, testing, metal beam guard fences, concrete valley gutters (including concrete and reinforcing steel), concrete and reinforcing steel for curbs and gutters, ADA ramps, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, irrigation, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within Improvement Area #2. Costs also include

construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Wastewater*

Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connection, testing, related earthwork, and erosion control all necessary appurtenances required to provide wastewater service. The wastewater improvements will provide wastewater service to each Lot within Improvement Area #2. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Drainage*

Includes earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage. The drainage improvements will provide drainage service to each Lot within Improvement Area #2. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Water*

Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, and erosion control all necessary appurtenances required to provide water service. The water improvements will provide water service to each Lot within Improvement Area #2. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Water Quality and Detention Ponds*

Includes clearing, pond excavation and embankment, soil testing, erosion control, concrete access drives, vertical sediment markers, piping of inbound and outbound drainage lines, concrete and rock riprap, construction of overflow and outfall structures. Landscape improvements including re-vegetation are also included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

C. Bond Issuance Costs

- *Debt Service Reserve Requirement*

Equals the amount required to fund a reserve under an applicable Indenture.

- *Capitalized Interest*

Equals the amount of capitalized interest available for payment of interest on PID Bonds as reflected in an applicable Indenture.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds, including an amount to be paid as a fee for underwriter's counsel.

- *Cost of Issuance*

Costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

D. 1st year Annual Collection Costs

Estimated cost of the 1st year Annual Collection Costs.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan shall be updated in each Annual Service Plan Update. **Exhibit D** summarizes the Service Plan for the District.

Exhibit E summarizes the sources and uses of funds required to construct certain Authorized Improvements benefitting Improvement Area #1, Improvement Area #2 and the Major Improvement Area. **Exhibit E** will be updated to show the amount required to fund the required reserves and issue the PID Bonds at the time the PID Bonds are issued. The sources and uses of funds shown on **Exhibit E** shall be updated in each Annual Service Plan Update. Additionally, this Service and Assessment Plan will be updated to include the sources and uses of funds required to construct the Future Improvement Area Improvements as Future Improvement Areas are developed within the Major Improvement Area.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City that results in imposing equal shares of such costs on property similarly benefited. The PID Act further

provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners and developers of the Assessed Property.

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Authorized Improvements shall be allocated as follows:

- Costs of the Major Improvements and 1st year Annual Collection Costs shall be allocated to each Assessed Property in the District pro rata based on Estimated Buildout Value of all Assessed Property. The allocation of the Major Improvements between the Major Improvement Area, Improvement Area #1 and Improvement Area #2 is shown on **Exhibit L**.
- The Improvement Area #1 Improvements are allocated entirely to the Improvement Area #1 Initial Parcel.
- The Improvement Area #2 Improvements are allocated entirely to the Improvement Area #2 Initial Parcel.
- Bond Issuance Costs related to the Major Improvement Area Bond shall be allocated entirely to Major Improvement Area Assessed Property.
- Bond Issuance Costs related to the Improvement Area #1 – 2 Bonds shall be allocated to each Assessed Property in Improvement Area #1 pro rata based on the Improvement Area #1 Assessments levied on each Assessed Property and Improvement Area #2 pro rata based on the amount of Improvement Area #2 Assessments levied on each Assessed Property.

Improvement Area #1 Assessments will be levied on the Improvement Area #1 Initial Parcel as shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit G**, subject to revisions made during any Annual Service Plan Update.

Improvement Area #2 Assessments will be levied on the Improvement Area #2 Initial Parcel as shown on the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit H**. The projected Improvement Area #2 Annual Installments are shown on **Exhibit I**, subject to revisions made during any Annual Service Plan Update.

Major Improvement Area Assessments will be levied on the Major Improvement Area Initial Parcel according to the Major Improvement Area Assessment Roll, attached hereto as **Exhibit J**. The projected Major Improvement Area Annual Installments are shown on **Exhibit K**, subject to revisions made during any Annual Service Plan Update.

Future Improvement Area Assessments may be levied for the purposes of (i) financing Future Improvement Area Improvements and (ii) paying the applicable District Formation Expenses and Bond Issuance Costs. Any Future Improvement Area Assessments will be levied entirely on the applicable Future Improvement Area Assessed Property.

B. Findings of Special Benefit

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

- *Improvement Area #1*
 1. The costs of Improvement Area #1 Projects plus the applicable 1st year Annual Collection Costs and Bond Issuance Costs equal \$14,056,965 as shown on **Exhibit C**; and
 2. The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs equal to or greater than the Actual Costs of the Improvement Area #1 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs; and
 3. The Improvement Area #1 Initial Parcel will be allocated 100% of the Improvement Area #1 Assessment levied on the Improvement Area #1 Initial Parcel for the Improvement Area #1 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs, which equal \$10,588,645 as shown on the Improvement Area #1 Assessment Roll, attached as **Exhibit F**; and
 4. The special benefit (\geq \$14,056,965) received by the Improvement Area #1 Initial Parcel from the Improvement Area #1 Projects and applicable 1st Year Annual Collection Costs and Bond Issuance Costs is greater than the amount of Improvement Area #1 Assessments (\$10,588,645) levied on the Improvement Area #1 Initial Parcel for the Improvement Area #1 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs.

5. At the time the City Council approved the Assessment Ordinance, Saratoga and the Developer owned 100% of the Improvement Area #1 Initial Parcel. In a Landowner Certificate, Saratoga and the Developer acknowledged that the Improvement Area #1 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs confer a special benefit on the Improvement Area #1 Initial Parcel and consented to the imposition of the Improvement Area #1 Assessments to pay for the Actual Costs associated therewith. Saratoga and the Developer ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property.
- *Improvement Area #2*
 1. The costs of Improvement Area #2 Projects plus the applicable 1st year Annual Collection Costs and Bond Issuance Costs equal \$18,374,639 as shown on **Exhibit C**; and
 2. The Improvement Area #2 Assessed Property receives special benefit from the Improvement Area #2 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs equal to or greater than the Actual Costs of the Improvement Area #2 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs; and
 3. The Improvement Area #2 Initial Parcel will be allocated 100% of the Improvement Area #2 Assessments levied for the Improvement Area #2 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs, which equal \$14,161,355 as shown on the Improvement Area #2 Assessment Roll, attached as **Exhibit H**; and
 4. The special benefit (\geq \$18,374,639) received by the Improvement Area #2 Initial Parcel from the Improvement Area #2 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs is greater than the amount of Improvement Area #2 Assessments (\$14,161,355) levied on the Improvement Area #2 Initial Parcel for the Improvement Area #2 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs.
 5. At the time the City Council approved the Assessment Ordinance, Meritage owned 100% of the Improvement Area #2 Initial Parcel. In a Landowner Certificate, Meritage acknowledged that the Improvement Area #2 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs confer a special benefit on the Improvement Area #2 Initial Parcel and consented to the imposition of the Improvement Area #2 Assessments to pay for the Actual Costs associated therewith. Meritage ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by

the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Improvement Area #2 Assessments on the Improvement Area #2 Assessed Property.

▪ *Major Improvement Area*

1. The costs of the Major Improvement Area Projects plus the applicable 1st year Annual Collection Costs and Bond Issuance Costs equal \$9,552,495 as shown on **Exhibit C**; and
2. The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs equal to or greater than the Actual Costs of the Major Improvement Area Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs; and
3. The Major Improvement Area Initial Parcel will be allocated 100% of the Major Improvement Area Assessments levied for the Major Improvement Area Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs, which equal \$9,150,000 as shown on the Major Improvement Area Assessment Roll, attached as **Exhibit J**; and
4. The special benefit (\geq \$9,552,495) received by the Major Improvement Area Initial Parcel from the Major Improvement Area Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs is equal to the amount of Major Improvement Area Assessments (\$9,150,000) levied on the Major Improvement Area Initial Parcel.
5. At the time the City Council approved the Assessment Ordinance, the Developer and Meritage owned 100% of the Major Improvement Area Initial Parcel. In the Landowner Certificate, the Developer and Meritage, respectively, acknowledged that the Major Improvement Area Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs confers a special benefit on the Major Improvement Area Initial Parcel and consented to the imposition of the Major Improvement Area Assessments to pay for the Actual Costs associated therewith. The Developer and Meritage, respectively, ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Major Improvement Area Assessments on the Major Improvement Area Assessed Property.

C. Annual Collection Costs

The Annual Collection Costs shall be paid for on a pro rata basis by each Assessed Property based on the amount of outstanding Assessment remaining on the Assessed Property. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

D. Interest

The interest rate on Assessments securing PID Bonds may exceed the interest rate on the PID Bonds by the Additional Interest Rate. Interest at the rate of the PID Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

E. TIRZ Annual Credit Amount

In accordance with the TIRZ Plan Ordinance and the TIRZ Agreement, the City Council has agreed to use a portion of TIRZ Increment Receipts generated from each of the Improvement Area #1 Assessed Property, Improvement Area #2 Assessed Property, and the Major Improvement Area Assessed Property to offset a portion of the Improvement Area #1 Assessments, Improvement Area #2 Assessments, and the Major Improvement Area Assessments relating to the Major Improvements by the TIRZ Annual Credit Amount.

- The TIRZ Annual Credit Amount for each applicable Assessed Property is calculated as follows:

1. *For Assessed Property that have not been assigned a Lot Type*

Each Assessed Property that has not been assigned a Lot Type in this Service and Assessment Plan or an Annual Service Plan Update shall receive a TIRZ Annual Credit Amount equal to the TIRZ Increment Receipts generated by such Parcel for the previous Tax Year (i.e. TIRZ Increment Receipts collected from the Parcel for Tax Year 2022 shall be applied as the TIRZ Annual Credit Amount applicable to the Parcel's principal and interest to be collected in Tax Year 2023).

2. *For Assessed Property that have been assigned a Lot Type*

Each Assessed Property that has been assigned a Lot Type in this Service and Assessment Plan or an Annual Service Plan Update shall receive an TIRZ Annual Credit Amount equal to the lesser of:

- a. the TIRZ Increment Receipts generated by the Lot for the previous Tax Year (i.e. TIRZ Increment Receipts collected from the Lot for Tax Year 2022 shall be applied as the

TIRZ Annual Credit Amount applicable to the Lot's principal and interest to be collected in Tax Year 2023), or

- b. the TIRZ Maximum Annual Credit Amount. In the event the TIRZ Increment Receipts generated by any Lot that has been assigned a Lot Type are greater than the TIRZ Maximum Annual Credit Amount, the amount the applicable TIRZ Increment Receipts exceed the TIRZ Maximum Credit Amount will be transferred from the TIRZ Fund to the City each year and shall not be available to offset the principal and interest related to such Lot. The TIRZ Maximum Credit Amount for each Lot Type within Improvement Area #1, Improvement Area #2, and the Major Improvement Area is shown on **Exhibit N**.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and update to this Service and approved by the City Council.

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the

subdivision among the new subdivided Lots based on buildout value according to the following formula:

$$A = [B \times (C \div D)] / E$$

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type

D = the sum of the Estimated Buildout Value for all the newly subdivided Lots excluding Non-Benefitted Property

E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the applicable Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Estimated Buildout Value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the applicable Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and approved by the City Council.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update.

B. True-up of Assessments if Maximum Assessment Exceeded

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the landowner shall partially prepay the Assessment for each Assessed Property that exceeds the applicable

Maximum Assessment for such Lot Type in an amount sufficient to reduce the Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefitted Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefitted Property shall pay to the City or the Administrator on behalf of the City the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, a homeowner association, any other governmental entity or utility provider for use as internal roads, utilities, parks, drainage and detention facilities, and other similar improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs, or (ii) in the event that PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the Project Fund relating to the PID Bonds that are not expected to be used for purposes of the Project Fund, to redeem outstanding PID Bonds, in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds related to such Assessments.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Interest costs from the date of prepayment to the date of

redemption of the applicable PID Bonds, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment is paid in full, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; (4) the Assessed Property is no longer eligible to receive the TIRZ Annual Credit Amount; and (5) the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached hereto as **Exhibit M**.

If an Assessment is paid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised, accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced to the extent of the prepayment made.

F. Prepayment as a result of Eminent Domain Proceeding or Taking

If any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a "**Taking**"), the portion of the Assessed Property that was taken or transferred (the "**Taken Property**") shall be reclassified as Non-Benefitted Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property), (the "**Remaining Property**") following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner will remain liable to pay in Annual Installments, or payable as otherwise provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Annual Installments applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not

exceed the Maximum Assessment, in which case the Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial Prepayment.

In all instances the Assessment remaining on the Remaining Property shall not exceed the Maximum Assessment.

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres of Remaining Property shall be subject to the \$100 Assessment, (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment on the Remaining Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be \$90 and the Annual Installments adjusted accordingly.

Notwithstanding the previous paragraphs in this subsection (F), if the owner notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection (F), the Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

G. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit G** shows the projected Annual Installments for Improvement Area #1, **Exhibit I** shows the projected Annual Installments for Improvement Area #2 and **Exhibit K** shows the projected Annual Installments for the Major Improvement Area. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated equally among Parcels for which the Assessments remain unpaid. Annual Installments shall be reduced by any applicable TIRZ Annual Credit Amount and any credits applied under an applicable Indenture, such as capitalized

interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay the Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Improvement Area #1 Assessments, Improvement Area #2 Assessments and Major Improvement Area Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2023.

H. Allocating Annual Installments if Assessed Property is Sold

If Assessed Property is sold, the Annual Installment shall be allocated between the buyer and seller in the same methodology as property taxes.

SECTION VII: ASSESSMENT ROLL

The Improvement Area #1 Assessment Roll is attached as **Exhibit F**. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel within the Improvement Area #1 Assessed Property as part of each Annual Service Plan Update.

The Improvement Area #2 Assessment Roll is attached as **Exhibit H**. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments for each Parcel within the Improvement Area #2 Assessed Property as part of each Annual Service Plan Update.

The Major Improvement Area Assessment Roll is attached as **Exhibit J**. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Major Improvement Area Assessment Roll and Major Improvement Area Annual Installments for each Parcel within the Major Improvement Area Assessed Property as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a City Council meeting, and within 30 days after closing such meeting, the City Council shall make a final determination as to whether or not an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the Bond Order, or the Trust Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the PID for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and

shall be appealable to the City Council by owners or developers adversely affected by the interpretation. Appeals shall be decided at a meeting of the City Council at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

D. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

LIST OF EXHIBITS

Exhibit A-1	District Legal Description
Exhibit A-2	Improvement Area #1 Legal Description
Exhibit A-3	Improvement Area #2 Legal Description
Exhibit A-4	Major Improvement Area Legal Description
Exhibit B-1	District Boundary Map
Exhibit B-2	Improvement Area #1 Boundary Map
Exhibit B-3	Improvement Area #2 Boundary Map
Exhibit B-4	Major Improvement Area Boundary Map
Exhibit C	Authorized Improvements
Exhibit D	Service Plan
Exhibit E	Sources and Uses
Exhibit F	Improvement Area #1 Assessment Roll
Exhibit G	Improvement Area #1 Annual Installments
Exhibit H	Improvement Area #2 Assessment Roll
Exhibit I	Improvement Area #2 Annual Installments
Exhibit J	Major Improvement Area Assessment Roll
Exhibit K	Major Improvement Area Annual Installments
Exhibit L	Allocation of Estimated Buildout Value per Lot Size
Exhibit M	Notice of PID Assessment Termination
Exhibit N	TIRZ Maximum Annual Credit Amount
Exhibit O	Maximum Assessment
Exhibit P	Major Improvement Area Bond Debt Service Schedule
Exhibit Q	Improvement Area #1-2 Bond Debt Service Schedule
Exhibit R	Improvement Area #1 Annual Installment Used to Fund Major Improvements

Exhibit S	Improvement Area #2 Annual Installment Used to Fund Major Improvements
Exhibit T	Lot Type 1 Disclosure
Exhibit U	Lot Type 2 Disclosure
Exhibit V	Lot Type 3 Disclosure
Exhibit W	Lot Type 4 Disclosure
Exhibit X	Lot Type 5 Disclosure
Exhibit Y	Lot Type 6 Disclosure
Exhibit Z	Improvement Area #1 Initial Parcel Disclosure
Exhibit AA	Improvement Area #1 Initial Parcel Disclosure
Exhibit BB	Major Improvement Area Initial Parcel Disclosure
Appendix A	Engineer's Report

EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

Steven Warner Womack, RPLS, PLS, NCEES

National Council of Examiners for Engineering and Surveying #1928
Texas Registered Professional Land Surveyor #5026
North Carolina Professional Land Surveyor #L-6043
E-Mail: SWRPLS@gmail.com
(512) 638-0220

METES AND BOUNDS DESCRIPTION

366.455 ACRES OF LAND, MORE OR LESS, OUT OF THE JOHN B. BERRY SURVEY, ABSTRACT NO. 66 IN WILLIAMSON COUNTY, TEXAS, AND BEING THE REMAINDER OF THE TRACT OF LAND CONVEYED TO THE BUTLER FAMILY PARTNERSHIP, LTD. BY INSTRUMENT RECORDED IN DOCUMENT NO. 2010087926, save and except THE FOLLOWING TRACTS: 10.00 ACRES DESCRIBED IN DOCUMENT NO. 2016102000, 45.00 ACRES DESCRIBED IN DOCUMENT NO. 2015108887, 45.00 ACRES DESCRIBED IN DOCUMENT NO. 2015109892 AND 80.00 ACRES DESCRIBED IN DOCUMENT NO. 2016028473 IN THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS AND AS SHOWN ON THE ATTACHED SKETCH:

Beginning at an iron rod found on the north right-of-way of Hwy 29 at the southeast corner of an 80.00 acre tract described in Document No. 2016028473, for the Point of Beginning and southwest corner of the herein described tract;

Thence N 17 deg 41 min 20 sec E a distance of 1532.01 feet to an iron rod found at the most easterly corner of the said 80.00 acre tract, for an interior ell corner of the herein described tract;

Thence N 24 deg 12 min 19 sec W a distance of 1219.52 feet to an iron rod found at the northeast corner of the said 80.00 acre tract, being also on the south line of a 16.747 acre tract conveyed to Mark Rummert by instrument of record in Document No. 9611531, for a westerly corner of the herein described tract;

Thence N 70 deg 08 min 21 sec E a distance of 55.28 feet to an iron rod found at the southwest corner of a 50 foot wide access easement recorded in Document No. 9706653, being also the southeast corner of the said 16.747 acre tract and the southwest southwest corner of a 132.225 acre tract conveyed to Disha Brothers by instrument of record in Document No. 2008063553;

Thence N 69 deg 38 min 20 sec E a distance of 49.87 feet to an iron rod found at the southeast corner of the said easement and the southwest southeast corner of the said 132.225 acre tract, for an interior ell corner of the herein described tract;

Thence N 21 deg 08 min 02 sec W a distance of 701.41 feet to an iron rod found at the northeast corner of the said easement, for a point on the westerly line of the herein described tract;

Thence N 20 deg 56 min 40 sec W a distance of 60.67 feet to an iron rod found at an interior ell corner of the said 132.225 acre tract, for a westerly corner of the herein described tract;

Thence with the common line between the said 132.225 acre tract and the herein described tract the following courses and distances;

N 69 deg 25 min 31 sec E a distance of 1345.10 feet to an iron rod found;

N 04 deg 02 min 05 sec W a distance of 774.14 feet to an iron rod found;

S 69 deg 32 min 49 sec W a distance of 388.38 feet to a steel pipe fence corner post found;

N 19 deg 44 min 41 sec W a distance of 935.24 feet to an iron rod found on the south line of a 250.0 acre tract conveyed to Stacy Browning Estate by instrument of record in Document No. 2006073171, being also the northeast corner of the said 132.225 acre tract, for the northwest corner of the herein described tract;

Page 1 of 2

E:\Work\PROJECTS\01-121 530-545 ac Parks Tract\095 Acres Tract\Fig\Notes.docx

The Texas Board of Professional Land Surveying regulates all Registered Professional Land Surveyors in the State of Texas.

They may be contacted at Building A, Suite 156, 13160 Park 35 Circle, Austin, Texas 78753, (512) 239-5261.

Thence with the common line between the said 250.0 acre tract and the herein described tract the following courses and distances;

N 69 deg 40 min 00 sec E a distance of 954.84 feet to an iron rod found;

N 69 deg 41 min 03 sec E a distance of 380.64 feet to an iron rod found;

N 67 deg 53 min 27 sec E a distance of 681.43 feet to an iron rod found;

N 68 deg 45 min 12 sec E a distance of 401.39 feet to an iron rod found at the northwest corner of a 22.0 acre tract conveyed to Robert Harris by instrument of record in Volume 1062, Page 562, for the northeast corner of the herein described tract;

Thence S 20 deg 45 min 01 sec E a distance of 4616.96 feet to a cedar post fence corner found at the northeast corner of a 99.0 acre tract conveyed to Lasoy Hall Ravenable Living Trust by instrument of record in Document No. 9819014, for the southeast corner of the herein described tract;

Thence S 69 deg 23 min 00 sec W a distance of 1733.68 feet to a cedar post fence corner found at the northwest corner of the said 99.0 acre tract and the northmost corner of a 45.0 acre tract, for an interior ell corner of the herein described tract;

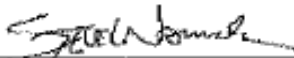
Thence S 52 deg 39 min 58 sec W a distance of 2538.30 feet to an iron rod found on the said north right-of-way of Hwy 29 at the southwest corner of the said 45.00 acre tract and the southmost corner of the herein described tract;

Thence with the said right-of-way line the following courses and distances:

With a curve to the left whose radius=1005.40 feet, Tangents=105.19 feet, Arc=209.63 feet and whose Chord bears N 58 deg 45 min 44 sec W a distance of 209.25 feet to an iron rod found;

With a curve to the right whose radius=2249.81 feet, Tangents=480.28 feet, Arc=359.79 feet and whose Chord bears N 64 deg 36 min 43 sec W a distance of 359.41 to an iron rod found;

N 64 deg 36 min 50 sec W a distance of 70.53 feet to the Point of Beginning and containing 366.455 acres of land, more or less.


Steven W. Womack
Registered Professional Land Surveyor
No. 5025, State of Texas

25 April 2017
Date



Page 2 of 3

E:\Work\BROCK\1507-123 330-546 ac Public Tract\02 Acre Tract\Final\State.docx

The Texas Board of Professional Land Surveying regulates all Registered Professional Land Surveyors in the State of Texas.

They may be contacted at Building A, Suite 156, 12100 Park 37 Circle, Austin, Texas 78753, (512) 259-0263.

EXHIBIT A-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

Williamson County, Texas
John R. Berry Survey, Abstract No. 56

50.791 Acres
Page 1 of 9

FIELD NOTES DESCRIPTION

DESCRIPTION OF 50.791 ACRES OF LAND IN THE JOHN R. BERRY SURVEY, ABSTRACT NO. 56, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 366.4641 ACRE TRACT DESCRIBED IN THE WARRANTY DEED TO 366 TX 29, LTD. OF RECORD IN DOCUMENT NO. 2021021762, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND BEING A PORTION OF A CERTAIN CALLED 45.954 ACRE TRACT DESCRIBED IN THE SPECIAL WARRANTY DEED TO JNC DEVELOPMENT, INC. OF RECORD IN DOCUMENT NO. 2021022152, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 366.4641 ACRE TRACT AND SAID 45.954 ACRE TRACT, BEING A PORTION OF A CERTAIN CALLED 546.33 ACRE TRACT OF LAND DESCRIBED IN THE ADMINISTRATOR'S SPECIAL WARRANTY DEED TO BUTLER FAMILY PARTNERSHIP, LTD. OF RECORD IN DOCUMENT NO. 2010087926, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND A PORTION OF A CERTAIN CALLED 366.455 ACRES DESCRIBED IN THE DEED OF TRUST RECORDED IN DOCUMENT NO. 2020023667, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 50.791 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, AND SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a ½-inch iron rod with a plastic cap stamped "RPLS 5025" found in the northeast right-of-way line of State Highway 29, a variable-width right-of-way, in the southwest line of the said 546.33 acre tract, at a west corner of the said 366.455 acre tract and the said 366.4641 acre tract, same being the southeast corner of a certain called 80.00 acre tract described in the deed to 3AM Ventures, LLC of record in Document No. 2016028473, Official Public Records of Williamson County, Texas:

THENCE N 17°41'29" E, leaving the northeast right-of-way line of said State Highway 29, crossing the said 546.33 acre tract, with a west line of the said 366.455 acre tract and the said 366.4641 acre tract, with the east line of the said 80.00 acre tract, a distance of 1,532.18 feet to a ½-inch iron rod with a plastic cap stamped "RPLS 5025" found at an angle point of the said 80.00 acre tract and the said 366.455 acre tract and the said 366.4641 acre tract;

THENCE N 25°11'02" E, leaving the east line of the said 80.00 acre tract, continuing across the said 546.33 acre tract, crossing the said 366.455 acre tract and the said 366.4641 acre tract, a distance of 674.41 feet to a calculated point for the southwest corner and **POINT OF BEGINNING** of the tract described herein;

THENCE, crossing the said 546.33 acre tract, the said 366.455 acre tract, and the said 366.4641 acre tract, with the west line of the tract described herein, the following seven (7) courses and distances:

1. N 47°59'55" W, a distance of 180.27 feet to a calculated point for an angle point,
2. N 02°59'55" W, a distance of 24.88 feet to a calculated point for a point of non-tangent curvature,
3. With the arc of a curve to the right, having a radius of 60.00 feet, an arc distance of 233.71 feet, and a chord which bears N 18°36'53" E, a distance of 111.58 feet to a calculated point for a point of reverse curvature,
4. With the arc of a curve to the left, having a radius of 15.00 feet, an arc distance of 11.70 feet, and a chord which bears S 72°08'28" E, a distance of 11.40 feet to a calculated point for a point of non-tangency,
5. N 42°24'03" W, a distance of 128.79 feet to a calculated point for an angle point,
6. N 65°16'49" E, a distance of 30.40 feet to a calculated point for an angle point, and
7. N 58°30'07" E, a distance of 53.27 feet to a calculated point for the westerly southwest corner of the said 45.954 acre tract, for an angle point in the west line of the tract described herein;

THENCE, continuing across the said 366.33 acre tract, the said 366.455 acre tract, and the said 366.4641 acre tract, with the west line of the said 45.954 acre tract, with the west line of the tract described herein, the following four (4) courses and distances:

1. N 44°05'01" W, a distance of 257.32 feet to a calculated point for an angle point,
2. N 34°41'44" W, a distance of 113.90 feet to a calculated point for an angle point,
3. N 28°17'28" W, a distance of 113.82 feet to a calculated point for an angle point, and
4. N 20°21'04" W, a distance of 653.69 feet to a calculated point in a north line of the said 546.33 acre tract, in a north line of the said 366.455 acre tract and the said 366.4641 acre tract, in a south line of a certain called 132.225 acre tract described in the General Warranty Deed to Butler Family Partnership, LTD. of record in Document No. 2021038920,

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

Official Public Records of Williamson County, Texas, for the northwest corner of the said 45.954 acre tract, for the northwest corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "RPLS 5025" found at a northwest corner of the said 546.33 acre tract, and the said 366.455 acre tract and 366.4641 acre tract, at a re-entrant corner of the said 132.225 acre tract bears S 69°25'22" W, a distance of 357.99 feet;

THENCE, with a north and a west line of the said 546.33 acre tract, the said 366.455 acre tract, the said 366.4641 acre tract, and the said 45.954 acre tract, with a south and an east line of the said 132.225 acre tract, with a north and west line of the tract described herein, the following two (2) courses and distances:

1. N 69°25'22" E, a distance of 987.23 feet to a 1/2-inch iron rod found at a re-entrant corner of the said 546.33 acre tract and the said 366.455 acre tract, same being the most easterly southeast corner of the said 132.225 acre tract, for a re-entrant corner of the tract described herein, and
2. N 04°01'23" W, a distance of 17.40 feet to a calculated point for a northwest corner of the said 45.954 acre tract, for a northwest corner of the tract described herein, from which a 1/2-inch iron rod found at a re-entrant corner of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, same being a northeast corner of the said 132.225 acre tract bears N 04°01'23" W, a distance of 756.57 feet;

THENCE, leaving the east line of the said 132.225 acre tract, crossing the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, with the north, east and south lines of the said 45.954 acre tract and the tract described herein, the following thirty (30) courses and distances:

1. S 71°50'45" E, a distance of 154.16 feet to a calculated point for a point of non-tangent curvature,
2. With the arc of a curve to the left, having a radius of 155.00 feet, an arc distance of 29.51 feet, and a chord which bears N 12°41'59" E, a distance of 29.47 feet to a calculated point for a point of compound curvature,
3. With the arc of a curve to the left, having a radius of 25.00 feet, an arc distance of 27.22 feet, and a chord which bears N 23°56'36" W, a distance of 25.89 feet to a calculated point for a point of reverse curvature,
4. With the arc of a curve to the right, having a radius of 60.00 feet, an arc distance of 300.96 feet, and a chord which bears N 88°33'52" E, a distance of 71.05 feet to a calculated point for a point of reverse curvature,
5. With the arc of a curve to the left, having a radius of 25.00 feet, an arc distance of 21.29 feet, and a chord which bears S 27°51'35" W, a distance of 20.66 feet to a calculated point for a point of reverse curvature,
6. With the arc of a curve to the right, having a radius of 205.00 feet, an arc distance of 23.50 feet, and a chord which bears S 06°44'31" W, a distance of 23.48 feet to a calculated point for a point of non-tangency,
7. S 79°58'28" E, a distance of 123.05 feet to a calculated point for an angle point,
8. S 14°15'49" W, a distance of 40.50 feet to a calculated point for an angle point,
9. S 75°44'11" E, a distance of 122.93 feet to a calculated point for a point of non-tangent curvature,
10. With the arc of a curve to the left, having a radius of 445.00 feet, an arc distance of 29.16 feet, and a chord which bears N 12°23'11" E, a distance of 29.16 feet to a calculated point for a point of non-tangency,
11. S 79°29'28" E, a distance of 50.00 feet to a calculated point for a point of non-tangent curvature,
12. With the arc of a curve to the right, having a radius of 495.00 feet, an arc distance of 47.93 feet, and a chord which bears S 13°16'58" W, a distance of 47.91 feet to a calculated point for a point of non-tangency,
13. S 73°56'37" E, a distance of 136.98 feet to a calculated point for an angle point,
14. S 07°57'35" W, a distance of 73.38 feet to a calculated point for a point of non-tangent curvature,
15. With the arc of a curve to the right, having a radius of 225.00 feet, an arc distance of 33.13 feet, and a chord which bears N 71°02'57" W, a distance of 33.10 feet to a calculated point for a point of non-tangency,
16. S 23°10'10" W, a distance of 50.00 feet to a calculated point for an angle point,

17. S 25°47'59" W, a distance of 163.75 feet to a calculated point for an angle point,
18. S 89°43'56" E, a distance of 296.94 feet to a calculated point for an angle point,
19. S 87°11'41" E, a distance of 244.29 feet to a calculated point for an angle point,
20. S 02°48'19" W, a distance of 120.54 feet to a calculated point for an angle point,
21. S 86°52'35" E, a distance of 8.47 feet to a calculated point for an angle point,
22. S 01°05'14" W, a distance of 50.02 feet to a calculated point for an angle point,
23. With the arc of a curve to the right, having a radius of 13.50 feet an arc distance of 21.21 feet, and a chord which bears S 42°11'41" E, a distance of 19.09 feet to a calculated point-of-tangency,
24. S 02°48'19" W, a distance of 428.64 feet to a calculated point-of-curvature,
25. With the arc of a curve to the right, having a radius of 435.00 feet, an arc distance of 653.70 feet, and a chord which bears S 45°51'22" W, a distance of 593.90 feet to a calculated point of compound-curvature,
26. With the arc of a curve to the left, having a radius of 187.00 feet, an arc distance of 11.47 feet, and a chord which bears N 89°20'10" W, a distance of 11.47 feet to a calculated point-of-tangency,
27. N 87°34'45" W, a distance of 224.16 feet to a calculated angle point.
28. N 78°12'05" W, a distance of 18.41 feet to a calculated point-of-curvature,
29. With the arc of a curve to the left, having a radius of 216.00 feet, an arc distance of 9.86 feet, and a chord which bears N 88°53'10" W, a distance of 9.85 feet to a calculated point-of-tangency, and
30. S 89°48'24" W, a distance of 123.91 feet to a calculated point for the southerly southwest corner of the said 45.954 acre tract, for a point in the south line of the tract described herein;

THENCE, leaving the southerly southwest corner of the said 45.954 acre tract, continuing across the said 546.33 acre tract, the said 366.455 acre tract and the said 366.464 acre tract, with the south line of the tract described herein, the following six (6) courses and distances:

1. S 89°48'24" W, a distance of 40.54 feet to a calculated point for a point of curvature,
2. With the arc of a curve to the left, having a radius of 498.50 feet, an arc distance of 223.75 feet, and a chord which bears S 76°56'53" W, a distance of 221.88 feet to a calculated point for a point of reverse curvature,
3. With the arc of a curve to the right, having a radius of 15.00 feet, an arc distance of 22.10 feet, and a chord which bears N 73°42'15" W, a distance of 20.15 feet to a calculated point for a point of non-tangency,
4. S 67°04'19" W, a distance of 70.79 feet to a calculated point for a point of non-tangent curvature,
5. With the arc of a curve to the right, having a radius of 15.00 feet, an arc distance of 22.13 feet, and a chord which bears S 10°45'51" W, a distance of 20.18 feet to a calculated point for a point of reverse curvature, and
6. With the arc of a curve to the left, having a radius of 509.00 feet, an arc distance of 228.88 feet, and a chord which bears S 40°08'40" W, a distance of 226.96 feet to the **POINT OF BEGINNING** and containing 50.791 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That J. Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the months of August, 2019 through June, 2021.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 17th day of October 2021 A.D.

LANDDEV CONSULTING, LLC
5508 Highway 290 W, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 – State of Texas



LAND DEV

CONSULTING, L.L.C.
 5508 HIGHWAY 290 WEST, SUITE 150
 AUSTIN, TX 78735
 OFFICE: 512-872-8636
 FELLO-FIRM: 502-7519410

(132.225 ACER6)
 BUTLER FAMILY PARTNERSHIP, LTD.
 GENERAL WARRANTY DEED
 DOC. #2021008920
 O.P.R.W.C.TX.

N 20°59'06" W 60.63'
 (N 21°03'25" E 60.23)
 *SCRIVENER'S ERROR
 SHOULD BE N 21°03'26" W
 [S 19°20'25" E 60.36]

[S 71°01'31" W 1345.16']
 (N 69°23'55" E 1345.17)
 N 69°25'22" E 1345.22'

(N 04°00'08" W 770.89)
 (N 04°02'05" W 774.14)
 (S 08°22'20" E 774.09)
 N 04°07'23" W 773.97'
 738.57'

(366.4641 AC.
 SAVE AND EXCEPT 45.954 &
 WARRANTY DEED
 366 TX 28, LTD.
 DOC. # 2021021762
 O.P.R.W.C.TX.

CALLED 16.92 ACRES
 (TRACT 1)
 RACHAEL ELIZABETH OSTERLOH
 SPECIAL WARRANTY DEED
 DOC. # 2019064468
 O.P.R.W.C.TX.

(45.954 ACRES)
 SPECIAL WARRANTY DEED
 JNC DEVELOPMENT, INC.
 DOC. # 2021022152,
 O.P.R.W.C.TX.

50,791 ACRES

PAGE 6 OF 9

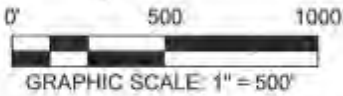
PAGE 7 OF 9

CALLED 60.60 ACRES
 3AM VENTURES, LLC
 SPECIAL WARRANTY DEED
 DOC. # 2018028473
 O.P.R.W.C.TX.

PORTION OF
 (366.4641 AC.
 SAVE AND EXCEPT 45.954 &
 SAVE AND EXCEPT 95.555 ACRES)
 WARRANTY DEED
 366 TX 29, LTD.
 DOC. # 2021021762,
 O.P.R.W.C.TX.

(366.4641 AC.
 SAVE AND EXCEPT 45.954 &
 SAVE AND EXCEPT 95.555 ACRES)
 WARRANTY DEED
 366 TX 29, LTD.
 DOC. # 2021021762,
 O.P.R.W.C.TX.

(95.555 ACRES)
 SPECIAL WARRANTY DEED
 MERITAGE HOMES
 OF TEXAS, LLC
 DOC. # 2021022180,
 O.P.R.W.C.TX.



JOHN B. BERRY SURVEY
 ABSTRACT NO. 56

CALLED 45.00 ACRES
 SARAJA, LLC
 DOC. # 2015106887
 O.P.R.W.C.TX.

SURVEY SKETCH to Accompany Description:
 50,791 ACRES
 JOHN B. BERRY SURVEY, ABSTRACT No. 56
 WILLIAMSON COUNTY, TEXAS

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NOTES:

1. BEARING BASIS IS TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD83, GRID.
2. DISTANCES SHOWN HEREON ARE BASED ON SURFACE MEASUREMENTS, TO CONVERT SURFACE DISTANCES TO GRID, MULTIPLY BY THE COMBINED SCALE FACTOR.
3. THE COMBINED SCALE FACTOR FOR THIS PROJECT IS 0.999846.
4. COORDINATES SHOWN HEREON ARE TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD83, GRID.

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N 69°42'54" E	55.32'
L2	N 70°06'23" E	49.81'
L3	N 47°59'55" W	180.27'
L4	N 02°59'55" W	24.88'
L5	N 42°24'03" W	128.79'
L6	N 65°16'49" E	30.40'
L7	N 58°30'07" E	53.27'
L8	N 44°06'01" W	257.32'
L9	N 34°41'44" W	113.90'
L10	N 28°17'28" W	113.82'
L11	S 71°50'45" E	154.18'
L12	S 79°58'28" E	123.05'
L13	S 14°15'49" W	40.50'
L14	S 75°44'11" E	122.93'
L15	S 79°29'28" E	50.00'
L16	S 73°58'37" E	136.68'
L17	S 07°57'35" W	73.38'
L18	S 23°10'10" W	50.00'
L19	S 25°47'58" W	163.75'
L20	S 89°43'56" E	296.94'
L21	S 87°11'41" E	244.29'
L22	S 02°48'19" W	120.54'
L23	S 88°52'36" E	8.47'
L24	S 01°05'14" W	50.02'
L25	N 87°34'45" W	224.16'
L26	N 78°12'05" W	18.41'
L27	S 89°48'24" W	123.91'
L28	S 89°48'24" W	40.54'
L29	S 67°04'19" W	70.79'

PAGE 8 OF 9
FILE No. 1389

LAND DEV
CONSULTING, LLC
5508 HIGHWAY 290 WEST, SUITE 150
AUSTIN, TX 78739
OFFICE: 512.872.8898
TELE FAX: 512.872.8898

SURVEY SKETCH to Accompany Description:

50.79± ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS

- LEGEND
1/2" IRON ROD FOUND (OR AS NOTED)
- 5025 ● 1/2" IRON ROD WITH PLASTIC CAP STAMPED
"RPLS 5025" FOUND
- △ CALCULATED POINT
- O.P.R.W.C.TX. OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS
- () RECORD INFORMATION PER DOC. # 2010087926,
OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS
- { } RECORD INFORMATION PER DOC. # 2020023667,
OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS
- [] ADJOINER INFORMATION

CURVE TABLE					
CURVE	RADIUS	ARC LENGTH	DELTA	CHORD BEARING	CHORD LENGTH
C1	60.00'	233.71'	223°10'28"	N 18°36'53" E	111.58'
C2	15.00'	11.70'	44°41'10"	S 72°08'28" E	11.40'
C3	155.00'	29.51'	10°54'32"	N 12°41'59" E	29.47'
C4	25.00'	27.22'	62°22'38"	N 23°56'36" W	25.89'
C5	60.00'	300.96'	287°23'34"	N 88°33'52" E	71.05'
C6	25.00'	21.29'	48°48'09"	S 27°51'35" W	20.68'
C7	205.00'	23.50'	6°34'02"	S 06°44'31" W	23.48'
C8	445.00'	29.18'	3°45'17"	N 12°23'11" E	29.18'
C9	495.00'	47.93'	5°32'51"	S 13°16'58" W	47.91'
C10	225.00'	33.13'	8°26'13"	N 71°02'57" W	33.10'
C11	13.50'	21.21'	90°00'00"	S 42°11'41" E	19.09'
C12	435.00'	653.70'	86°06'06"	S 45°51'22" W	593.90'
C13	187.00'	11.47'	3°30'50"	N 89°20'10" W	11.47'
C14	216.00'	9.86'	2°36'51"	N 88°53'10" W	9.86'
C15	496.50'	223.75'	25°43'01"	S 76°56'53" W	221.88'
C16	15.00'	22.10'	84°24'44"	N 73°42'15" W	20.15'
C17	15.00'	22.13'	84°31'26"	S 10°45'51" W	20.18'
C18	509.00'	328.80'	25°45'50"	S 40°08'40" W	226.96'

PAGE 9 OF 9
FILE No. 1389

LAND DEV

CONSULTING, L.L.C.
5500 HIGHWAY 290 WEST, SUITE 150
AUSTIN, TX 78735
OFFICE: 512.872.0698
MOBILE: 512.872.0698

SURVEY SKETCH to Accompany Description:

50.791 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS

EXHIBIT A-3 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION

Williamson County, Texas
John B. Berry Survey, Abstract No. 56

71.805 Acres
Page 1 of 8

FIELD NOTES DESCRIPTION

DESCRIPTION OF 71.805 ACRES OF LAND IN THE JOHN B. BERRY SURVEY, ABSTRACT NO. 56, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 366.4641 ACRE TRACT DESCRIBED IN THE WARRANTY DEED TO 366 TX 29, LTD. OF RECORD IN DOCUMENT NO. 2021021762, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND BEING A PORTION OF A CERTAIN CALLED 95.555 ACRE TRACT DESCRIBED IN THE SPECIAL WARRANTY DEED TO MERRITAGE HOMES OF TEXAS, LLC OF RECORD IN DOCUMENT NO. 2021022160, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 366.4641 ACRE TRACT AND SAID 95.555 ACRE TRACT, BEING A PORTION OF A CERTAIN CALLED 546.33 ACRE TRACT OF LAND DESCRIBED IN THE ADMINISTRATOR'S SPECIAL WARRANTY DEED TO BUTLER FAMILY PARTNERSHIP, LTD. OF RECORD IN DOCUMENT NO. 2010087926, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND BEING A PORTION OF A CERTAIN CALLED 366.445 ACRES DESCRIBED IN THE DEED OF TRUST RECORDED IN DOCUMENT NO. 2020023667, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 71.805 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, AND SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a ½-inch iron rod found in the curving northeast right-of-way line of State Highway 29, a variable-width right-of-way, in the southwest line of the said 546.33 acre tract, at the southwest corner of the said 366.445 acre tract, at the northwest corner of a certain called 45.00 acre tract described in the deed to Saraja, LLC of record in Document No. 2015108887, Official Public Records of Williamson County, Texas;

THENCE N 52°40'32" E, leaving the curving northeast right-of-way line of said State Highway 29, crossing the said 546.33 acre tract, with the south line of the said 366.445 acre tract, with the northwest line of the said 45.00 acre tract, a distance of 2,302.20 feet to a calculated point for the southwest corner of the said 95.555 acre tract, for the southwest corner and **POINT OF BEGINNING** of the tract described herein;

THENCE leaving the northwest line of the said 45.00 acre tract, crossing the said 546.33 acre tract and the said 366.445 acre tract, with the west line of the said 95.555 acre tract, the following nine (9) courses and distances:

1. N 20°57'17" W, a distance of 173.51 feet to a calculated point for an angle point,
2. N 19°23'17" W, a distance of 81.94 feet to a calculated point for an angle point,
3. N 20°57'17" W, a distance of 138.07 feet to a calculated point for an angle point,
4. N 17°24'12" W, a distance of 292.21 feet to a calculated point for an angle point,
5. N 15°56'58" E, a distance of 200.02 feet to a calculated point for an angle point,
6. S 74°03'02" E, a distance of 200.00 feet to a calculated point for an angle point,
7. S 81°07'58" E, a distance of 76.12 feet to a calculated point for an angle point,
8. N 69°04'37" E, a distance of 45.82 feet to a calculated point for an angle point, and
9. N 20°57'17" W, a distance of 170.00 feet to a calculated point for an angle point in the west line of the said 95.555 acre tract;

THENCE N 23°34'54" W, leaving the west line of the said 95.555 acre tract, continuing across the said 546.33 acre tract and the said 366.445 acre tract, crossing the said 366.4641 acre tract, with the west line of the tract described herein, a distance of 50.06 feet to a calculated point for an angle point in the west line of the said 95.555 acre tract;

THENCE continuing across the said 546.33 acre tract and the said 366.445 acre tract, crossing the said 366.4641 acre tract, with the west line of the said 95.555 acre tract, with the west line of the tract described herein, the following five (5) courses and distances:

1. N 16°17'55" W, a distance of 125.42 feet to a calculated point for an angle point,
2. N 06°15'56" E, a distance of 521.64 feet to a calculated point for an angle point,
3. N 29°41'39" W, a distance of 214.69 feet to a calculated point for an angle point,

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4. N 09°59'21" W, a distance of 74.87 feet to a calculated point for an angle point, and
5. N 01°05'48" E, a distance of 175.39 feet to a calculated angle point in the west line of the said 95.555 acre tract, for a point-on-line in the west line of the tract described herein;

THENCE continuing across the said 546.33 acre tract, the said 366.445 acre tract and the said 366.4641 acre tract, crossing the said 95.555 acre tract, with the west line of the tract described herein, the following two (2) courses and distances:

1. N 01°05'48" E, a distance of 50.00 feet to a calculated angle point, and
2. N 88°54'12" W, a distance of 7.25 feet to a calculated point for an angle point in the west line of the said 95.555 acre tract, for an angle point in the west line of the tract described herein;

THENCE continuing across the said 546.33 acre tract and the said 366.445 acre tract, crossing the said 366.4641 acre tract, with the west line of the said 95.555 acre tract, with the west line of the tract described herein, the following two (2) courses and distances:

1. N 14°12'32" W, a distance of 109.14 feet to a calculated point for an angle point, and
2. N 01°41'30" E, a distance of 4.73 feet to a calculated point for the northwest corner of the tract described herein,

THENCE continuing across the said 546.33 acre tract and the said 366.445 acre tract, continuing across the said 366.4641 acre tract, and crossing the said 95.555 acre tract, with the north line of the tract described herein, the following sixteen (16) courses and distances:

1. S 88°54'12" E, a distance of 156.01 feet to a calculated point for an angle point,
2. N 01°05'48" E, a distance of 20.65 feet to a calculated point for an angle point,
3. S 88°54'12" E, a distance of 30.00 feet to a calculated point for an angle point,
4. S 87°42'35" E, a distance of 116.15 feet to a calculated point for an angle point,
5. N 73°46'54" E, a distance of 209.97 feet to a calculated point for an angle point,
6. N 62°06'06" E, a distance of 109.56 feet to a calculated point for an angle point,
7. S 27°53'54" E, a distance of 10.03 feet to a calculated point for an angle point,
8. N 64°46'30" E, a distance of 172.59 feet to a calculated point for a point-of-curvature,
9. with the arc of a curve to the right, having a radius of 975.00 feet, an arc distance of 18.11 feet, and a chord which bears N 24°41'35" W, a distance of 18.11 feet to a calculated point for a non-tangent end of curve,
10. N 62°00'12" E, a distance of 58.96 feet to a calculated point for an angle point,
11. N 46°00'17" E, a distance of 46.66 feet to a calculated point for an angle point,
12. N 15°12'00" E, a distance of 40.46 feet to a calculated point for an angle point,
13. S 88°51'09" E, a distance of 172.93 feet to a calculated point for a non-tangent point-of-curvature,
14. with the arc of a curve to the right, having a radius of 250.00 feet, an arc distance of 21.71 feet, and a chord which bears S 03°38'06" W, a distance of 21.70 feet to a calculated point for a non-tangent end of curve,
15. S 83°52'40" E, a distance of 159.16 feet to a calculated point for an angle point, and
16. N 69°15'22" E, a distance of 19.99 feet to a calculated point in the east line of the said 546.33 acre tract, the said 366.445 acre tract, and the said 95.555 acre tract, same being the west line of a certain called 20.00 acre tract designated as Tract # and conveyed in the Executor's Deed to Edna Bray Harris of record in Document No. 2018052583, Official Public Records of Williamson County, Texas, described in the deed to Veterans' Land Board of the State of Texas of record in Volume 817, Page 319, Deed Records of Williamson County, Texas, for the northeast corner of the tract described herein,

from which a 1/2-inch iron rod found in the south line of a certain called 250.00 acre tract of land described in the Warranty Deed to Billy Ray Browning, as Guardian of the Person and Estate of Stuey J. Browning of record in Document No. 2006073171, Official Public Records of Williamson County, Texas, at the northeast corner of the said 546.33 acre tract and the northeast corner of the said 366.455 acre tract, and the northeast corner of the said 366.4641 acre tract, same being the northwest corner of a certain called 22.005 acres, designated as Tract 2 and conveyed in the Executor's Deed to Edna Bray Harris of record in Document No. 2018052583, Official Public Records of Williamson County, Texas bears N 20°44'37" W, a distance of 2,754.24 feet;

THENCE S 20°44'37" E, with the east line of the said 546.33 acre tract, the said 366.445 acre tract, the east line of the said 366.4641 acre tract, and the east line of the said 95.555 acre tract, and the west line of the said 20.00 acre tract designated as Tract 4, and with the west line of a certain called 20.00 acre tract designated as Tract 3 and described in the Executor's Deed to Edna Bray Harris of record in Document No. 2018052583, Official Public Records of Williamson County, Texas, and described in Volume 817, Page 284, Deed Records of Williamson County, Texas, and with the west line of a certain called 94.37 acre tract, save and except 10.00 acres and 15.00 acres; conveyed in the deed to 1047 Liberty Hill Series, a Series of Leechow Investments L.L.C. of record in Document No. 2015075887, Official Public Records of Williamson County, Texas, described in the deed to John D. Pope and wife, Ada L. Pope of record in Volume 816, Page 349, Deed Records of Williamson County, Texas, with an east line of the tract described herein, a distance of 1,863.26 feet to a 6-inch cedar fence post found in the west line of the said 94.37 acre tract, at the easterly southeast corner of the said 546.33 acre tract, the southeast corner of the said 366.445 acre tract, and the said 366.4641 acre tract, and the southeast corner of the said 95.555 acre tract, same being the northeast corner of a certain called 100 acre tract described in the deed to Leroy O. Hall and Thelma M. Hall Revocable Living Trust of record in Document No. 9819014, Official Records of Williamson County, Texas, for the southeast corner of the tract described herein, from which a 60-d nail found for reference bears N 60°03'01" E, a distance of 0.74 feet;

THENCE S 69°22'46" W, with a south line of the said 546.33 acre tract, the said 366.445 acre tract, the said 366.4641 acre tract, and the south line of the said 95.555 acre tract, and the north line of the said 100 acre tract, with the south line of the tract described herein, a distance of 1,733.10 feet to a 6-inch cedar fence post found at the northwest corner of the said 100 acre tract and the northeast corner of the said 45.00 acre tract, same being a re-entrant corner of the said 546.33 acre tract, for an angle point in the south line of the tract described herein;

THENCE S 52°40'32" W, crossing the said 546.33 acre tract, with the south line of the said 366.445 acre tract, the south line of the said 366.4641 acre tract, and the south line of the said 95.555 acre tract, with the north line of the said 45.00 acre tract, with the south line of the tract described herein, a distance of 236.34 feet to the **POINT OF BEGINNING** and containing 71.805 acres of land, more or less.


BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS
KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS

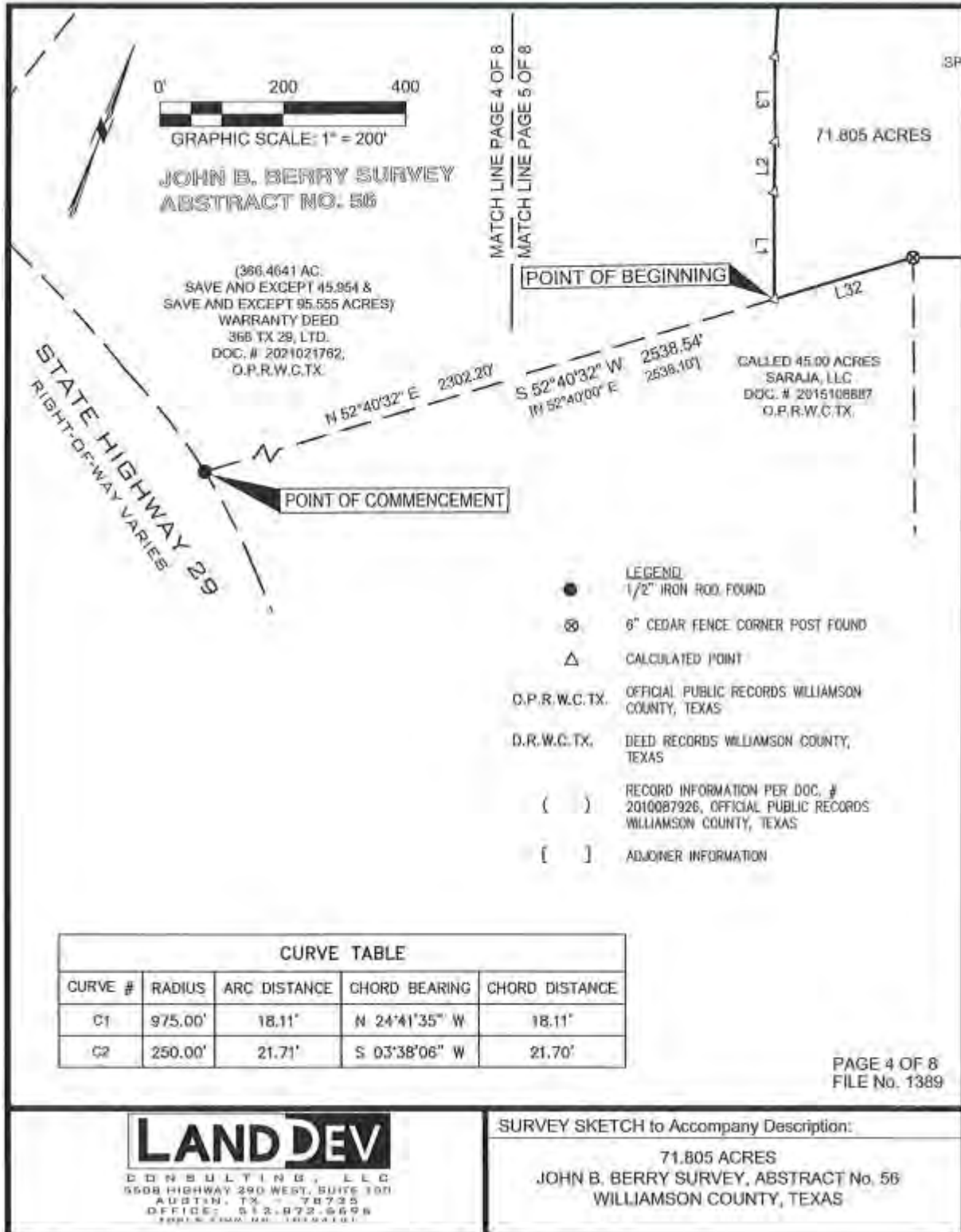
That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the months of August, 2019 through June 2021.

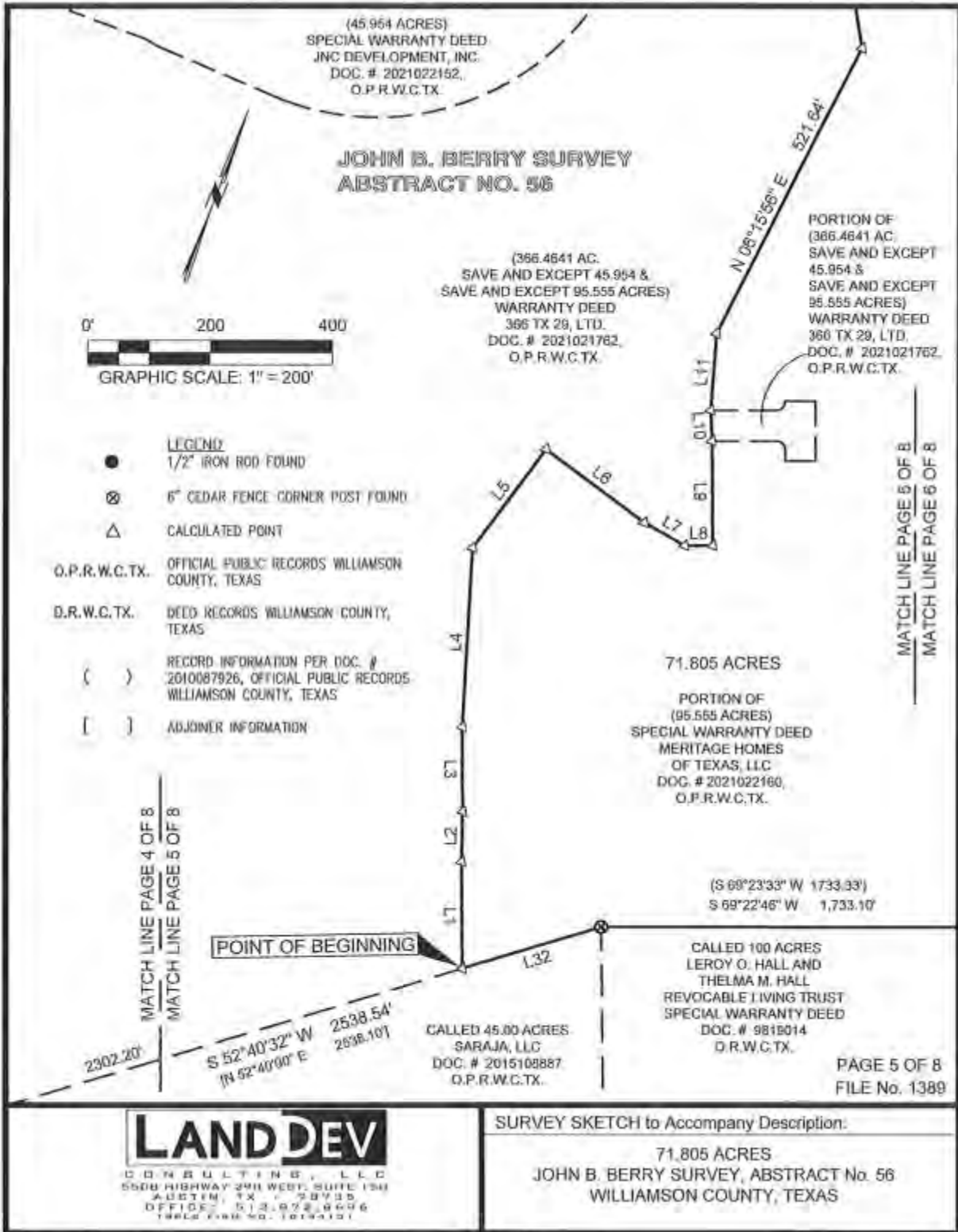
WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 17th day of October 2021 A.D.

LANDDEV CONSULTING, LLC
3508 Highway 290 West, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 - State of Texas

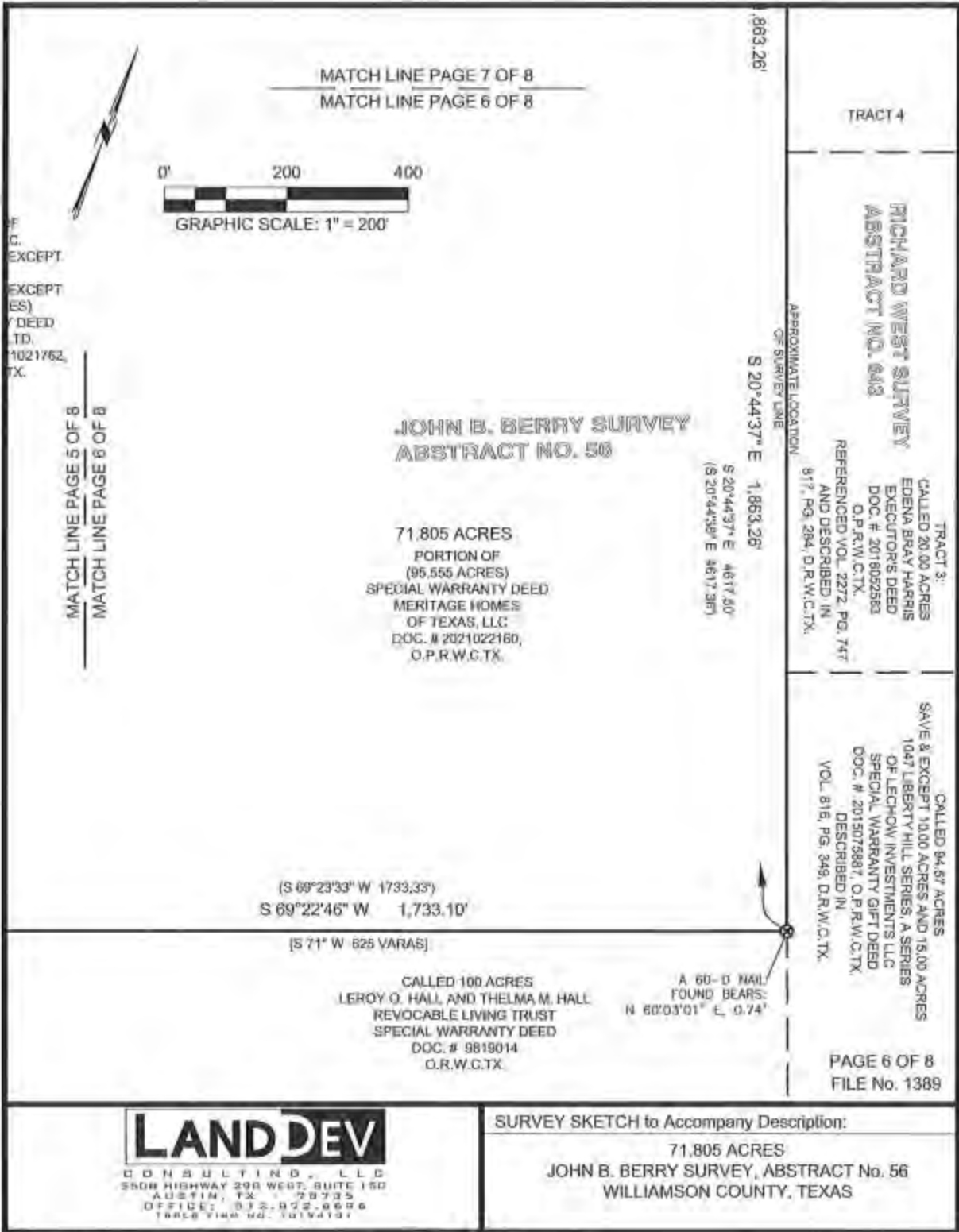






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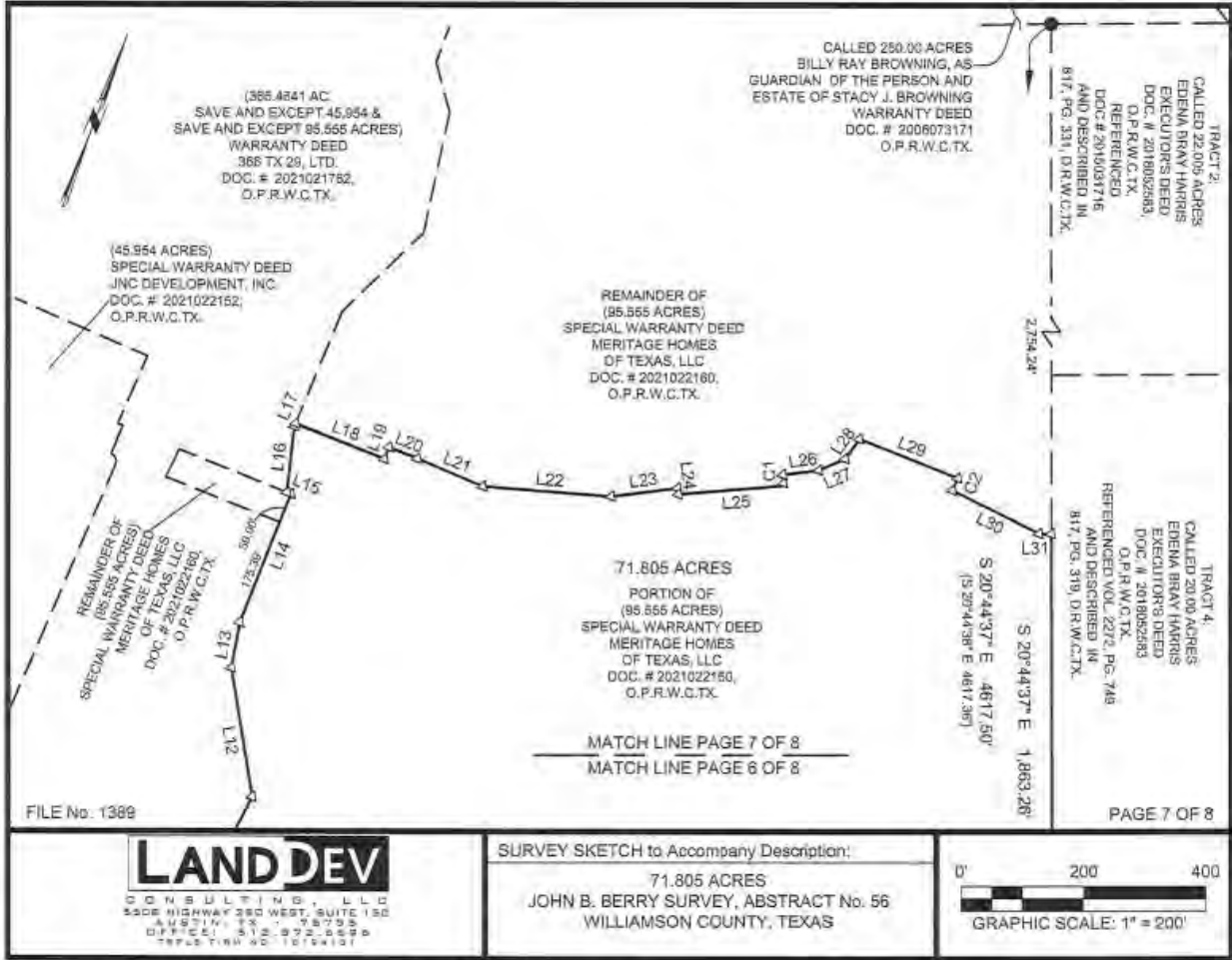
SURVEY SKETCH to Accompany Description:
**71.805 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS**



LAND DEV

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FACILE VINA NO. 30194131

SURVEY SKETCH to Accompany Description:
71.805 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS



LINE TABLE		
LINE #	BEARING	DISTANCE
L1	N 20°57'17" W	173.51'
L2	N 19°23'17" W	81.94'
L3	N 20°57'17" W	138.07'
L4	N 17°24'12" W	292.21'
L5	N 15°56'58" E	200.02'
L6	S 74°03'02" E	200.00'
L7	S 81°07'58" E	76.12'
L8	N 69°04'37" E	45.82'
L9	N 20°57'17" W	170.00'
L10	N 23°34'54" W	50.06'
L11	N 16°17'55" W	125.42'
L12	N 29°41'39" W	214.69'
L13	N 09°59'21" W	74.87'
L14	N 01°05'48" E	225.39'
L15	N 88°54'12" W	7.25'
L16	N 14°12'32" W	109.14'
L17	N 01°41'30" E	4.73'
L18	S 88°54'12" E	156.01'
L19	N 01°05'48" E	20.65'
L20	S 88°54'12" E	50.00'
L21	S 87°42'35" E	116.15'
L22	N 73°46'54" E	209.97'
L23	N 62°06'06" E	108.56'
L24	S 27°53'54" E	10.03'
L25	N 64°46'30" E	172.59'
L26	N 62°00'12" E	58.96'
L27	N 46°00'17" E	46.66'
L28	N 15°12'00" E	40.46'
L29	S 88°51'09" E	172.93'
L30	S 83°52'40" E	158.16'
L31	N 69°15'22" E	19.99'
L32	S 52°40'32" W	236.34'

NOTES:

1. BEARING BASIS IS TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD83, GRID.
2. DISTANCES SHOWN HEREON ARE BASED ON SURFACE MEASUREMENTS. TO CONVERT SURFACE DISTANCES TO GRID, MULTIPLY BY THE COMBINED SCALE FACTOR.
3. THE COMBINED SCALE FACTOR FOR THIS PROJECT IS 0.999885.
4. COORDINATES SHOWN HEREON ARE TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD83, GRID.

LEGEND

- 1/2" IRON ROD FOUND
- ⊗ 6" CEDAR FENCE CORNER POST FOUND
- △ CALCULATED POINT

O.P.R.W.C.TX. OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS

D.R.W.C.TX; DEED RECORDS WILLIAMSON COUNTY, TEXAS

() RECORD INFORMATION PER DOC. # 2010087926, OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS

[] ADJONER INFORMATION

PAGE 8 OF 8
FILE No. 1389

LAND DEV

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SURVEY SKETCH to Accompany Description:

71.805 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS

EXHIBIT A-4 – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION

Williamson County, Texas
John B. Berry Survey, Abstract No. 56

243.846 Acres
Page 1 of 14

FIELD NOTES DESCRIPTION

DESCRIPTION OF 243.846 ACRES OF LAND IN THE JOHN B. BERRY SURVEY, ABSTRACT NO. 56, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 366.4641 ACRE TRACT DESCRIBED IN THE WARRANTY DEED TO 366 TX 29, LTD. OF RECORD IN DOCUMENT NO. 2021021762, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND BEING A PORTION OF A CERTAIN CALLED 95.555 ACRE TRACT DESCRIBED IN THE SPECIAL WARRANTY DEED TO MERITAGE HOMES OF TEXAS, LLC OF RECORD IN DOCUMENT NO. 2021022160, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 366.4641 ACRE TRACT AND SAID 95.555 ACRE TRACT, BEING A PORTION OF A CERTAIN CALLED 546.33 ACRE TRACT OF LAND DESCRIBED IN THE ADMINISTRATOR'S SPECIAL WARRANTY DEED TO BUTLER FAMILY PARTNERSHIP, LTD. OF RECORD IN DOCUMENT NO. 2010087926, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 243.846 ACRES, ALSO BEING A PORTION OF A CERTAIN CALLED 366.455 ACRES DESCRIBED IN THE DEED OF TRUST RECORDED IN DOCUMENT NO. 2020023667, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 243.846 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, AND SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/8-inch iron rod with a plastic cap stamped "RPLS 5025" found in the northeast right-of-way line of State Highway 29, a variable-width right-of-way, in the southwest line of the said 546.33 acre tract, at the most southerly southwest corner of the said 366.455 acre tract and the said 366.4641 acre tract, same being the southeast corner of a certain called 80.00 acre tract described in the deed to 3AM Ventures, LLC of record in Document No. 2016028473, Official Public Records of Williamson County, Texas, for the most southerly southwest corner and **POINT OF BEGINNING** of the tract described herein;

THENCE leaving the northeast right-of-way line of said State Highway 29, crossing the said 546.33 acre tract, with the west line of the said 366.455 acre tract and the said 366.4641 acre tract, and with the east line of the said 80.00 acre tract, with the west line of the tract described herein, the following two (2) courses and distances:

1. N 17°41'29" E, a distance of 1,532.18 feet to a 1/8-inch iron rod with a plastic cap stamped "RPLS 5025" found at an angle point, and
2. N 24°12'24" W, a distance of 1,219.67 feet to a 1/8-inch iron rod with a plastic cap stamped "RPLS 5025" found in a north line of the said 546.33 acre tract, same being the south line of a certain called 16.92 acre tract described in the deed to Rachael Elizabeth Osterloh of record in Document No. 2019064469, Official Public Records of Williamson County, Texas, at a northwest corner of the said 366.455 acre tract, same being the northeast corner of the said 80.00 acre tract, for a northwest corner of the tract described herein;

THENCE N 69°42'54" E, with a north line of the said 546.33 acre tract, the said 366.455 acre tract, and the said 366.4641 acre tract, with the south line of the said 16.92 acre tract, with a north line of the tract described herein, a distance of 55.32 feet to a 1/8-inch iron rod found at the southeast corner of the said 16.92 acre tract, same being a southwest corner of a certain called 132.225 acre tract described in the General Warranty Deed to Butler Family Partnership, LTD. of record in Document No. 2021038920, Official Public Records of Williamson County, Texas, at an angle point in a north line of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, for an angle point in the north line of the tract described herein;

THENCE N 70°06'23" E, continuing with a north line of the said 546.33 acre tract, the said 366.455 acre tract, and the said 366.4641 acre tract, with a south line of the said 132.225 acre tract, with the north line of the tract described herein, a distance of 49.81 feet to a 1/8-inch iron rod with a plastic cap stamped "RPLS 5025" found at a southeast corner of the said 132.225 acre tract, same being a re-entrant corner of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, for a re-entrant corner of the tract described herein;

THENCE with a west and north line of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, with an east line and south line of the said 132.225 acre tract, with a west and north line of the tract described herein, the following three (3) courses and distances:

1. N 21°07'37" W, a distance of 701.44 feet to a 1/8-inch iron rod found at an angle point,
2. N 20°59'06" W, a distance of 60.63 feet to a 1/8-inch iron rod with a plastic cap stamped "RPLS 5025" found at a re-entrant corner of the said 132.225 acre tract, same being a northwest corner of the said 546.33 acre tract, the 366.455 acre tract and the 366.4641 acre tract, and
3. N 69°25'22" E, a distance of 357.99 feet to a calculated point for the northwest corner of a certain called 45.954 acre tract described in the Special Warranty Deed to JNC Development, Inc. of record in Document No. 2021022152, Official Public Records of Williamson County, Texas, for a northeast corner of the tract described herein, from which a 1/8-inch iron rod found at a re-entrant corner of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre

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tract, same being the most easterly southeast corner of the said 132.225 acre tract bears N 69°25'22" E, a distance of 987.23 feet;

THENCE leaving a south line of the said 132.225 acre tract, crossing the said 546.33 acre tract, the said 366.455 acre tract and the said 366.464 acre tract, with the west line of the said 45.954 acre tract, with an interior east line of the tract described herein, the following four (4) courses and distances:

1. S 20°21'04" E, a distance of 653.69 feet to a calculated point for an angle point,
2. S 28°17'28" E, a distance of 113.82 feet to a calculated point for an angle point,
3. S 34°41'44" E, a distance of 113.90 feet to a calculated point for an angle point, and
4. S 44°05'01" E, a distance of 257.32 feet to a calculated point for the westerly southwest corner of the said 45.954 acre tract, for an angle point of the tract described herein;

THENCE leaving the westerly southwest corner of the said 45.954 acre tract, continuing across the said 546.33 acre tract, the said 366.445 acre tract, and crossing the said 366.464 acre tract, with the interior east and north lines of the tract described herein, the following thirteen (13) courses and distances:

1. S 58°30'07" W, a distance of 53.27 feet to a calculated point for an angle point,
2. S 65°16'49" W, a distance of 30.40 feet to a calculated point for an angle point,
3. S 42°24'03" E, a distance of 128.79 feet to a calculated point for a point of non-tangent curvature,
4. With the arc of a curve to the right, having a radius of 15.00 feet, an arc distance of 11.70 feet, and a chord which bears N 72°08'28" W, a distance of 11.40 feet to a calculated point for a point of reverse curvature,
5. With the arc of a curve to the left, having a radius of 60.00 feet, an arc distance of 233.71 feet, and a chord which bears S 18°36'53" W, a distance of 111.58 feet to a calculated point for a point of non-tangency,
6. S 02°59'55" E, a distance of 24.88 feet to a calculated point for an angle point,
7. S 47°59'55" E, a distance of 180.27 feet to a calculated point for a point of non-tangent curvature,
8. With the arc of a curve to the right, having a radius of 509.00 feet, an arc distance of 228.88 feet, and a chord which bears N 40°08'40" E, a distance of 226.96 feet to a calculated point for a point of reverse curvature,
9. With the arc of a curve to the left, having a radius of 15.00 feet, an arc distance of 22.13 feet, and a chord which bears N 10°45'51" E, a distance of 20.18 feet to a calculated point for a point of non-tangency,
10. N 67°04'19" E, a distance of 70.79 feet to a calculated point for a point of non-tangent curvature,
11. With the arc of a curve to the left, having a radius of 15.00 feet, an arc distance of 22.10 feet, and a chord which bears S 73°42'15" E, a distance of 20.15 feet to a calculated point for a point of reverse curvature,
12. With the arc of a curve to the right, having a radius of 498.50 feet, an arc distance of 223.75 feet, and a chord which bears N 76°56'53" E, a distance of 221.88 feet to a calculated point for a point of tangency, and
13. N 89°48'24" E, a distance of 40.54 feet to a calculated point for the southerly southwest corner of the said 45.954 acre tract, for an angle point in the interior north line of the tract described herein;

THENCE continuing across the said 546.33 acre tract, the said 366.445 acre tract, and crossing the said 366.464 acre tract, with the south and east lines of the said 45.954 acre tract, with the interior north and west lines of the tract described herein, the following thirty (30) courses and distances:

1. N 89°48'24" E, a distance of 123.91 feet to a calculated point-of-curvature,
2. With the arc of a curve to the right, having a radius of 216.00 feet, an arc distance of 9.86 feet, and a chord which bears S 88°53'10" E, a distance of 9.85 feet to a calculated point-of-curvature,

3. S 78°12'05" E, a distance of 18.41 feet to a calculated angle point,
4. S 87°34'45" E, a distance of 224.16 feet to a calculated point-of-curvature,
5. With the arc of a curve to the left, having a radius of 187.00 feet, an arc distance of 11.47 feet, and a chord which bears S 89°20'10" E, a distance of 11.47 feet to a calculated point of compound-curvature,
6. With the arc of a curve to the left, having a radius of 435.00 feet, an arc distance of 653.70 feet, and a chord which bears N 45°51'22" E, a distance of 593.90 feet to a calculated point-of-tangency,
7. N 02°48'19" E, a distance of 428.64 feet to a calculated point-of-curvature,
8. With the arc of a curve to the left, having a radius of 13.50 feet, an arc distance of 21.21 feet, and a chord which bears N 42°11'41" W, a distance of 19.09 feet to a non-tangent end of curve,
9. N 01°05'14" E, a distance of 50.02 feet to a calculated point for an angle point,
10. N 86°52'35" W, a distance of 8.47 feet to a calculated point for an angle point,
11. N 02°48'19" E, a distance of 120.54 feet to a calculated point for an angle point,
12. N 87°11'41" W, a distance of 244.29 feet to a calculated point for an angle point,
13. N 89°43'56" W, a distance of 296.94 feet to a calculated point for an angle point,
14. N 25°47'59" E, a distance of 163.75 feet to a calculated point for an angle point,
15. N 23°10'10" E, a distance of 50.00 feet to a calculated point for a point of non-tangent curvature,
16. With the arc of a curve to the left, having a radius of 225.00 feet, an arc distance of 33.13 feet, and a chord which bears S 71°02'57" E, a distance of 33.10 feet to a calculated point for a point of non-tangency,
17. N 07°57'35" E, a distance of 73.38 feet to a calculated point for an angle point,
18. N 73°56'37" W, a distance of 136.98 feet to a calculated point for a point of non-tangent curvature,
19. With the arc of a curve to the left, having a radius of 495.00 feet, an arc distance of 47.93 feet, and a chord which bears N 13°16'58" E, a distance of 47.91 feet to a calculated point for a point of non-tangency,
20. N 79°29'28" W, a distance of 50.00 feet to a calculated point for a point of non-tangent curvature,
21. With the arc of a curve to the right, having a radius of 445.00 feet, an arc distance of 29.16 feet, and a chord which bears S 12°23'11" W, a distance of 29.16 feet to a calculated point for a point of non-tangency,
22. N 75°44'11" W, a distance of 122.93 feet to a calculated point for an angle point,
23. N 14°13'49" E, a distance of 40.50 feet to a calculated point for an angle point,
24. N 79°58'28" W, a distance of 123.05 feet to a calculated point for a point of non-tangent curvature,
25. With the arc of a curve to the left, having a radius of 205.00 feet, an arc distance of 23.50 feet, and a chord which bears N 06°44'31" E, a distance of 23.48 feet to a calculated point for a point of reverse curvature,
26. With the arc of a curve to the right, having a radius of 25.00 feet, an arc distance of 21.29 feet, and a chord which bears N 27°51'35" E, a distance of 20.66 feet to a calculated point for a point of reverse curvature,
27. With the arc of a curve to the left, having a radius of 60.00 feet, an arc distance of 300.96 feet, and a chord which bears S 88°33'52" W, a distance of 71.05 feet to a calculated point for a point of reverse curvature,
28. With the arc of a curve to the right, having a radius of 25.00 feet, an arc distance of 27.22 feet, and a chord which bears S 23°56'36" E, a distance of 25.89 feet to a calculated point for a point of compound curvature,

29. With the arc of a curve to the right, having a radius of 155.00 feet, an arc distance of 29.31 feet, and a chord which bears $S 12^{\circ}41'59'' W$, a distance of 29.47 feet to a calculated point for a point of non-tangency, and
30. $N 71^{\circ}50'45'' W$, a distance of 154.16 feet to a calculated point in a west line of the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, at a north corner of the said 45.954 acre tract, in an east line of the said 132.225 acre tract, for a west corner of the tract described herein, from which a $\frac{1}{2}$ -inch iron rod found at a re-entrant corner of the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, same being the most easterly southeast corner of the said 132.225 acre tract bears $S 04^{\circ}01'23'' E$, a distance of 17.40 feet;

THENCE with a west and a south line of the said 546.33 acre tract, the 366.455 acre tract, and the said 366.4641 acre tract, with an east line and a north line of the said 132.225 acre tract, with a west and a south line of the tract described herein, the following three (3) courses and distances:

1. $N 04^{\circ}01'23'' W$, a distance of 756.58 feet to a $\frac{1}{2}$ -inch iron rod found at the most easterly northeast corner of the said 132.225 acre tract, same being a re-entrant corner of the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, for a re-entrant corner of the tract described herein,
2. $S 69^{\circ}35'38'' W$, a distance of 388.52 feet to a fence corner post found at a re-entrant corner of the said 132.225 acre tract, same being a southwest corner of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, for a southwest corner of the tract described herein, and
3. $N 19^{\circ}44'26'' W$, a distance of 935.23 feet to a $\frac{1}{2}$ -inch iron rod with a plastic cap stamped "RPLS 5025" found in the south line of a certain called 250.00 acres described in the Warranty Deed to Billy Ray Browning, as Guardian of the Person and Estate of Stacy J. Browning of record in Document No. 2006073171, Official Public Records of Williamson County, Texas, at the northeast corner of the said 132.225 acre tract, at the most northerly northwest corner of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, for the most northerly northwest corner of the tract described herein, from which a steel pipe fence post found for reference bears $S 27^{\circ}20'15'' E$, a distance of 1.67 feet, and also from said found $\frac{1}{2}$ -inch iron rod with a plastic cap stamped "RPLS 5025", a cedar fence post found bears $N 37^{\circ}31'28'' W$, a distance of 1.54 feet;

THENCE with the most northerly north line of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, with the south line of the said 250.00 acre tract, with the most northerly north line of the tract described herein, the following four (4) courses and distances:

1. $N 69^{\circ}41'24'' E$, a distance of 955.16 feet to a $\frac{1}{2}$ -inch iron rod found at an angle point,
2. $N 69^{\circ}39'02'' E$, a distance of 380.59 feet to a $\frac{1}{2}$ -inch iron rod found at an angle point,
3. $N 67^{\circ}54'44'' E$, a distance of 681.58 feet to a $\frac{1}{2}$ -inch iron rod found at an angle point, and
4. $N 68^{\circ}42'17'' E$, a distance of 401.15 feet to a $\frac{1}{2}$ -inch iron rod found at the northeast corner of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, same being the northwest corner of a certain called 22.005 acres, designated as Tract 2, and conveyed in the Executor's Deed to Edena Bray Harris of record in Document No. 2018052583, Official Public Records of Williamson County, Texas, and described in Volume 817, Page 331, Deed Records of Williamson County, Texas, for the northeast corner of the tract described herein;

THENCE $S 20^{\circ}44'37'' E$, leaving the south line of the said 250.00 acre tract, with the east line of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, with the east line of a certain called 95.555 acre tract described in the Special Warranty Deed to Meritage Homes of Texas, LLC of record in Document No. 2021022160, Official Public Records of Williamson County, Texas, with the west lines of said Tract 2, and Tracts 3, 4 and 5, all conveyed in said Executor's Deed to Edena Bray Harris of record in Document No. 2018052583, Official Public Records of Williamson County, Texas, with an east line of the tract described herein, a distance of 2,754.24 feet to a calculated point for the most easterly southeast corner of the tract described herein, from which a fence corner post found in the west line of a certain called 94.57 acre tract, save and except 10.00 acres and 15.00 acres, conveyed in the deed to 1047 Liberty Hill Series, a Series of Leclow Investments LLC, of record in Document No. 2015075887, Official Public Records of Williamson County, Texas, and described in the deed to John D. Pope and wife, Ada L. Pope of record in Volume 816, Page 349, Deed Records of Williamson County, Texas, at the southeast corner of the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, same being the northeast corner of a certain called 100 acres described in the Special Warranty Deed to Leroy O. Hall and Thelma M Hall Revocable Living Trust of record in Document No. 9819014, Official Records of Williamson County, Texas, and the southeast corner of the said 93.555 acre tract, bears $S 20^{\circ}44'37'' E$, a distance of 1,863.26 feet;

THENCE, leaving the west line of said Tract 5, crossing the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, crossing the said 95.555 acre tract, with a south line of the tract described herein, the following sixteen (16) courses and distances:

1. S 69°15'22" W, a distance of 19.99 feet to a calculated point for an angle point,
2. N 83°52'40" W, a distance of 159.16 feet to a calculated point for a point of non-tangent curvature,
3. With the arc of a curve to the left, having a radius of 250.00 feet, an arc distance of 21.71 feet, and a chord which bears N 03°38'06" E, a distance of 21.70 feet to a calculated point for a point of non-tangency,
4. N 88°51'09" W, a distance of 172.93 feet to a calculated point for an angle point,
5. S 15°12'00" W, a distance of 40.46 feet to a calculated point for an angle point,
6. S 46°00'17" W, a distance of 46.66 feet to a calculated point for an angle point,
7. S 62°00'12" W, a distance of 58.96 feet to a calculated point for a point of non-tangent curvature,
8. With the arc of a curve to the left, having a radius of 975.00 feet, an arc distance of 18.11 feet, and a chord which bears S 24°41'35" E, a distance of 18.11 feet to a calculated point for a point of non-tangency,
9. S 64°46'30" W, a distance of 172.59 feet to a calculated point for an angle point,
10. N 27°53'54" W, a distance of 10.03 feet to a calculated point for an angle point,
11. S 62°06'06" W, a distance of 109.56 feet to a calculated point for an angle point,
12. S 73°46'54" W, a distance of 209.97 feet to a calculated point for an angle point,
13. N 87°42'35" W, a distance of 116.15 feet to a calculated point for an angle point,
14. N 88°54'12" W, a distance of 50.00 feet to a calculated point for an angle point,
15. S 01°05'48" W, a distance of 20.65 feet to a calculated point for an angle point, and
16. N 88°54'12" W, a distance of 156.01 feet to a calculated point in the west line of the said 95.555 acre tract, for an angle point of the tract described herein;

THENCE, continuing across the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, with the west line of the said 95.555 acre tract, with an east line of the tract described herein, the following two (2) courses and distances:

1. S 01°41'30" W, a distance of 4.73 feet to a calculated point for an angle point, and
2. S 14°12'32" E, a distance of 109.14 feet to a calculated point for an angle point in the west line of the said 95.555 acre tract, for an angle point in the east line of the tract described herein;

THENCE, continuing across the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, crossing the said 95.555 acre tract, with an east line of the tract described herein, the following two (2) courses and distances:

1. S 88°54'12" E, a distance of 7.25 feet to a calculated point for an angle point, and
2. S 01°05'48" W, a distance of 50.00 feet to a calculated point for a re-entrant corner of the said 95.555 acre tract, for a point-on-line in an east line of the tract described herein;

THENCE, continuing across the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, with the west line of the said 95.555 acre tract, with an east line of the tract described herein, the following five (5) courses and distances:

1. S 01°05'48" W, a distance of 175.39 feet to a calculated point for an angle point,
2. S 09°59'21" E, a distance of 74.87 feet to a calculated point for an angle point,

3. S 29°41'39" E, a distance of 214.69 feet to a calculated point for an angle point,
4. S 06°15'56" W, a distance of 521.64 feet to a calculated point for an angle point, and
5. S 16°17'55" E, a distance of 125.42 feet to a calculated point for an angle point in the west line of the said 95.555 acre tract, for an angle point in an east line of the tract described herein,

THENCE S 23°34'54" E, leaving the west line of the said 95.555 acre tract, continuing across the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, with an east line of the tract described herein, a distance of 50.06 feet to a calculated angle point in the west line of the said 95.555 acre tract, for an angle point in an east line of the tract described herein;

THENCE, continuing across the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, with the west line of the said 95.555 acre tract, with an east line of the tract described herein, the following nine (9) courses and distances:

1. S 20°57'17" E, a distance of 170.00 feet to a calculated point for an angle point,
2. S 69°04'37" W, a distance of 45.82 feet to a calculated point for an angle point,
3. N 81°07'58" W, a distance of 76.12 feet to a calculated point for an angle point,
4. N 74°03'02" W, a distance of 200.00 feet to a calculated point for an angle point,
5. S 15°56'58" W, a distance of 200.02 feet to a calculated point for an angle point,
6. S 17°24'12" E, a distance of 292.21 feet to a calculated point for an angle point,
7. S 20°57'17" E, a distance of 138.07 feet to a calculated point for an angle point,
8. S 19°23'17" E, a distance of 81.94 feet to a calculated point for an angle point, and
9. S 20°57'17" E, a distance of 173.51 feet to a calculated point in the southeast line of the said 366.455 acre tract and the said 366.4641 acre tract, in the northwest line of a certain called 45.00 acres described in the deed to Saraja, LLC of record in Document No. 2015108887, Official Public Records of Williamson County, Texas, for the southwest corner of the said 95.555 acre tract, for the most southerly southeast corner of the tract described herein, from which a fence corner post found at an angle point in the southeast line of the said 366.455 acre tract and the said 366.4641 acre tract, at an angle point in the south line of the said 95.555 acre tract, same being a re-entrant corner of the said 546.33 acre tract, at the northeast corner of the said 45.00 acre tract, same being the northwest corner of the said 100 acre tract bears N 52°40'32" E, a distance of 236.34 feet;

THENCE S 52°40'32" W, continuing across the said 546.33 acre tract, with the southeast line of the said 366.455 acre tract and the said 366.4641 acre tract, with the northwest line of the said 45.00 acre tract, with a southeast line of the tract described herein, a distance of 2,302.20 feet to a 1/2-inch iron rod found in the northeast right-of-way line of State Highway 29, in the southwest line of the said 546.33 acre tract, at the south corner of the said 366.455 acre tract and the said 366.4641 acre tract, same being the west corner of the said 45.00 acre tract, for the south corner of the tract described herein;

THENCE with the northeast right-of-way line of State Highway 29 and the southwest line of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, with the southwest line of the tract described herein, the following three (3) courses and distances:

1. with the arc of a curve to the left, having a radius of 1,005.40 feet, an arc distance of 209.91 feet, and a chord which bears N 58°44'40" W, a distance of 209.53 feet to a 1/2-inch iron rod with a plastic cap stamped "3DS" found at a point of compound curvature,
2. with the arc of a curve to the left, having a radius of 2,249.81 feet, an arc distance of 359.64 feet, and a chord which bears N 64°38'58" W, a distance of 359.26 feet to a 1/2-inch iron rod found at a point of non-tangency, and
3. N 64°25'22" W, a distance of 70.55 feet to the **POINT OF BEGINNING** and containing 243.846 acres of land, more or less.


BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS
KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS

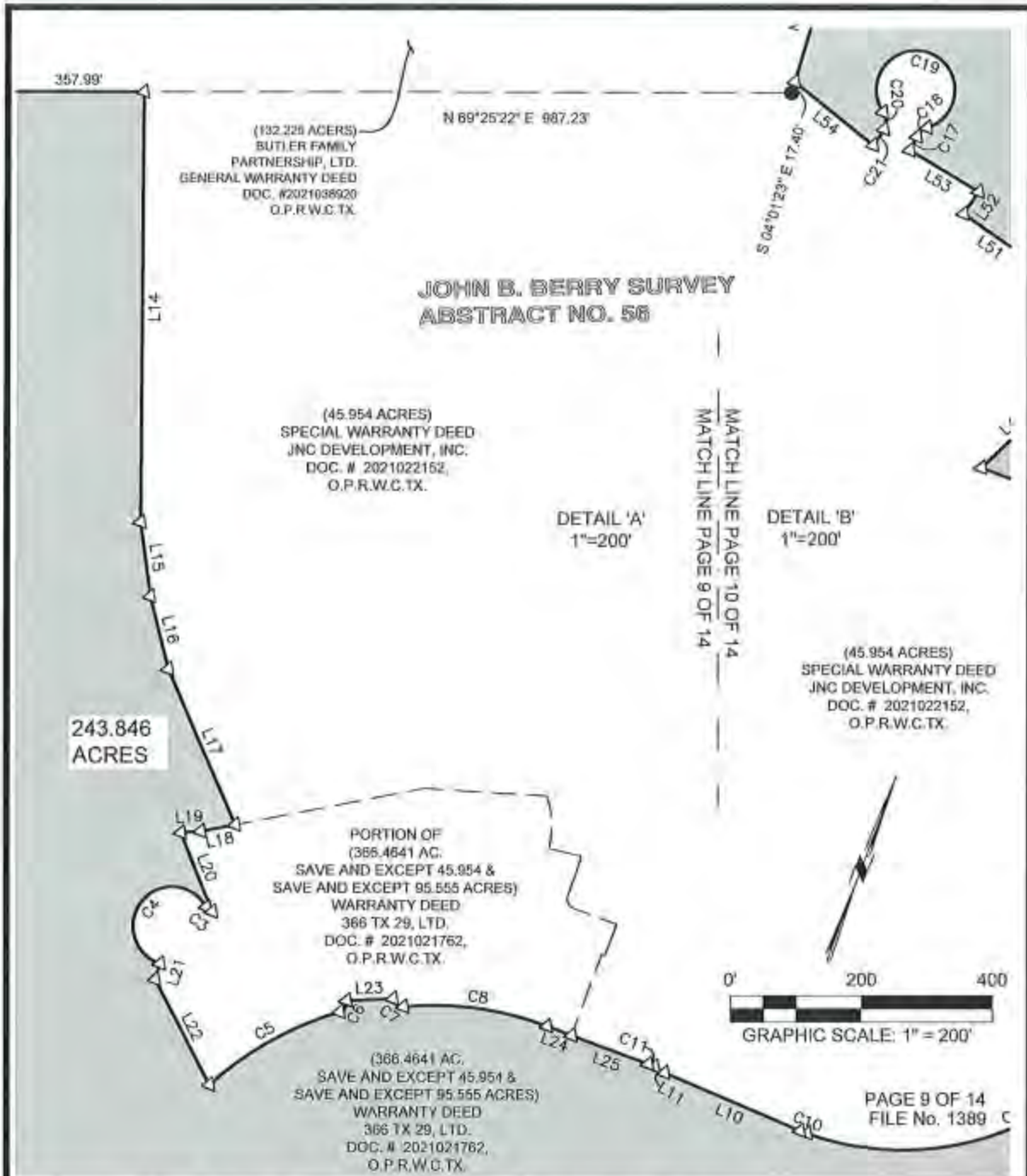
That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the months of August, 2019 through June, 2021.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 17th day of October 2021 A.D.

LANDDEV CONSULTING, LLC
5508 Highway 290 West, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 – State of Texas



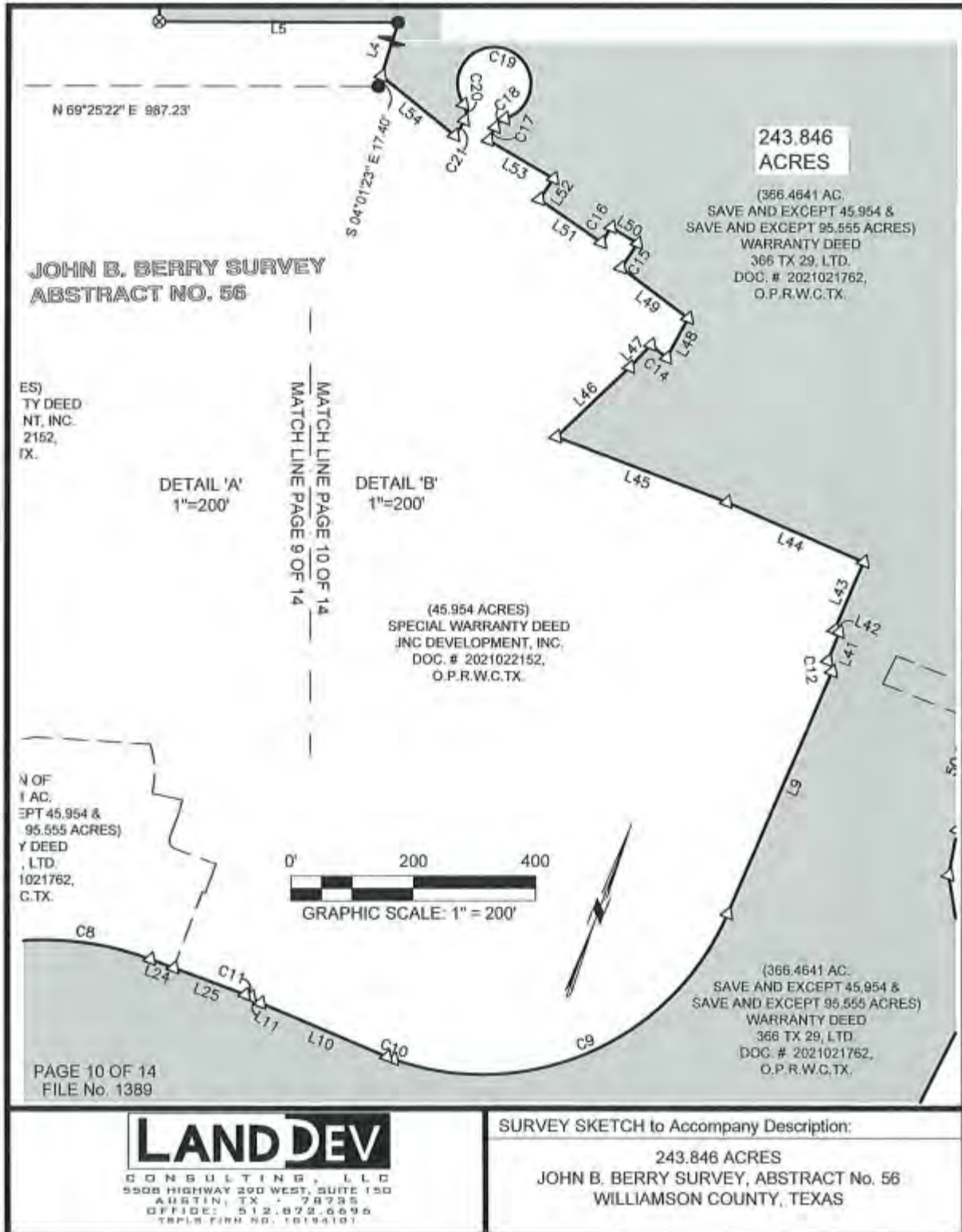


LAND DEV

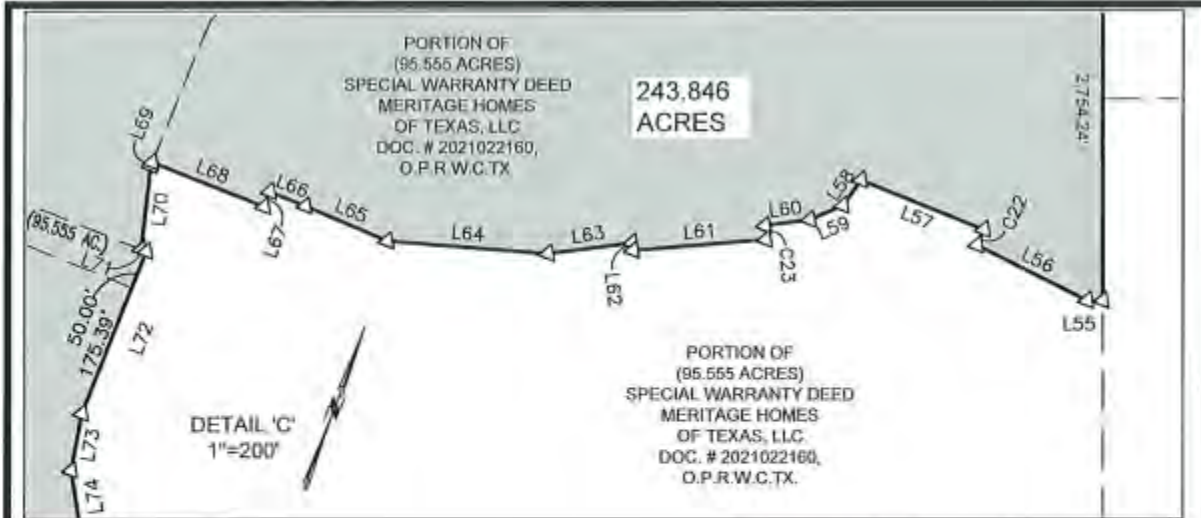
CONSULTING, LLC
5508 HIGHWAY 290 WEST, SUITE 150
AUSTIN, TX 78725
OFFICE: 512-872-6696
FAX: 512-872-6696

SURVEY SKETCH to Accompany Description:

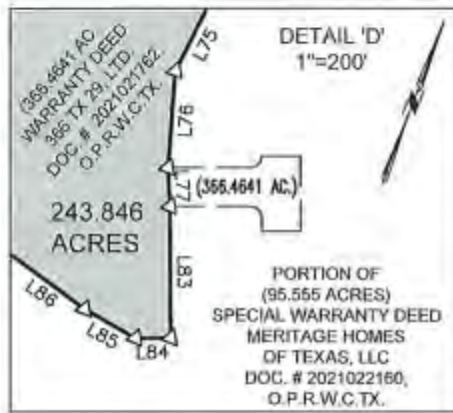
243.846 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS



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- LEGEND**
- 1/2" IRON ROD FOUND (OR AS NOTED)
 - TYPE 1 ■ TXDOT TYPE I CONCRETE RIGHT-OF-WAY MONUMENT FOUND
 - 5025 ● 1/2" IRON ROD WITH PLASTIC CAP STAMPED "RPLS 5025" FOUND
 - 3DS ● 1/2" IRON ROD WITH PLASTIC CAP STAMPED "3DS LAND SURVEYORS" FOUND
 - ⊗ FENCE CORNER POST FOUND
 - △ CALCULATED POINT
- O.P.R.W.C.TX. OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS
- O.R.W.C.TX. OFFICIAL RECORDS WILLIAMSON COUNTY, TEXAS
- () RECORD INFORMATION PER DOC. # 2010087926,
OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS
- [] RECORD INFORMATION PER DOC. # 2020023667,
OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS
- [] ADJOINER INFORMATION
- NTS NOT TO SCALE



PAGE 11 OF 14
FILE No. 1389

LAND DEV

CONSULTING, LLC
5508 HIGHWAY 290 WEST, SUITE 150
AUSTIN, TX 78735
OFFICE: 512.872.6596
TABLE FIRM NO. 12194301

SURVEY SKETCH to Accompany Description:

243,846 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS

*SCRIVENER'S
ERROR, SHOULD
BE (N 21°03'29" W)

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N 69°42'54" E (N 70°08'21" E)	55.32' (55.28')
L2	N 70°06'23" E (N 70°00'35" E) (N 69°38'20" E)	49.81' (50.01') (49.87')
L3	N 20°59'08" W (N 21°03'25" E)* (S 18°20'25" E) (N 20°58'40" E)	60.63' (60.23') (60.36') (60.67')
L4	N 04°01'23" W	756.58'
L5	S 69°35'38" W (S 88°41'23" W) (S 69°32'49" W) (N 71°09'55" E)	388.52' (387.37') (388.38') (388.65')
L6	N 69°39'02" E (N 59°49'10" E) (N 69°41'03" E) (S 71°17'02" W)	380.59' (380.64') (380.64') (380.51')
L7	N 67°54'44" E (N 67°52'35" E) (N 67°53'27" E) (S 69°31'14" W)	681.58' (681.43') (681.43') (681.39')
L8	N 68°42'17" E (N 68°44'19" E) (N 68°46'12" E) (S 70°24'38" W)	401.15' (401.30') (401.38') (401.27')
L9	N 02°48'19" E	428.64'
L10	S 87°34'45" E	224.16'
L11	S 78°12'05" E	18.41'
L12	---	---
L13	---	---
L14	S 20°21'04" E	653.89'
L15	S 28°17'28" E	113.82'
L16	S 34°41'44" E	113.90'
L17	S 44°05'01" E	257.32'
L18	S 58°30'07" W	53.27'
L19	S 65°16'48" W	30.40'
L20	S 42°24'03" E	128.79'
L21	S 02°59'55" E	24.89'
L22	S 47°59'55" E	180.27'
L23	N 67°04'19" E	70.79'
L24	N 89°48'24" E	40.54'
L25	N 89°48'24" E	123.91'

LINE TABLE		
LINE	BEARING	DISTANCE
L26	---	---
L27	---	---
L28	---	---
L29	---	---
L30	---	---
L31	---	---
L32	---	---
L33	---	---
L34	---	---
L35	---	---
L36	---	---
L37	---	---
L38	---	---
L39	---	---
L40	---	---
L41	N 01°05'14" E	50.02'
L42	N 86°52'35" W	8.47'
L43	N 02°48'18" E	120.54'
L44	N 07°11'41" W	244.20'
L45	N 89°43'50" W	296.94'
L46	N 25°47'59" E	163.75'
L47	N 23°10'10" E	50.60'
L48	N 07°57'35" E	73.38'
L49	N 73°58'37" W	136.98'
L50	N 79°29'28" W	50.00'
L51	N 75°44'11" W	122.93'
L52	N 14°15'48" E	40.50'
L53	N 79°59'28" W	123.05'
L54	N 71°50'45" W	154.16'
L55	S 69°15'22" W	19.99'
L56	N 83°52'40" W	159.16'
L57	N 88°51'09" W	172.93'
L58	S 15°12'00" W	40.46'
L59	S 46°00'17" W	46.86'
L60	S 62°00'12" W	58.96'

LINE TABLE		
LINE	BEARING	DISTANCE
L61	S 64°48'30" W	172.59'
L62	N 27°53'54" W	10.03'
L63	S 62°06'00" W	109.50'
L64	S 73°46'54" W	209.97'
L65	N 87°42'35" W	116.15'
L66	N 88°54'12" W	50.00'
L67	S 01°05'48" W	20.85'
L68	N 88°54'12" W	188.01'
L69	S 01°41'30" W	4.73'
L70	S 14°12'32" E	109.14'
L71	S 68°54'12" E	7.25'
L72	S 01°05'48" W	225.39'
L73	S 08°59'21" E	74.87'
L74	S 29°41'39" E	214.69'
L75	S 06°15'58" W	521.64'
L76	S 18°17'55" E	125.42'
L77	S 23°34'54" E	50.06'
L78	---	---
L79	---	---
L80	---	---
L81	---	---
L82	---	---
L83	S 20°57'17" E	170.00'
L84	S 69°04'37" W	45.82'
L85	N 81°07'59" W	76.12'
L86	N 74°03'02" W	200.00'
L87	S 15°58'58" W	200.02'
L88	S 17°24'12" E	282.21'
L89	S 20°57'17" E	138.07'
L90	S 19°23'17" E	81.94'
L91	S 20°57'17" E	173.51'
L92	N 21°07'37" W (N 21°08'55" W) (N 21°08'02" W) (S 19°32'00" E)	701.44' (701.38') (701.41') (701.39')
L93	N 64°25'22" W (N 64°26'50" W)	70.55' (70.53')

PAGE 12 OF 14
FILE No. 1389

LAND DEV

CONSULTING, L.L.C.
5508 HIGHWAY 890 WEST, SUITE 160
AUSTIN, TX 78750
OFFICE: 512.873.6996
FAX: 512.873.6997

SURVEY SKETCH to Accompany Description.

243.846 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS

CURVE TABLE					
CURVE	RADIUS	ARC LENGTH	DELTA	CHORD BEARING	CHORD LENGTH
C1	---	---	---	---	---
C2	---	---	---	---	---
C3	15.00'	11.70'	44°41'10"	N 72°08'28" W	11.40'
C4	60.00'	233.71'	223°10'29"	S 18°36'53" W	111.58'
C5	509.00'	228.88'	25°45'50"	N 40°08'40" E	226.96'
C6	15.00'	22.13'	84°31'28"	N 10°45'51" E	20.18'
C7	15.00'	22.10'	84°24'44"	S 73°42'15" E	20.15'
C8	498.50'	223.75'	25°43'01"	N 76°56'53" E	221.88'
C9	435.00'	653.70'	86°06'06"	N 45°51'22" E	593.90'
C10	187.00'	11.47'	3°30'50"	S 89°20'10" E	11.47'
C11	216.00'	9.88'	2°36'51"	S 88°53'10" E	9.85'
C12	13.50'	21.21'	90°00'00"	N 42°11'41" W	19.09'
C13	---	---	---	---	---
C14	225.00'	33.13'	8°26'13"	S 71°02'57" E	33.10'
C15	495.00'	47.93'	5°32'51"	N 13°16'58" E	47.91'
C16	445.00'	29.16'	3°45'17"	S 12°23'11" W	29.16'
C17	205.00'	23.50'	6°34'02"	N 08°44'31" E	23.48'
C18	25.00'	21.29'	48°48'09"	N 27°51'35" E	20.86'
C19	60.00'	300.96'	287°23'34"	S 88°33'52" W	71.05'
C20	25.00'	27.22'	62°22'38"	S 23°56'36" E	25.89'
C21	155.00'	29.51'	10°54'32"	S 12°41'58" W	29.47'
C22	250.00'	21.71'	04°58'29"	N 03°38'08" E	21.70'
C23	975.00'	18.11'	1°03'51"	S 24°41'35" E	18.11'
C24	---	---	---	---	---
C25	---	---	---	---	---
C26	1095.40' (1095.40)	209.91' (209.63)	11°57'45"	N 58°44'40" W (N 58°45'44" W)	209.53' (209.25)
C27	2249.81' (2249.81) (2249.81)	359.64' (359.79) (359.60)	9°09'33"	N 64°38'58" W (N 64°38'43" W) (N 64°33'37" W)	359.26' (359.41) (359.61)

PAGE 13 OF 14
FILE No. 1389

LAND DEV

CONSULTING, LLC
5508 HIGHWAY 290 WEST, SUITE 150
AUSTIN, TX 78735
OFFICE: 512-873-6656
TABLE FISH ID: 13195191

SURVEY SKETCH to Accompany Description:

243.846 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS

1

CALLED 16.92 ACRES
(TRACT 1)
RACHAEL ELIZABETH OSTERLOH
SPECIAL WARRANTY DEED
DOC. # 2019064489
O.P.R.W.C.TX.

2

TRACT 2:
CALLED 22.005 ACRES
EDENA BRAY HARRIS
EXECUTOR'S DEED
DOC. # 2018052583,
O.P.R.W.C.TX.
REFERENCED
DOC # 2015031716
AND DESCRIBED IN
817, PG. 331, D.R.W.C.TX.

3

TRACT 1:
CALLED 22.005 ACRES
EDENA BRAY HARRIS
EXECUTOR'S DEED
DOC. # 2018052583, O.P.R.W.C.TX.
REFERENCED DOC # 2015031716
AND DESCRIBED IN
817, PG. 289, D.R.W.C.TX.

4

TRACT 5:
CALLED 11.544 ACRES
EDENA BRAY HARRIS
EXECUTOR'S DEED
DOC. # 2018052583, O.P.R.W.C.TX.
AND DESCRIBED IN
VOL. 1456, PG. 72, O.R.W.C.TX.

5

TRACT 4:
CALLED 20.00 ACRES
EDENA BRAY HARRIS
EXECUTOR'S DEED
DOC. # 2018052583
O.P.R.W.C.TX.
REFERENCED VOL. 2272, PG. 749
AND DESCRIBED IN
817, PG. 319, D.R.W.C.TX.

6

TRACT 3:
CALLED 20.00 ACRES
EDENA BRAY HARRIS
EXECUTOR'S DEED
DOC. # 2018052583
O.P.R.W.C.TX.
REFERENCED VOL. 2272, PG. 747
AND DESCRIBED IN
817, PG. 284, D.R.W.C.TX.

7

CALLLED 94.57 ACRES
SAVE & EXCEPT 10.00 ACRES AND 15.00 ACRES
1047 LIBERTY HILL SERIES, A SERIES
OF LECHOW INVESTMENTS LLC
SPECIAL WARRANTY GIFT DEED
DOC. # 2015075887, O.P.R.W.C.TX.
DESCRIBED IN
VOL. 818, PG. 348, D.R.W.C.TX.

NOTES:

1. BEARING BASIS IS TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD83, GRID.
2. DISTANCES SHOWN HEREON ARE BASED ON SURFACE MEASUREMENTS, TO CONVERT SURFACE DISTANCES TO GRID, MULTIPLY BY THE COMBINED SCALE FACTOR.
3. THE COMBINED SCALE FACTOR FOR THIS PROJECT IS 0.999846.
4. COORDINATES SHOWN HEREON ARE TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD83, GRID.

PAGE 14 OF 14
FILE No. 1389

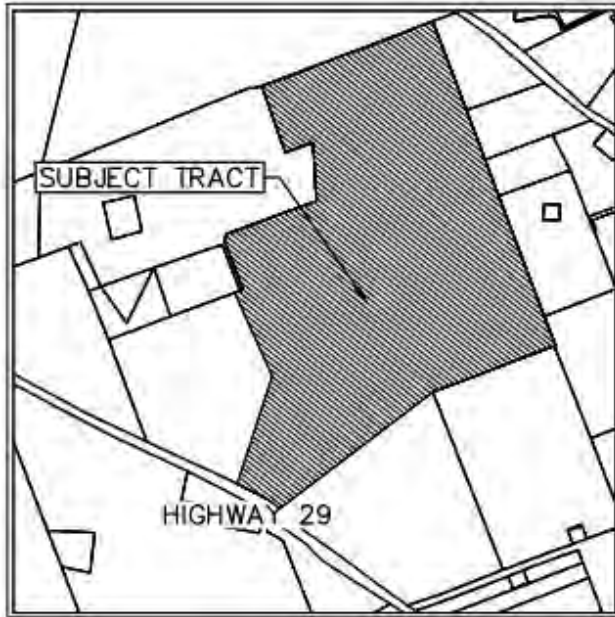
LAND DEV

CONSULTING, LLC
6508 HIGHWAY 290 WEST, SUITE 100
AUSTIN, TX - 78725
OFFICE: 512.872.8696
FAX: 512.872.8696

SURVEY SKETCH to Accompany Description:

243.846 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 58
WILLIAMSON COUNTY, TEXAS

EXHIBIT B-1 – DISTRICT BOUNDARY MAP



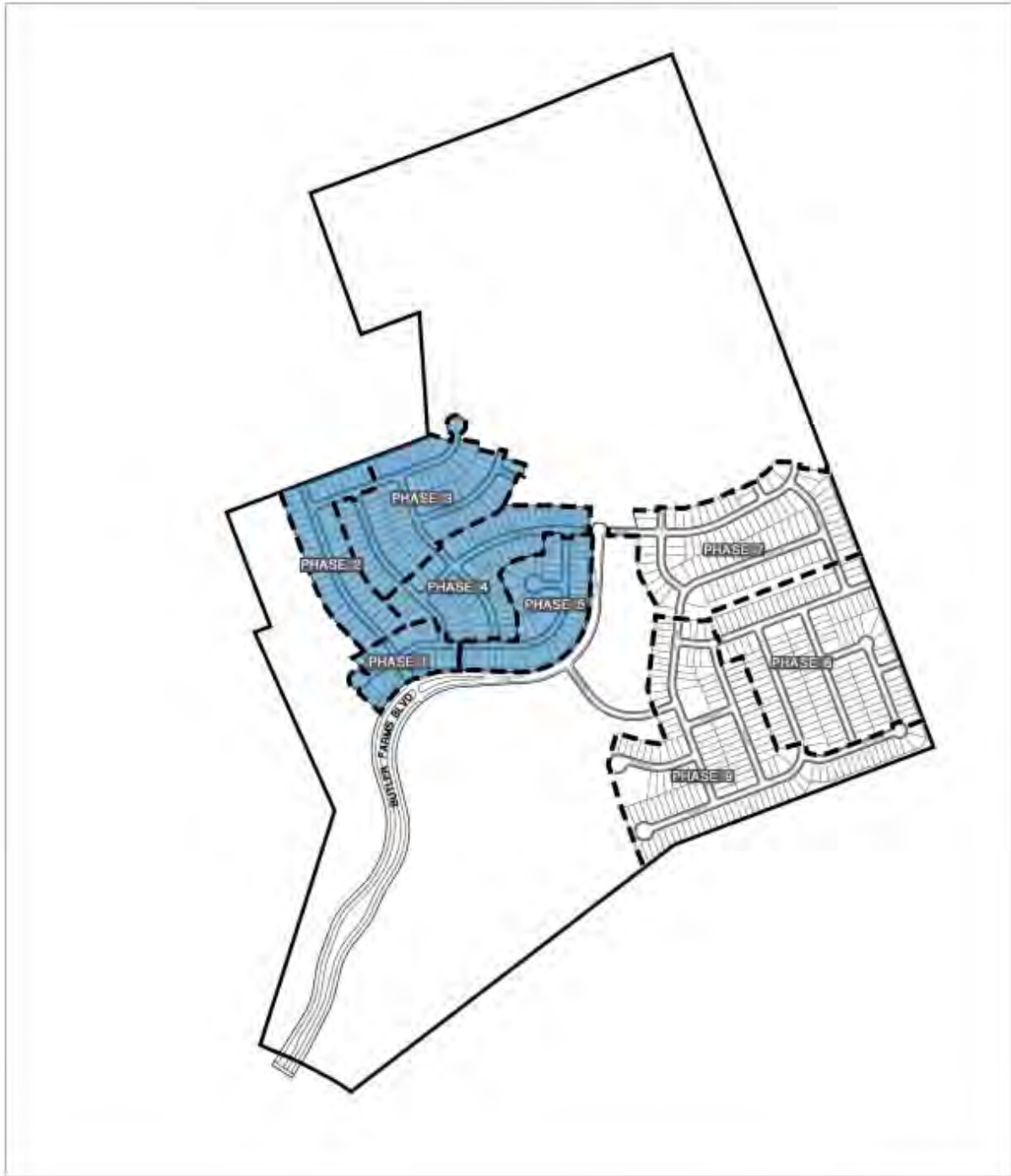
VICINITY MAP
1" = 2,000'



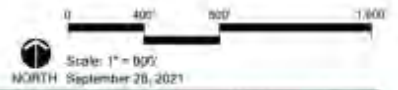
TBPE NO: 16324 - TBPLS NO: 10194101
5508 HIGHWAY 290 WEST, SUITE 130
AUSTIN, TX 78735 512.872.6696
LDCTEAMS.COM

**BUTLER FARMS
LOCATION MAP**

EXHIBIT B-2 – IMPROVEMENT AREA #1 BOUNDARY MAP



IMPROVEMENT AREA #1
BUTLER FARMS
LIBERTY HILL, TEXAS



DATE PLOTTED: 09/28/2021 10:45:00 AM
While tracing copyright has been avoided whenever possible, all copyright should be considered as preliminary in lieu of notification and subject to change. This map plan is prepared to inform and does not represent any required or approved plan. Plan is subject to change.

EXHIBIT B-3 – IMPROVEMENT AREA #2 BOUNDARY MAP



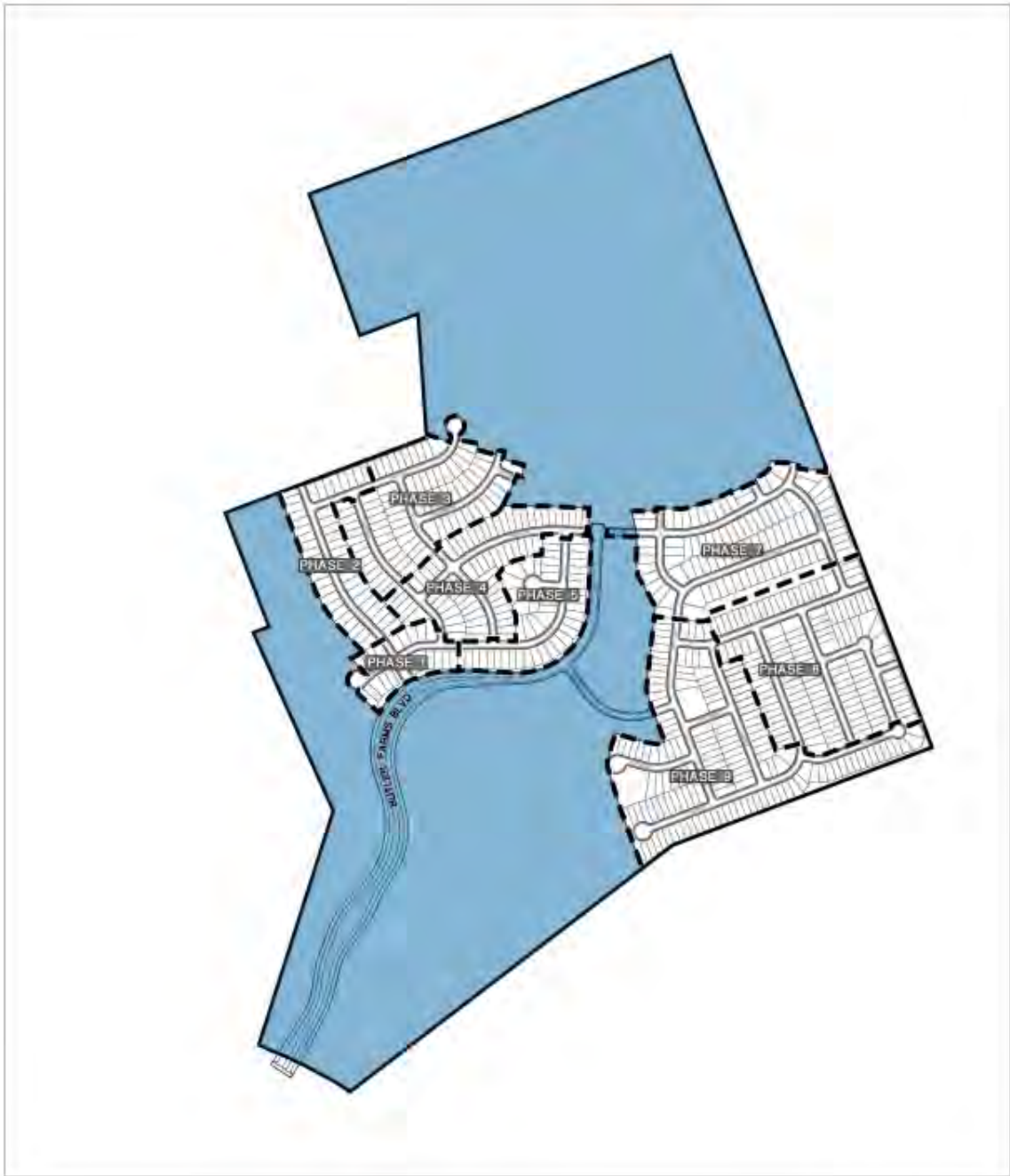
SEC Planning, LLC
Land Planning • Landmark Architecture • Community Services
11111 W. 10th St.
Suite 100
Dallas, TX 75244

IMPROVEMENT AREA #1
PHASES 7, 8 AND 9
BUTLER FARMS
LIBERTY HILL, TEXAS



BASE MAPS/PLANS PROVIDED HAVE BEEN AVAILABLE TO THE PUBLIC. ALL DATA SHOULD BE CONSIDERED AS PRELIMINARY IN NEEDED VERIFICATION AND SUBJECT TO CHANGE. THIS PLAN IS CONCEPTUAL IN NATURE AND DOES NOT REPRESENT ANY REGULATORY APPROVAL. THIS IS SUBJECT TO CHANGE.

EXHIBIT B-4 – MAJOR IMPROVEMENT AREA BOUNDARY MAP



SEC Planning, LLC
Land Planning • Landmark Architecture • Community Planning
10000 North Loop West, Suite 1000
Houston, Texas 77037
713.861.1111
www.secplanning.com

MAJOR IMPROVEMENT AREAS
BUTLER FARMS
LIBERTY HILL TEXAS

0 400 800 1,200
Scale: 1" = 800'
NORTH September 20, 2021

SEC Planning, LLC and its consultants warrant that the information contained herein was prepared in accordance with the standards of professional practice and that the information is true and correct to the best of our knowledge and belief as of the date of preparation. SEC Planning, LLC and its consultants do not warrant, represent or make any guarantee, expressed or implied, as to the accuracy, completeness or reliability of the information. The user of this information is advised that the user should consult with a qualified professional to determine the applicability of this information to their specific needs and circumstances. SEC Planning, LLC and its consultants shall not be held liable for any damages, including consequential damages, arising from the use of this information. This information is provided for informational purposes only and does not constitute an offer of any financial product or service. SEC Planning, LLC and its consultants are not licensed financial advisors.

EXHIBIT C – AUTHORIZED IMPROVEMENTS

	Total Costs ¹	Oversizing Benefitting Parcels outside of PID		City Cost Participation		Improvement Area #1		Improvement Area #2		Major Improvement Area	
		% ²	Cost	% ²	Cost	% ²	Cost	% ²	Cost	% ²	Cost
Major Improvements											
<u>Onsite</u>											
Street ³	\$ 2,522,252	0.00%	\$ -	0.00%	\$ -	22.83%	\$ 575,895	30.54%	\$ 770,208	46.63%	\$ 1,176,149
Wastewater	340,966	0.00%	-	0.00%	-	22.83%	77,851	30.54%	104,119	46.63%	158,995
Drainage	1,724,197	0.00%	-	0.00%	-	22.83%	393,679	30.54%	526,510	46.63%	804,008
Water	656,784	0.00%	-	0.00%	-	22.83%	149,961	30.54%	200,559	46.63%	306,264
Water Quality and Detention Ponds	1,462,015	0.00%	-	0.00%	-	22.83%	333,816	30.54%	446,449	46.63%	681,751
Highway 29 Improvements	1,639,710	0.00%	-	54.23%	889,135	10.45%	171,376	13.98%	229,199	21.35%	350,000
	\$ 8,345,924		\$ -		\$ 889,135		1,702,578		2,277,044		\$ 3,477,167
<u>Offsite</u>											
Street ³	\$ 1,609,030	0.00%	\$ -	0.00%	\$ -	22.83%	\$ 367,383	30.54%	\$ 491,342	46.63%	\$ 750,305
Wastewater	4,069,369	0.00%	-	0.00%	-	22.83%	929,142	30.54%	1,242,644	46.63%	1,897,583
Water ⁴	5,587,676	39.78%	2,222,590	0.00%	-	13.75%	768,336	18.39%	1,027,580	28.08%	1,569,170
	\$ 11,266,075		\$ 2,222,590		\$ -		2,064,862		2,761,566		\$ 4,217,058
<u>District Formation Expenses</u>	\$ 375,000	0.00%	-	0.00%	-	22.83%	85,622	30.54%	114,512	46.63%	174,866
Total Major Improvements	\$ 19,986,999		\$ 2,222,590		\$ 889,135		\$ 3,853,062		\$ 5,153,122		\$ 7,869,090
Improvement Area #1 Improvements											
Street ³	\$ 3,639,716	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 3,639,716	0.00%	\$ -	0.00%	\$ -
Wastewater	1,364,905	0.00%	-	0.00%	-	100.00%	1,364,905	0.00%	-	0.00%	-
Drainage	1,932,886	0.00%	-	0.00%	-	100.00%	1,932,886	0.00%	-	0.00%	-
Water	1,396,779	0.00%	-	0.00%	-	100.00%	1,396,779	0.00%	-	0.00%	-
	\$ 8,334,286		\$ -		\$ -		8,334,286		-		\$ -
Improvement Area #2 Improvements											
Street ³	\$ 4,160,708	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 4,160,708	0.00%	\$ -
Wastewater	1,620,599	0.00%	-	0.00%	-	0.00%	-	100.00%	1,620,599	0.00%	-
Drainage	3,134,253	0.00%	-	0.00%	-	0.00%	-	100.00%	3,134,253	0.00%	-
Water	1,644,466	0.00%	-	0.00%	-	0.00%	-	100.00%	1,644,466	0.00%	-
Water Quality and Detention Ponds	161,048	0.00%	-	0.00%	-	0.00%	-	100.00%	161,048	0.00%	-
	\$ 10,721,074		\$ -		\$ -		\$ -		\$ 10,721,074		\$ -
First Year Annual Collection Costs and Bond Issuance Costs											
Debt Service Reserve Fund	\$ 2,070,265		\$ -		\$ -		\$ 640,264		\$ 856,296		\$ 573,705
Capitalized Interest	872,200		-		-		263,540		352,460		256,200
Underwriter Discount	678,000		-		-		211,773		283,227		183,000
Underwriter's Counsel Fee	339,000		-		-		105,886		141,614		91,500
Cost of Issuance	2,034,000		-		-		635,319		849,681		549,000
First Year Annual Collection Costs	60,000		-		-		12,835		17,165		30,000
	\$ 6,053,465		\$ -		\$ -		\$ 1,869,617		\$ 2,500,443		\$ 1,683,405
Total	\$ 45,095,824		\$ 2,222,590		\$ 889,135		\$ 14,056,965		\$ 18,374,639		\$ 9,552,495

Note: Totals may not sum due to rounding.

¹ Cost per the Engineer's Report prepared by LandDev Consulting dated November 2, 2021.

² Calculated pro rata based on Estimated Buildout Value. See **Exhibit J** for details.

³ Includes erosion control, excavation and embankment, and sleeving costs

⁴ The Owner elected to upsize the offsite water improvements, and the cost of the upsizing is not PID eligible.

EXHIBIT D – SERVICE PLAN

Improvement Area #1						
Annual Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
<i>Improvement Area #1-2 Bonds</i>						
Principal		\$ -	\$ 177,119	\$ 184,820	\$ 192,949	\$ 201,077
Interest		263,540	423,546	416,461	409,068	401,350
Capitalized Interest		(263,540)	-	-	-	-
	(1)	\$ -	\$ 600,665	\$ 601,281	\$ 602,017	\$ 602,428
Annual Collection Costs	(2)	\$ -	\$ 13,091	\$ 13,353	\$ 13,620	\$ 13,893
Additional Interest Reserve	(3)	\$ -	\$ 52,943	\$ 52,058	\$ 51,134	\$ 50,169
Total Annual Installments	(4) = (1) + (2) + (3)	\$ -	\$ 666,700	\$ 666,692	\$ 666,771	\$ 666,489

Improvement Area #2						
Annual Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
<i>Improvement Area #1-2 Bonds</i>						
Principal		\$ -	\$ 236,881	\$ 247,180	\$ 258,051	\$ 268,923
Interest		352,460	566,454	556,979	547,092	536,770
Capitalized Interest		(352,460)	-	-	-	-
	(1)	\$ -	\$ 803,335	\$ 804,159	\$ 805,143	\$ 805,692
Annual Collection Costs	(2)	\$ -	\$ 17,509	\$ 17,859	\$ 18,216	\$ 18,580
Additional Interest Reserve	(3)	\$ -	\$ 70,807	\$ 69,622	\$ 68,386	\$ 67,096
Total Annual Installments	(4) = (1) + (2) + (3)	\$ -	\$ 891,650	\$ 891,640	\$ 891,746	\$ 891,369

Major Improvement Area						
Annual Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
<i>Major Improvement Area Bonds</i>						
Principal		\$ -	\$ 147,000	\$ 154,000	\$ 161,000	\$ 168,000
Interest		256,200	411,750	405,135	398,205	390,960
Capitalized Interest		(256,200)	-	-	-	-
	(1)	\$ -	\$ 558,750	\$ 559,135	\$ 559,205	\$ 558,960
Annual Collection Costs	(2)	\$ -	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473
Additional Interest Reserve	(3)	\$ -	\$ 45,750	\$ 45,015	\$ 44,245	\$ 43,440
Total Annual Installments	(4) = (1) + (2) + (3)	\$ -	\$ 635,100	\$ 635,362	\$ 635,286	\$ 634,873

EXHIBIT E – SOURCES AND USES

	City Cost Participation	Developer Oversizing Contribution	Improvement Area #1	Improvement Area #2	Major Improvement Area	Total
Sources of Funds						
Improvement Area #1-2 Bond	\$ -	\$ -	\$ 10,588,645	\$ 14,161,355	\$ -	\$ 24,750,000
Major Improvement Area Bond	-	-	-	-	9,150,000	9,150,000
City Cost Participation	889,135	-	-	-	-	889,135
Saratoga Completion Agreement	-	-	2,742,929	-	-	2,742,929
Meritage Completion Agreement	-	-	-	3,949,707	-	3,949,707
Developer Oversizing Contribution ¹	-	2,222,590	-	-	-	2,222,590
Developer Contribution ¹	-	-	725,391	263,577	402,495	1,391,463
Total Sources	\$ 889,135	\$ 2,222,590	\$ 14,056,965	\$ 18,374,639	\$ 9,552,495	\$ 45,095,824

TABLE CONTINUED ON FOLLOWING PAGE

PRELIMINARY AND SUBJECT TO CHANGE

	City Cost Participation	Developer Oversizing Contribution	Improvement Area #1	Improvement Area #2	Major Improvement Area	Total
Uses of Funds						
Improvements Funded by Improvement Area #1-2 Bonds						
Improvement Area #1 Improvement Account						
<i>Improvement Area #1 Major Improvement Subaccount</i>	\$ -	\$ -	\$ 3,655,982	\$ -	\$ -	\$ 3,655,982
<i>Improvement Area #1 Internal Improvement Subaccount</i>	-	-	5,063,046	-	-	5,063,046
	\$ -	\$ -	\$ 8,719,028	\$ -	\$ -	\$ 8,719,028
Improvement Area #2 Improvement Account						
<i>Improvement Area #2 Major Improvement Subaccount</i>	\$ -	\$ -	\$ -	\$ 4,889,545	\$ -	\$ 4,889,545
<i>Improvement Area #2 Internal Improvement Subaccount</i>	-	-	-	6,771,367	-	6,771,367
	\$ -	\$ -	\$ -	\$ 11,660,912	\$ -	\$ 11,660,912
Improvements Funded by Major Improvement Area Bonds						
Major Improvement Area Improvement Account	\$ -	\$ -	\$ -	\$ -	\$ 7,466,595	\$ 7,466,595
	\$ -	\$ -	\$ -	\$ -	\$ 7,466,595	\$ 7,466,595
Improvements Funded by Builder Completion Agreements						
Saratoga Completion Agreement	\$ -	\$ -	\$ 2,742,929	\$ -	\$ -	\$ 2,742,929
Meritage Completion Agreement	-	-	-	3,949,707	-	3,949,707
	\$ -	\$ -	\$ 2,742,929	\$ 3,949,707	\$ -	\$ 6,692,636
Improvements Previously Funded by Developer						
Phase 1 Improvements Previously Constructed by Developer ^{1,2}	\$ -	\$ -	\$ 528,311	\$ -	\$ -	\$ 528,311
Major Improvements Previously Constructed by Developer ^{1,3}	\$ -	\$ -	\$ 197,080	\$ 263,577	\$ 402,495	\$ 863,152
	\$ -	\$ -	\$ 725,391	\$ 263,577	\$ 402,495	\$ 1,391,463
Improvements Funded by Developer Oversizing Contribution						
Offsite Water	\$ -	\$ 2,222,590	\$ -	\$ -	\$ -	\$ 2,222,590
	\$ -	\$ 2,222,590	\$ -	\$ -	\$ -	\$ 2,222,590
Improvements Funded by City Cost Participation						
Highway 29 Improvements	\$ 889,135	\$ -	\$ -	\$ -	\$ -	\$ 889,135
	\$ 889,135	\$ -	\$ -	\$ -	\$ -	\$ 889,135
District Formation Expenses and Bond Issuance Costs						
<i>Debt Service Reserve Fund</i>	\$ -	\$ -	\$ 640,264	\$ 856,296	\$ 573,705	\$ 2,070,265
<i>Capitized Interest</i>	-	-	263,540	352,460	256,200	872,200
<i>Underwriter Discount</i>	-	-	211,773	283,227	183,000	678,000
<i>Underwriter's Counsel Fee</i>	-	-	105,886	141,614	91,500	339,000
<i>Cost of Issuance</i>	-	-	635,319	849,681	549,000	2,034,000
<i>First Year Annual Collection Costs</i>	-	-	12,835	17,165	30,000	60,000
	\$ -	\$ -	\$ 1,869,617	\$ 2,500,443	\$ 1,683,405	\$ 6,053,465
Total Uses	\$ 889,135	\$ 2,222,590	\$ 14,056,965	\$ 18,374,639	\$ 9,552,495	\$ 45,095,824

PRELIMINARY AND SUBJECT TO CHANGE

Footnotes:

- 1) Non-reimbursable to Owner.
- 2) Phase 1 and Phases 2-5 all fund 60.75% of internal Improvement Area #1 Costs within each respective phase.
- 3) Improvement Area #1, Improvement Area #2, and Major Improvement Area all fund 94.89% of Major Improvements allocated to each respective improvement area.

EXHIBIT F – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Parcel ID	Lot Type	Improvement Area #1	
		Outstanding Assessment	Installment Due 1/31/2022
R021816	Improvement Area #1 Initial Parcel	\$ 8,794,128	\$ -
R613519	Improvement Area #1 Initial Parcel	\$ 1,794,517	\$ -
Total		\$ 10,588,645	\$ -

PRELIMINARY AND SUBJECT TO CHANGE

Note: Until a plat is recorded, Improvement Area #1 Assessments shall be billed to each Parcel within Improvement Area #1 based on the Williamson Central Appraisal District acreage for billing purposes only.

EXHIBIT G – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 263,539.61	\$ -	\$ -	\$ (263,539.61)	\$ -
2023	177,119.15	423,545.80	13,091.42	52,943.23	-	666,699.60
2024	184,819.99	416,461.04	13,353.24	52,057.63	-	666,691.89
2025	192,948.64	409,068.24	13,620.31	51,133.53	-	666,770.72
2026	201,077.30	401,350.29	13,892.72	50,168.79	-	666,489.09
2027	210,061.60	393,307.20	14,170.57	49,163.40	-	666,702.77
2028	219,045.91	384,904.73	14,453.98	48,113.09	-	666,517.72
2029	228,885.86	376,142.90	14,743.06	47,017.86	-	666,789.68
2030	238,725.82	366,987.46	15,037.92	45,873.43	-	666,624.63
2031	248,993.59	357,438.43	15,338.68	44,679.80	-	666,450.51
2032	260,117.02	347,478.69	15,645.45	43,434.84	-	666,675.99
2033	271,668.27	337,074.01	15,958.36	42,134.25	-	666,834.89
2034	283,219.52	326,207.28	16,277.53	40,775.91	-	666,480.23
2035	295,626.41	314,878.49	16,603.08	39,359.81	-	666,467.80
2036	308,888.96	303,053.44	16,935.14	37,881.68	-	666,759.22
2037	322,579.33	290,697.88	17,273.84	36,337.23	-	666,888.29
2038	336,697.52	277,794.71	17,619.32	34,724.34	-	666,835.89
2039	351,243.54	264,326.81	17,971.71	33,040.85	-	666,582.90
2040	366,645.20	250,277.06	18,331.14	31,284.63	-	666,538.04
2041	382,902.52	235,611.26	18,697.77	29,451.41	-	666,662.95
2042	399,587.66	220,295.16	19,071.72	27,536.89	-	666,491.43
2043	417,556.26	204,311.65	19,453.16	25,538.96	-	666,860.03
2044	435,952.70	187,609.40	19,842.22	23,451.17	-	666,855.49
2045	454,776.96	170,171.29	20,239.06	21,271.41	-	666,458.72
2046	474,884.69	151,980.21	20,643.84	18,997.53	-	666,506.27
2047	495,848.06	132,984.83	21,056.72	16,623.10	-	666,512.71
2048	518,094.91	113,150.90	21,477.86	14,143.86	-	666,867.54
2049	540,769.59	92,427.11	21,907.41	11,553.39	-	666,657.50
2050	564,727.74	70,796.32	22,345.56	8,849.54	-	666,719.16
2051	589,541.53	48,207.21	22,792.47	6,025.90	-	666,567.12
2052	615,638.80	24,625.55	23,248.32	3,078.19	-	666,590.86
Total	\$ 10,588,645.04	\$ 8,156,704.94	\$ 531,093.59	\$ 986,645.67	\$ (263,539.61)	\$ 19,999,549.62

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H – IMPROVEMENT AREA #2 ASSESSMENT ROLL

Parcel ID	Lot Type	Improvement Area #2	
		Outstanding Assessment	Installment Due 1/31/2022
R613518	Improvement Area #2 Initial Parcel	\$ 14,161,355	\$ -
Total		\$ 14,161,355	\$ -

Note: Until a plat is recorded, Improvement Area #2 Assessments shall be billed to each Parcel within Improvement Area #2 based on each Parcel's acreage within Improvement Area #2 for billing purposes only.

EXHIBIT I – IMPROVEMENT AREA #2 ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 352,460.39	\$ -	\$ -	\$ (352,460.39)	\$ -
2023	236,880.85	566,454.20	17,508.58	70,806.77	-	891,650.40
2024	247,180.01	556,978.96	17,858.76	69,622.37	-	891,640.11
2025	258,051.36	547,091.76	18,215.93	68,386.47	-	891,745.52
2026	268,922.70	536,769.71	18,580.25	67,096.21	-	891,368.87
2027	280,938.40	526,012.80	18,951.85	65,751.60	-	891,654.65
2028	292,954.09	514,775.27	19,330.89	64,346.91	-	891,407.16
2029	306,114.14	503,057.10	19,717.51	62,882.14	-	891,770.89
2030	319,274.18	490,812.54	20,111.86	61,351.57	-	891,550.15
2031	333,006.41	478,041.57	20,514.10	59,755.20	-	891,317.27
2032	347,882.98	464,721.31	20,924.38	58,090.16	-	891,618.84
2033	363,331.73	450,805.99	21,342.87	56,350.75	-	891,831.34
2034	378,780.48	436,272.72	21,769.72	54,534.09	-	891,357.02
2035	395,373.59	421,121.51	22,205.12	52,640.19	-	891,340.40
2036	413,111.04	405,306.56	22,649.22	50,663.32	-	891,730.14
2037	431,420.67	388,782.12	23,102.21	48,597.77	-	891,902.76
2038	450,302.48	371,525.29	23,564.25	46,440.66	-	891,832.68
2039	469,756.46	353,513.19	24,035.53	44,189.15	-	891,494.34
2040	490,354.80	334,722.94	24,516.24	41,840.37	-	891,434.34
2041	512,097.48	315,108.74	25,006.57	39,388.59	-	891,601.39
2042	534,412.34	294,624.84	25,506.70	36,828.11	-	891,372.00
2043	558,443.74	273,248.35	26,016.84	34,156.04	-	891,864.96
2044	583,047.30	250,910.60	26,537.17	31,363.83	-	891,858.90
2045	608,223.04	227,588.71	27,067.92	28,448.59	-	891,328.26
2046	635,115.31	203,259.79	27,609.27	25,407.47	-	891,391.85
2047	663,151.94	177,855.17	28,161.46	22,231.90	-	891,400.47
2048	692,905.09	151,329.10	28,724.69	18,916.14	-	891,875.01
2049	723,230.41	123,612.89	29,299.18	15,451.61	-	891,594.10
2050	755,272.26	94,683.68	29,885.17	11,835.46	-	891,676.57
2051	788,458.47	64,472.79	30,482.87	8,059.10	-	891,473.22
2052	823,361.20	32,934.45	31,092.53	4,116.81	-	891,504.98
Total	\$ 14,161,354.96	\$ 10,908,855.06	\$ 710,289.64	\$ 1,319,549.33	\$ (352,460.39)	\$ 26,747,588.60

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT J – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Parcel ID	Lot Type	Major Improvement Area	
		Outstanding Assessment	Installment Due 1/31/2022
R021816	Major Improvement Area Initial Parcel	\$ 6,424,055	\$ -
R613518	Major Improvement Area Initial Parcel	\$ 2,725,945	\$ -
Total		\$ 9,150,000	\$ -

PRELIMINARY AND SUBJECT TO CHANGE

Note: Until a plat is recorded, Major Improvement Area Assessments shall be billed to each Parcel within the Major Improvement Area based on the Williamson Central Appraisal District acreage for billing purposes only.

EXHIBIT K – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	-	256,200	\$ -	\$ -	\$ (256,200)	\$ -
2023	147,000	411,750	\$ 30,600	\$ 45,750	\$ -	\$ 635,100
2024	154,000	405,135	\$ 31,212	\$ 45,015	\$ -	\$ 635,362
2025	161,000	398,205	\$ 31,836	\$ 44,245	\$ -	\$ 635,286
2026	168,000	390,960	\$ 32,473	\$ 43,440	\$ -	\$ 634,873
2027	175,000	383,400	\$ 33,122	\$ 42,600	\$ -	\$ 634,122
2028	183,000	375,525	\$ 33,785	\$ 41,725	\$ -	\$ 634,035
2029	192,000	367,290	\$ 34,461	\$ 40,810	\$ -	\$ 634,561
2030	201,000	358,650	\$ 35,150	\$ 39,850	\$ -	\$ 634,650
2031	210,000	349,605	\$ 35,853	\$ 38,845	\$ -	\$ 634,303
2032	220,000	340,155	\$ 36,570	\$ 37,795	\$ -	\$ 634,520
2033	230,000	330,255	\$ 37,301	\$ 36,695	\$ -	\$ 634,251
2034	240,000	319,905	\$ 38,047	\$ 35,545	\$ -	\$ 633,497
2035	251,000	309,105	\$ 38,808	\$ 34,345	\$ -	\$ 633,258
2036	263,000	297,810	\$ 39,584	\$ 33,090	\$ -	\$ 633,484
2037	275,000	285,975	\$ 40,376	\$ 31,775	\$ -	\$ 633,126
2038	288,000	273,600	\$ 41,184	\$ 30,400	\$ -	\$ 633,184
2039	302,000	260,640	\$ 42,007	\$ 28,960	\$ -	\$ 633,607
2040	316,000	247,050	\$ 42,847	\$ 27,450	\$ -	\$ 633,347
2041	330,000	232,830	\$ 43,704	\$ 25,870	\$ -	\$ 632,404
2042	346,000	217,980	\$ 44,578	\$ 24,220	\$ -	\$ 632,778
2043	362,000	202,410	\$ 45,470	\$ 22,490	\$ -	\$ 632,370
2044	379,000	186,120	\$ 46,379	\$ 20,680	\$ -	\$ 632,179
2045	397,000	169,065	\$ 47,307	\$ 18,785	\$ -	\$ 632,157
2046	416,000	151,200	\$ 48,253	\$ 16,800	\$ -	\$ 632,253
2047	436,000	132,480	\$ 49,218	\$ 14,720	\$ -	\$ 632,418
2048	456,000	112,860	\$ 50,203	\$ 12,540	\$ -	\$ 631,603
2049	478,000	92,340	\$ 51,207	\$ 10,260	\$ -	\$ 631,807
2050	501,000	70,830	\$ 52,231	\$ 7,870	\$ -	\$ 631,931
2051	524,000	48,285	\$ 53,275	\$ 5,365	\$ -	\$ 630,925
2052	549,000	24,705	\$ 54,341	\$ 2,745	\$ -	\$ 630,791
Total	\$ 9,150,000	\$ 8,002,320	\$ 1,241,383	\$ 860,680	\$ (256,200)	\$ 18,998,183

¹ Interest is calculated at a 4.50% rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT L – ALLOCATION OF ESTIMATED BUILDOUT VALUE PER LOT SIZE

Lot Size	Lot Count	Estimated Buildout Value Per Unit	Total Estimated Buildout Value	% Allocation of Improvement Area #1-2	% Allocation of District
Improvement Area #1-2					
Improvement Area #1					
40'	64	\$ 305,000	\$ 19,520,000		
45'	144	\$ 335,000	\$ 48,240,000		
50'	57	\$ 375,000	\$ 21,375,000		
	265		\$ 89,135,000	42.78%	22.83%
Improvement Area #2					
40'	289	\$ 305,000	\$ 88,145,000		
45'	39	\$ 335,000	\$ 13,065,000		
50'	48	\$ 375,000	\$ 18,000,000		
	376		\$ 119,210,000	57.22%	30.54%
Total	641		\$ 208,345,000	100.00%	53.37%
Major Improvement Area					
40'	122	\$ 305,000	\$ 37,210,000		
45'	331	\$ 335,000	\$ 110,885,000		
50'	61	\$ 375,000	\$ 22,875,000		
60'	27	\$ 410,000	\$ 11,070,000		
	541		\$ 182,040,000	0.00%	46.63%
Total					
40'	475	\$ 305,000	\$ 144,875,000		
45'	514	\$ 335,000	\$ 172,190,000		
50'	166	\$ 375,000	\$ 62,250,000		
60'	27	\$ 410,000	\$ 11,070,000		
	1,182		\$ 390,385,000	100.00%	100.00%

EXHIBIT M – NOTICE OF PID ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Williamson County Clerk's Office
Honorable [County Clerk Name]
Williamson County Justice Center County Clerk
405 Martin Luther King St.
Georgetown, TX 78626

Re: City of Liberty Hill Lien Release documents for filing

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Liberty Hill is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents below:

City of Liberty Hill
Attn: [City Secretary]
926 Loop 332
Liberty Hill, TX 78642

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

Jon Snyder
P: (817)393-0353
admin@p3-works.com

[legal description], a subdivision in Williamson County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Williamson County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property owners of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Williamson County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

EXECUTED to be **EFFECTIVE** this the ____ day of _____, 20__.

CITY OF LIBERTY HILL, TEXAS,

By: _____
[Name], City Official

ATTEST:

[Secretary Name], City Secretary

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the ____ day of _____, 20__, by [Manager Name], City Manager for the City of Liberty Hill, Texas, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT N - TIRZ MAXIMUM ANNUAL CREDIT AMOUNT

RELATING TO IMPROVEMENT AREA #1 ASSESSMENTS, IMPROVEMENT AREA #2 ASSESSMENTS,
AND MAJOR IMPROVEMENT AREA ASSESSMENTS

Lot Type	TIRZ Maximum Annual Credit Amount	
Improvement Area #1		
Lot Type 1	\$	415.92
Lot Type 2	\$	456.83
Lot Type 3	\$	511.38
Improvement Area #2		
Lot Type 4	\$	415.92
Lot Type 5	\$	456.83
Lot Type 6	\$	511.38
Major Improvement Area		
Lot Type 7	\$	415.92
Lot Type 8	\$	456.83
Lot Type 9	\$	511.38
Lot Type 10	\$	559.11

PRELIMINARY AND SUBJECT TO CHANGE

EXHIBIT O - MAXIMUM ASSESSMENT

Lot Type	Units	Total Assessment	Maximum Assessment per Lot Type
Improvement Area #1			
1	64	\$ 2,318,846.14	\$36,231.97 Per Unit
2	144	\$ 5,730,591.09	\$39,795.77 Per Unit
3	57	\$ 2,539,207.80	\$44,547.51 Per Unit
Improvement Area #2			
4	289	\$ 10,471,039.62	\$36,231.97 Per Unit
5	39	\$ 1,552,035.09	\$39,795.77 Per Unit
6	48	\$ 2,138,280.26	\$44,547.51 Per Unit

PRELIMINARY AND SUBJECT TO CHANGE

EXHIBIT P – MAJOR IMPROVEMENT AREA BOND DEBT SERVICE SCHEDULE

EXHIBIT Q – IMPROVEMENT AREAS #1-2 BOND DEBT SERVICE SCHEDULE

**EXHIBIT R – IMPROVEMENT AREA #1 ANNUAL INSTALLMENT USED TO FUND
MAJOR IMPROVEMENTS**

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 90,993.33	\$ -	\$ -	\$ (90,993.33)	\$ -
2023	61,154.61	146,239.28	4,520.12	18,279.91	-	230,193.91
2024	63,813.50	143,793.09	4,610.53	17,974.14	-	230,191.26
2025	66,620.11	141,240.55	4,702.74	17,655.07	-	230,218.47
2026	69,426.73	138,575.75	4,796.79	17,321.97	-	230,121.23
2027	72,528.77	135,798.68	4,892.73	16,974.83	-	230,195.01
2028	75,630.82	132,897.53	4,990.58	16,612.19	-	230,131.12
2029	79,028.30	129,872.29	5,090.39	16,234.04	-	230,225.02
2030	82,425.77	126,711.16	5,192.20	15,838.90	-	230,168.03
2031	85,970.97	123,414.13	5,296.04	15,426.77	-	230,107.91
2032	89,811.60	119,975.29	5,401.97	14,996.91	-	230,185.77
2033	93,799.94	116,382.83	5,510.00	14,547.85	-	230,240.63
2034	97,788.28	112,630.83	5,620.20	14,078.85	-	230,118.17
2035	102,072.06	108,719.30	5,732.61	13,589.91	-	230,113.88
2036	106,651.27	104,636.42	5,847.26	13,079.55	-	230,214.50
2037	111,378.20	100,370.37	5,964.21	12,546.30	-	230,259.07
2038	116,252.84	95,915.24	6,083.49	11,989.40	-	230,240.97
2039	121,275.20	91,265.13	6,205.16	11,408.14	-	230,153.62
2040	126,592.99	86,414.12	6,329.26	10,801.76	-	230,138.14
2041	132,206.21	81,350.40	6,455.85	10,168.80	-	230,181.26
2042	137,967.16	76,062.15	6,584.97	9,507.77	-	230,122.04
2043	144,171.25	70,543.46	6,716.67	8,817.93	-	230,249.31
2044	150,523.05	64,776.61	6,851.00	8,097.08	-	230,247.74
2045	157,022.58	58,755.69	6,988.02	7,344.46	-	230,110.75
2046	163,965.25	52,474.79	7,127.78	6,559.35	-	230,127.16
2047	171,203.35	45,916.18	7,270.33	5,739.52	-	230,129.39
2048	178,884.61	39,068.04	7,415.74	4,883.51	-	230,251.90
2049	186,713.58	31,912.66	7,564.06	3,989.08	-	230,179.38
2050	194,985.70	24,444.12	7,715.34	3,055.51	-	230,200.67
2051	203,553.25	16,644.69	7,869.64	2,080.59	-	230,148.17
2052	212,563.96	8,502.56	8,027.04	1,062.82	-	230,156.37
Total	\$ 3,655,981.90	\$ 2,816,296.66	\$ 183,372.71	\$ 340,662.92	\$ (90,993.33)	\$ 6,905,320.86

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**EXHIBIT S – IMPROVEMENT AREA #2 ANNUAL INSTALLMENT USED TO FUND
MAJOR IMPROVEMENTS**

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 121,695.34	\$ -	\$ -	\$ (121,695.34)	\$ -
2023	81,788.75	195,581.80	6,045.26	24,447.73	-	307,863.54
2024	85,344.79	192,310.25	6,166.16	24,038.78	-	307,859.98
2025	89,098.38	188,896.46	6,289.48	23,612.06	-	307,896.38
2026	92,851.97	185,332.53	6,415.27	23,166.57	-	307,766.33
2027	97,000.67	181,618.45	6,543.58	22,702.31	-	307,865.01
2028	101,149.38	177,738.42	6,674.45	22,217.30	-	307,779.55
2029	105,693.20	173,692.45	6,807.94	21,711.56	-	307,905.14
2030	110,237.02	169,464.72	6,944.10	21,183.09	-	307,828.92
2031	114,978.39	165,055.24	7,082.98	20,631.90	-	307,748.52
2032	120,114.89	160,456.10	7,224.64	20,057.01	-	307,852.64
2033	125,448.93	155,651.51	7,369.13	19,456.44	-	307,926.01
2034	130,782.98	150,633.55	7,516.52	18,829.19	-	307,762.24
2035	136,512.15	145,402.23	7,666.85	18,175.28	-	307,756.50
2036	142,636.43	139,941.74	7,820.18	17,492.72	-	307,891.07
2037	148,958.26	134,236.29	7,976.59	16,779.54	-	307,950.67
2038	155,477.66	128,277.96	8,136.12	16,034.74	-	307,926.48
2039	162,194.61	122,058.85	8,298.84	15,257.36	-	307,809.65
2040	169,306.67	115,571.07	8,464.82	14,446.38	-	307,788.94
2041	176,813.85	108,798.80	8,634.11	13,599.85	-	307,846.62
2042	184,518.59	101,726.24	8,806.80	12,715.78	-	307,767.41
2043	192,816.00	94,345.50	8,982.93	11,793.19	-	307,937.62
2044	201,310.97	86,632.86	9,162.59	10,829.11	-	307,935.53
2045	210,003.49	78,580.42	9,345.84	9,822.55	-	307,752.31
2046	219,288.69	70,180.28	9,532.76	8,772.54	-	307,774.27
2047	228,969.00	61,408.74	9,723.41	7,676.09	-	307,777.24
2048	239,241.98	52,249.98	9,917.88	6,531.25	-	307,941.09
2049	249,712.53	42,680.30	10,116.24	5,335.04	-	307,844.10
2050	260,775.74	32,691.79	10,318.57	4,086.47	-	307,872.57
2051	272,234.07	22,260.77	10,524.94	2,782.60	-	307,802.36
2052	284,285.07	11,371.40	10,735.44	1,421.43	-	307,813.33
Total	\$ 4,889,545.10	\$ 3,766,542.04	\$ 245,244.41	\$ 455,605.84	\$ (121,695.34)	\$ 9,235,242.05

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT T - LOT TYPE 1 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$36,231.97

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Butler Farms Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 901.77	\$ -	\$ -	\$ (901.77)	\$ -
2023	606.06	1,449.28	44.80	181.16	-	2,281.30
2024	632.41	1,425.04	45.69	178.13	-	2,281.27
2025	660.23	1,399.74	46.61	174.97	-	2,281.54
2026	688.04	1,373.33	47.54	171.67	-	2,280.58
2027	718.78	1,345.81	48.49	168.23	-	2,281.31
2028	749.53	1,317.06	49.46	164.63	-	2,280.67
2029	783.20	1,287.08	50.45	160.88	-	2,281.60
2030	816.87	1,255.75	51.46	156.97	-	2,281.04
2031	852.00	1,223.07	52.49	152.88	-	2,280.44
2032	890.06	1,188.99	53.54	148.62	-	2,281.22
2033	929.59	1,153.39	54.61	144.17	-	2,281.76
2034	969.11	1,116.21	55.70	139.53	-	2,280.55
2035	1,011.57	1,077.44	56.81	134.68	-	2,280.50
2036	1,056.95	1,036.98	57.95	129.62	-	2,281.50
2037	1,103.79	994.70	59.11	124.34	-	2,281.94
2038	1,152.10	950.55	60.29	118.82	-	2,281.76
2039	1,201.88	904.47	61.50	113.06	-	2,280.90
2040	1,254.58	856.39	62.73	107.05	-	2,280.74
2041	1,310.21	806.21	63.98	100.78	-	2,281.17
2042	1,367.30	753.80	65.26	94.23	-	2,280.58
2043	1,428.78	699.11	66.56	87.39	-	2,281.85
2044	1,491.73	641.96	67.90	80.24	-	2,281.83
2045	1,556.14	582.29	69.25	72.79	-	2,280.47
2046	1,624.95	520.04	70.64	65.01	-	2,280.64
2047	1,696.68	455.04	72.05	56.88	-	2,280.66
2048	1,772.80	387.18	73.49	48.40	-	2,281.87
2049	1,850.39	316.26	74.96	39.53	-	2,281.15
2050	1,932.37	242.25	76.46	30.28	-	2,281.36
2051	2,017.28	164.95	77.99	20.62	-	2,280.84
2052	2,106.58	84.26	79.55	10.53	-	2,280.92
Total	\$ 36,231.97	\$ 27,910.42	\$ 1,817.28	\$ 3,376.08	\$ (901.77)	\$ 68,433.98

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT U - LOT TYPE 2 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$39,795.77

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Butler Farms Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 2

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 990.47	\$ -	\$ -	\$ (990.47)	\$ -
2023	665.67	1,591.83	49.20	198.98	-	2,505.69
2024	694.62	1,565.20	50.19	195.65	-	2,505.66
2025	725.17	1,537.42	51.19	192.18	-	2,505.95
2026	755.72	1,508.41	52.21	188.55	-	2,504.90
2027	789.48	1,478.18	53.26	184.77	-	2,505.70
2028	823.25	1,446.60	54.32	180.83	-	2,505.00
2029	860.23	1,413.67	55.41	176.71	-	2,506.03
2030	897.21	1,379.27	56.52	172.41	-	2,505.40
2031	935.80	1,343.38	57.65	167.92	-	2,504.75
2032	977.61	1,305.94	58.80	163.24	-	2,505.60
2033	1,021.02	1,266.84	59.98	158.36	-	2,506.19
2034	1,064.44	1,226.00	61.18	153.25	-	2,504.86
2035	1,111.07	1,183.42	62.40	147.93	-	2,504.82
2036	1,160.91	1,138.98	63.65	142.37	-	2,505.91
2037	1,212.36	1,092.54	64.92	136.57	-	2,506.40
2038	1,265.43	1,044.05	66.22	130.51	-	2,506.20
2039	1,320.09	993.43	67.54	124.18	-	2,505.25
2040	1,377.98	940.63	68.89	117.58	-	2,505.08
2041	1,439.08	885.51	70.27	110.69	-	2,505.55
2042	1,501.79	827.94	71.68	103.49	-	2,504.90
2043	1,569.32	767.87	73.11	95.98	-	2,506.29
2044	1,638.46	705.10	74.57	88.14	-	2,506.27
2045	1,709.21	639.56	76.07	79.95	-	2,504.78
2046	1,784.78	571.19	77.59	71.40	-	2,504.96
2047	1,863.57	499.80	79.14	62.48	-	2,504.98
2048	1,947.18	425.26	80.72	53.16	-	2,506.32
2049	2,032.40	347.37	82.34	43.42	-	2,505.53
2050	2,122.44	266.08	83.98	33.26	-	2,505.76
2051	2,215.70	181.18	85.66	22.65	-	2,505.19
2052	2,313.78	92.55	87.38	11.57	-	2,505.28
Total	\$ 39,795.77	\$ 30,655.70	\$ 1,996.03	\$ 3,708.15	\$ (990.47)	\$ 75,165.19

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT V - LOT TYPE 3 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 3 PRINCIPAL ASSESSMENT: \$44,547.51

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Butler Farms Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 3

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 1,108.74	\$ -	\$ -	\$ (1,108.74)	\$ -
2023	745.16	1,781.90	55.08	222.74	-	2,804.87
2024	777.56	1,752.09	56.18	219.01	-	2,804.84
2025	811.75	1,720.99	57.30	215.12	-	2,805.17
2026	845.95	1,688.52	58.45	211.07	-	2,803.99
2027	883.75	1,654.68	59.62	206.84	-	2,804.89
2028	921.55	1,619.33	60.81	202.42	-	2,804.11
2029	962.95	1,582.47	62.03	197.81	-	2,805.25
2030	1,004.34	1,543.95	63.27	192.99	-	2,804.56
2031	1,047.54	1,503.78	64.53	187.97	-	2,803.82
2032	1,094.34	1,461.88	65.82	182.73	-	2,804.77
2033	1,142.94	1,418.10	67.14	177.26	-	2,805.44
2034	1,191.53	1,372.39	68.48	171.55	-	2,803.95
2035	1,243.73	1,324.73	69.85	165.59	-	2,803.90
2036	1,299.53	1,274.98	71.25	159.37	-	2,805.12
2037	1,357.12	1,223.00	72.67	152.87	-	2,805.67
2038	1,416.52	1,168.71	74.13	146.09	-	2,805.45
2039	1,477.72	1,112.05	75.61	139.01	-	2,804.38
2040	1,542.51	1,052.94	77.12	131.62	-	2,804.19
2041	1,610.91	991.24	78.66	123.91	-	2,804.72
2042	1,681.11	926.80	80.24	115.85	-	2,804.00
2043	1,756.70	859.56	81.84	107.44	-	2,805.55
2044	1,834.10	789.29	83.48	98.66	-	2,805.53
2045	1,913.29	715.93	85.15	89.49	-	2,803.86
2046	1,997.89	639.40	86.85	79.92	-	2,804.06
2047	2,086.08	559.48	88.59	69.94	-	2,804.09
2048	2,179.68	476.04	90.36	59.50	-	2,805.58
2049	2,275.07	388.85	92.17	48.61	-	2,804.70
2050	2,375.87	297.85	94.01	37.23	-	2,804.96
2051	2,480.26	202.81	95.89	25.35	-	2,804.32
2052	2,590.05	103.60	97.81	12.95	-	2,804.42
Total	\$ 44,547.51	\$ 34,316.09	\$ 2,234.36	\$ 4,150.92	\$ (1,108.74)	\$ 84,140.14

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT W - LOT TYPE 4 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 4 PRINCIPAL ASSESSMENT: \$36,231.97

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Butler Farms Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 4

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ³
2022	\$ -	\$ 901.77	\$ -	\$ -	\$ (901.77)	\$ -
2023	606.06	1,449.28	44.80	181.16	-	2,281.30
2024	632.41	1,425.04	45.69	178.13	-	2,281.27
2025	660.23	1,399.74	46.61	174.97	-	2,281.54
2026	688.04	1,373.33	47.54	171.67	-	2,280.58
2027	718.78	1,345.81	48.49	168.23	-	2,281.31
2028	749.53	1,317.06	49.46	164.63	-	2,280.67
2029	783.20	1,287.08	50.45	160.88	-	2,281.60
2030	816.87	1,255.75	51.46	156.97	-	2,281.04
2031	852.00	1,223.07	52.49	152.88	-	2,280.44
2032	890.06	1,188.99	53.54	148.62	-	2,281.22
2033	929.59	1,153.39	54.61	144.17	-	2,281.76
2034	969.11	1,116.21	55.70	139.53	-	2,280.55
2035	1,011.57	1,077.44	56.81	134.68	-	2,280.50
2036	1,056.95	1,036.98	57.95	129.62	-	2,281.50
2037	1,103.79	994.70	59.11	124.34	-	2,281.94
2038	1,152.10	950.55	60.29	118.82	-	2,281.76
2039	1,201.88	904.47	61.50	113.06	-	2,280.90
2040	1,254.58	856.39	62.73	107.05	-	2,280.74
2041	1,310.21	806.21	63.98	100.78	-	2,281.17
2042	1,367.30	753.80	65.26	94.23	-	2,280.58
2043	1,428.78	699.11	66.56	87.39	-	2,281.85
2044	1,491.73	641.96	67.90	80.24	-	2,281.83
2045	1,556.14	582.29	69.25	72.79	-	2,280.47
2046	1,624.95	520.04	70.64	65.01	-	2,280.64
2047	1,696.68	455.04	72.05	56.88	-	2,280.66
2048	1,772.80	387.18	73.49	48.40	-	2,281.87
2049	1,850.39	316.26	74.96	39.53	-	2,281.15
2050	1,932.37	242.25	76.46	30.28	-	2,281.36
2051	2,017.28	164.95	77.99	20.62	-	2,280.84
2052	2,106.58	84.26	79.55	10.53	-	2,280.92
Total	\$ 36,231.97	\$ 27,910.42	\$ 1,817.28	\$ 3,376.08	\$ (901.77)	\$ 68,433.98

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT X - LOT TYPE 5 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 5 PRINCIPAL ASSESSMENT: \$39,795.77

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Butler Farms Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 5

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 990.47	\$ -	\$ -	\$ (990.47)	\$ -
2023	665.67	1,591.83	49.20	198.98	-	2,505.69
2024	694.62	1,565.20	50.19	195.65	-	2,505.66
2025	725.17	1,537.42	51.19	192.18	-	2,505.95
2026	755.72	1,508.41	52.21	188.55	-	2,504.90
2027	789.48	1,478.18	53.26	184.77	-	2,505.70
2028	823.25	1,446.60	54.32	180.83	-	2,505.00
2029	860.23	1,413.67	55.41	176.71	-	2,506.03
2030	897.21	1,379.27	56.52	172.41	-	2,505.40
2031	935.80	1,343.38	57.65	167.92	-	2,504.75
2032	977.61	1,305.94	58.80	163.24	-	2,505.60
2033	1,021.02	1,266.84	59.98	158.36	-	2,506.19
2034	1,064.44	1,226.00	61.18	153.25	-	2,504.86
2035	1,111.07	1,183.42	62.40	147.93	-	2,504.82
2036	1,160.91	1,138.98	63.65	142.37	-	2,505.91
2037	1,212.36	1,092.54	64.92	136.57	-	2,506.40
2038	1,265.43	1,044.05	66.22	130.51	-	2,506.20
2039	1,320.09	993.43	67.54	124.18	-	2,505.25
2040	1,377.98	940.63	68.89	117.58	-	2,505.08
2041	1,439.08	885.51	70.27	110.69	-	2,505.55
2042	1,501.79	827.94	71.68	103.49	-	2,504.90
2043	1,569.32	767.87	73.11	95.98	-	2,506.29
2044	1,638.46	705.10	74.57	88.14	-	2,506.27
2045	1,709.21	639.56	76.07	79.95	-	2,504.78
2046	1,784.78	571.19	77.59	71.40	-	2,504.96
2047	1,863.57	499.80	79.14	62.48	-	2,504.98
2048	1,947.18	425.26	80.72	53.16	-	2,506.32
2049	2,032.40	347.37	82.34	43.42	-	2,505.53
2050	2,122.44	266.08	83.98	33.26	-	2,505.76
2051	2,215.70	181.18	85.66	22.65	-	2,505.19
2052	2,313.78	92.55	87.38	11.57	-	2,505.28
Total	\$ 39,795.77	\$ 30,655.70	\$ 1,996.03	\$ 3,708.15	\$ (990.47)	\$ 75,165.19

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT Y - LOT TYPE 6 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 6 PRINCIPAL ASSESSMENT: \$44,547.51

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Butler Farms Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 6

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 1,111.52	\$ -	\$ -	\$ (1,111.52)	\$ -
2023	746.96	1,786.36	55.08	223.30	-	2,811.69
2024	779.36	1,756.49	56.18	219.56	-	2,811.58
2025	813.55	1,725.31	57.30	215.66	-	2,811.83
2026	849.55	1,692.77	58.45	211.60	-	2,812.37
2027	885.55	1,658.79	59.62	207.35	-	2,811.30
2028	925.15	1,623.37	60.81	202.92	-	2,812.24
2029	964.75	1,586.36	62.03	198.29	-	2,811.43
2030	1,006.14	1,547.77	63.27	193.47	-	2,810.65
2031	1,051.14	1,507.52	64.53	188.44	-	2,811.64
2032	1,096.14	1,465.48	65.82	183.18	-	2,810.62
2033	1,144.74	1,421.63	67.14	177.70	-	2,811.21
2034	1,195.13	1,375.84	68.48	171.98	-	2,811.44
2035	1,247.33	1,328.04	69.85	166.00	-	2,811.22
2036	1,303.13	1,278.14	71.25	159.77	-	2,812.29
2037	1,358.92	1,226.02	72.67	153.25	-	2,810.87
2038	1,420.12	1,171.66	74.13	146.46	-	2,812.37
2039	1,481.32	1,114.86	75.61	139.36	-	2,811.14
2040	1,546.11	1,055.60	77.12	131.95	-	2,810.79
2041	1,614.51	993.76	78.66	124.22	-	2,811.15
2042	1,686.51	929.18	80.24	116.15	-	2,812.07
2043	1,760.30	861.72	81.84	107.71	-	2,811.58
2044	1,837.70	791.31	83.48	98.91	-	2,811.40
2045	1,918.69	717.80	85.15	89.72	-	2,811.37
2046	2,003.29	641.05	86.85	80.13	-	2,811.32
2047	2,091.48	560.92	88.59	70.12	-	2,811.11
2048	2,185.08	477.26	90.36	59.66	-	2,812.36
2049	2,280.47	389.86	92.17	48.73	-	2,811.23
2050	2,381.27	298.64	94.01	37.33	-	2,811.25
2051	2,487.46	203.39	95.89	25.42	-	2,812.16
2052	2,597.25	103.89	97.81	12.99	-	2,811.94
Total	\$ 44,659.10	\$ 34,402.31	\$ 2,234.36	\$ 4,161.35	\$ (1,111.52)	\$ 84,345.60

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT Z - IMPROVEMENT AREA #1 INITIAL PARCEL DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$10,588,645.04

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Butler Farms Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 INITIAL PARCEL

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 263,539.61	\$ -	\$ -	\$ (263,539.61)	\$ -
2023	177,119.15	423,545.80	13,091.42	52,943.23	-	666,699.60
2024	184,819.99	416,461.04	13,353.24	52,057.63	-	666,691.89
2025	192,948.64	409,068.24	13,620.31	51,133.53	-	666,770.72
2026	201,077.30	401,350.29	13,892.72	50,168.79	-	666,489.09
2027	210,061.60	393,307.20	14,170.57	49,163.40	-	666,702.77
2028	219,045.91	384,904.73	14,453.98	48,113.09	-	666,517.72
2029	228,885.86	376,142.90	14,743.06	47,017.86	-	666,789.68
2030	238,725.82	366,987.46	15,037.92	45,873.43	-	666,624.63
2031	248,993.59	357,438.43	15,338.68	44,679.80	-	666,450.51
2032	260,117.02	347,478.69	15,645.45	43,434.84	-	666,675.99
2033	271,668.27	337,074.01	15,958.36	42,134.25	-	666,834.89
2034	283,219.52	326,207.28	16,277.53	40,775.91	-	666,480.23
2035	295,626.41	314,878.49	16,603.08	39,359.81	-	666,467.80
2036	308,888.96	303,053.44	16,935.14	37,881.68	-	666,759.22
2037	322,579.33	290,697.88	17,273.84	36,337.23	-	666,888.29
2038	336,697.52	277,794.71	17,619.32	34,724.34	-	666,835.89
2039	351,243.54	264,326.81	17,971.71	33,040.85	-	666,582.90
2040	366,645.20	250,277.06	18,331.14	31,284.63	-	666,538.04
2041	382,902.52	235,611.26	18,697.77	29,451.41	-	666,662.95
2042	399,587.66	220,295.16	19,071.72	27,536.89	-	666,491.43
2043	417,556.26	204,311.65	19,453.16	25,538.96	-	666,860.03
2044	435,952.70	187,609.40	19,842.22	23,451.17	-	666,855.49
2045	454,776.96	170,171.29	20,239.06	21,271.41	-	666,458.72
2046	474,884.69	151,980.21	20,643.84	18,997.53	-	666,506.27
2047	495,848.06	132,984.83	21,056.72	16,623.10	-	666,512.71
2048	518,094.91	113,150.90	21,477.86	14,143.86	-	666,867.54
2049	540,769.59	92,427.11	21,907.41	11,553.39	-	666,657.50
2050	564,727.74	70,796.32	22,345.56	8,849.54	-	666,719.16
2051	589,541.53	48,207.21	22,792.47	6,025.90	-	666,567.12
2052	615,638.80	24,625.55	23,248.32	3,078.19	-	666,590.86
Total	\$ 10,588,645.04	\$ 8,156,704.94	\$ 531,093.59	\$ 986,645.67	\$ (263,539.61)	\$ 19,999,549.62

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT AA - IMPROVEMENT AREA #2 INITIAL PARCEL DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

IMPROVEMENT AREA #2 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$14,161,354.96

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Butler Farms Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 INITIAL PARCEL

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 352,460.39	\$ -	\$ -	\$ (352,460.39)	\$ -
2023	236,880.85	566,454.20	17,508.58	70,806.77	-	891,650.40
2024	247,180.01	556,978.96	17,858.76	69,622.37	-	891,640.11
2025	258,051.36	547,091.76	18,215.93	68,386.47	-	891,745.52
2026	268,922.70	536,769.71	18,580.25	67,096.21	-	891,368.87
2027	280,938.40	526,012.80	18,951.85	65,751.60	-	891,654.65
2028	292,954.09	514,775.27	19,330.89	64,346.91	-	891,407.16
2029	306,114.14	503,057.10	19,717.51	62,882.14	-	891,770.89
2030	319,274.18	490,812.54	20,111.86	61,351.57	-	891,550.15
2031	333,006.41	478,041.57	20,514.10	59,755.20	-	891,317.27
2032	347,882.98	464,721.31	20,924.38	58,090.16	-	891,618.84
2033	363,331.73	450,805.99	21,342.87	56,350.75	-	891,831.34
2034	378,780.48	436,272.72	21,769.72	54,534.09	-	891,357.02
2035	395,373.59	421,121.51	22,205.12	52,640.19	-	891,340.40
2036	413,111.04	405,306.56	22,649.22	50,663.32	-	891,730.14
2037	431,420.67	388,782.12	23,102.21	48,597.77	-	891,902.76
2038	450,302.48	371,525.29	23,564.25	46,440.66	-	891,832.68
2039	469,756.46	353,513.19	24,035.53	44,189.15	-	891,494.34
2040	490,354.80	334,722.94	24,516.24	41,840.37	-	891,434.34
2041	512,097.48	315,108.74	25,006.57	39,388.59	-	891,601.39
2042	534,412.34	294,624.84	25,506.70	36,828.11	-	891,372.00
2043	558,443.74	273,248.35	26,016.84	34,156.04	-	891,864.96
2044	583,047.30	250,910.60	26,537.17	31,363.83	-	891,858.90
2045	608,223.04	227,588.71	27,067.92	28,448.59	-	891,328.26
2046	635,115.31	203,259.79	27,609.27	25,407.47	-	891,391.85
2047	663,151.94	177,855.17	28,161.46	22,231.90	-	891,400.47
2048	692,905.09	151,329.10	28,724.69	18,916.14	-	891,875.01
2049	723,230.41	123,612.89	29,299.18	15,451.61	-	891,594.10
2050	755,272.26	94,683.68	29,885.17	11,835.46	-	891,676.57
2051	788,458.47	64,472.79	30,482.87	8,059.10	-	891,473.22
2052	823,361.20	32,934.45	31,092.53	4,116.81	-	891,504.98
Total	\$ 14,161,354.96	\$ 10,908,855.06	\$ 710,289.64	\$ 1,319,549.33	\$ (352,460.39)	\$ 26,747,588.60

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT BB - MAJOR IMPROVEMENT AREA INITIAL PARCEL DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

**MAJOR IMPROVEMENT AREA INITIAL PARCEL PRINCIPAL ASSESSMENT:
\$9,150,000.00**

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Butler Farms Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - MAJOR IMPROVEMENT AREA INITIAL PARCEL

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	-	256,200	\$ -	\$ -	\$ (256,200)	\$ -
2023	147,000	411,750	\$ 30,600	\$ 45,750	\$ -	\$ 635,100
2024	154,000	405,135	\$ 31,212	\$ 45,015	\$ -	\$ 635,362
2025	161,000	398,205	\$ 31,836	\$ 44,245	\$ -	\$ 635,286
2026	168,000	390,960	\$ 32,473	\$ 43,440	\$ -	\$ 634,873
2027	175,000	383,400	\$ 33,122	\$ 42,600	\$ -	\$ 634,122
2028	183,000	375,525	\$ 33,785	\$ 41,725	\$ -	\$ 634,035
2029	192,000	367,290	\$ 34,461	\$ 40,810	\$ -	\$ 634,561
2030	201,000	358,650	\$ 35,150	\$ 39,850	\$ -	\$ 634,650
2031	210,000	349,605	\$ 35,853	\$ 38,845	\$ -	\$ 634,303
2032	220,000	340,155	\$ 36,570	\$ 37,795	\$ -	\$ 634,520
2033	230,000	330,255	\$ 37,301	\$ 36,695	\$ -	\$ 634,251
2034	240,000	319,905	\$ 38,047	\$ 35,545	\$ -	\$ 633,497
2035	251,000	309,105	\$ 38,808	\$ 34,345	\$ -	\$ 633,258
2036	263,000	297,810	\$ 39,584	\$ 33,090	\$ -	\$ 633,484
2037	275,000	285,975	\$ 40,376	\$ 31,775	\$ -	\$ 633,126
2038	288,000	273,600	\$ 41,184	\$ 30,400	\$ -	\$ 633,184
2039	302,000	260,640	\$ 42,007	\$ 28,960	\$ -	\$ 633,607
2040	316,000	247,050	\$ 42,847	\$ 27,450	\$ -	\$ 633,347
2041	330,000	232,830	\$ 43,704	\$ 25,870	\$ -	\$ 632,404
2042	346,000	217,980	\$ 44,578	\$ 24,220	\$ -	\$ 632,778
2043	362,000	202,410	\$ 45,470	\$ 22,490	\$ -	\$ 632,370
2044	379,000	186,120	\$ 46,379	\$ 20,680	\$ -	\$ 632,179
2045	397,000	169,065	\$ 47,307	\$ 18,785	\$ -	\$ 632,157
2046	416,000	151,200	\$ 48,253	\$ 16,800	\$ -	\$ 632,253
2047	436,000	132,480	\$ 49,218	\$ 14,720	\$ -	\$ 632,418
2048	456,000	112,860	\$ 50,203	\$ 12,540	\$ -	\$ 631,603
2049	478,000	92,340	\$ 51,207	\$ 10,260	\$ -	\$ 631,807
2050	501,000	70,830	\$ 52,231	\$ 7,870	\$ -	\$ 631,931
2051	524,000	48,285	\$ 53,275	\$ 5,365	\$ -	\$ 630,925
2052	549,000	24,705	\$ 54,341	\$ 2,745	\$ -	\$ 630,791
Total	\$ 9,150,000	\$ 8,002,320	\$ 1,241,383	\$ 860,680	\$ (256,200)	\$ 18,998,183

¹ Interest is calculated at a 4.50% rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX A – ENGINEER’S REPORT

ENGINEERING REPORT
Butler Farms
Public Improvement District
City of Liberty Hill
Williamson County, Texas

Prepared By:



5508 Highway 290 West

Austin, TX 78735

Firm #: 16384

November 2021



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Introduction

The Butler Farms development is a proposed single-family residential development tract located in the City of Liberty Hill, Texas located northwest of the intersection of SH 29 and CR 200. The development encompasses approximately 366-acre tract of land that allows for construction of up to 1,250 single-family residential homes. A site location map has been included in **Appendix 1**.

This report includes supporting documentation for the formation of the PID and the issuance of bonds by the City. The bonds are anticipated to be used to finance public infrastructure projects vital for the development within the PID.

Development Costs

An Engineer's opinion of probable cost (Engineer's OPC) has been prepared for all off-site and on-site infrastructure. The Engineer's OPC has been provided as **Appendix 2**.

Development Improvements

Development improvements have been defined as Improvement Area #1, Improvement Area #2, and the Major Improvements. Improvements benefitting either the Major Improvement Area, Improvement Area #1, or Improvement Area #2 will be included in the PID.

Onsite Major Improvements are depicted in **Appendix 3** through **Appendix 6**; Offsite Major Improvements are depicted in **Appendix 7** through **Appendix 9**; and Improvement Area #1 depicted in **Appendix 10** through **Appendix 13**. The Improvement Area #2 improvements are depicted in **Appendix 14** through **Appendix 17**.

Development Schedule

Design Stage

The Major Improvements, Improvement Area #1, and Improvement Area #2 Preliminary Plat and Flood Study for the development has been approved by the City of Liberty Hill in December 2019.

The design of the Major Improvements, both on-site and off-site, construction plans have been approved by the City of Liberty Hill as of November 2020. The Improvement Area #1 Phase 1 Model Park has been approved by the City of Liberty Hill as of November 2020.

The Improvement Area #2 Phase 9 construction plans have been approved by City of Liberty Hill as of December 2020. The Improvement Area #1 Phases 2, 3, & 4 construction plans are in review with City of Liberty Hill as of July 2021. The Improvement Area #2 Phase 7 construction plans have been approved by City of Liberty Hill as of October 2021. The Improvement Area #2 Phase

8 construction plans are in review with City of Liberty Hill as of October 2021. The Improvement Area #1 Phase 5 construction plan design is estimated to begin in the first quarter of 2022.

Construction Stage

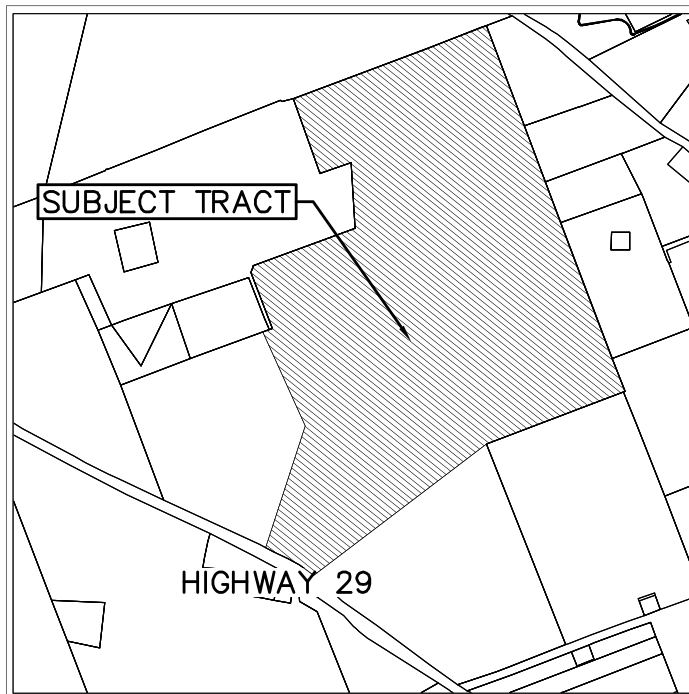
The Onsite and Offsite Major Improvements started construction in the first quarter of 2021 and anticipates final acceptance in the first quarter of 2022. Improvement Area #1 Phase 1 Model Park started construction in the first quarter of 2021 and anticipates final acceptance in the first quarter of 2022. Improvement Area #2 Phase 9 started construction February 2021 and anticipates final acceptance in the first quarter of 2022. Improvement Area #2 Phase 7 started construction October 2021 and anticipates final acceptance by June 2022.

APPENDIX

APPENDIX 1

SITE LOCATION MAP

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VICINITY MAP
1" = 2,000'



BUTLER FARMS LOCATION MAP

APPENDIX 2

ENGINEERS' OPINION OF PROBABLE COST

**City of Liberty Hill - Butler Farms
Cost Allocation**

	Total Costs ¹	Non-PID Improvements		City Cost Participation		Improvement Area #1 Phase 1, 2, 3, 4, & 5		Improvement Area #2 Phase 7, 8, & 9		Major Improvement Area	
		% ²	Cost	% ²	Cost	% ²	Cost	% ²	Cost	% ²	Cost
Major Improvements											
<u>Onsite</u>											
Street ³	\$ 2,522,252	0.00%	\$ -	0.00%	\$ -	22.83%	\$ 575,895	30.54%	\$ 770,208	46.63%	\$ 1,176,148
Wastewater	\$ 340,966	0.00%	-	0.00%	-	22.83%	77,851	30.54%	104,119	46.63%	158,995
Drainage	\$ 1,724,197	0.00%	-	0.00%	-	22.83%	393,679	30.54%	526,510	46.63%	804,009
Water	\$ 656,784	0.00%	-	0.00%	-	22.83%	149,961	30.54%	200,559	46.63%	306,264
Water Quality and Detention Ponds	\$ 1,462,015	0.00%	-	0.00%	-	22.83%	333,816	30.54%	446,449	46.63%	681,751
Electric	\$ 447,697	100.00%	\$ 447,697	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Highway 29 Improvements ⁴	\$ 1,639,710	0.00%	-	54.23%	889,135	10.45%	171,376	13.98%	229,200	21.35%	350,000
	\$ 8,793,621		\$ 447,697		\$ 889,135		1,702,578		2,277,044		\$ 3,477,167
<u>Offsite</u>											
Street ³	\$ 1,609,030	0.00%	\$ -	0.00%	\$ -	22.83%	\$ 367,383	30.54%	\$ 491,342	46.63%	\$ 750,305
Wastewater	\$ 4,069,369	0.00%	-	0.00%	-	22.83%	929,142	30.54%	1,242,644	46.63%	1,897,583
Water ¹⁰	\$ 5,587,676	39.78%	2,222,590	0.00%	-	13.75%	768,336	18.39%	1,027,580	28.08%	1,569,170
	\$ 11,266,076		\$ 2,222,590		\$ -		2,064,862		2,761,566		\$ 4,217,058
Total Major Improvements	\$ 20,059,697		\$ 2,670,286		\$ 889,135		\$ 3,767,440		\$ 5,038,610		\$ 7,694,225
Improvement Area #1 Improvements											
<u>Phase 1, 2, 3, 4, & 5 Improvements</u>											
Street ³	\$ 3,639,716	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 3,639,716	0.00%	\$ -	0.00%	\$ -
Wastewater	\$ 1,364,905	0.00%	-	0.00%	-	100.00%	1,364,905	0.00%	-	0.00%	-
Drainage	\$ 1,932,886	0.00%	-	0.00%	-	100.00%	1,932,886	0.00%	-	0.00%	-
Water	\$ 1,396,779	0.00%	-	0.00%	-	100.00%	1,396,779	0.00%	-	0.00%	-
Electric	\$ 770,576	100.00%	\$ 770,576	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total Improvement Area #1 Improvements	\$ 9,104,863		\$ 770,576		\$ -		8,334,287		-		\$ -
Improvement Area #2 Improvements											
<u>Phase 7, 8, & 9 Improvements</u>											
Street ³	\$ 4,160,708	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 4,160,708	0.00%	\$ -
Wastewater	\$ 1,620,599	0.00%	-	0.00%	-	0.00%	-	100.00%	1,620,599	0.00%	-
Drainage	\$ 3,134,253	0.00%	-	0.00%	-	0.00%	-	100.00%	3,134,253	0.00%	-
Water	\$ 1,644,466	0.00%	-	0.00%	-	0.00%	-	100.00%	1,644,466	0.00%	-
Water Quality and Detention Ponds	\$ 161,048	0.00%	-	0.00%	-	0.00%	-	100.00%	161,048	0.00%	-
Electric	\$ 1,487,806	100.00%	\$ 1,487,806	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total Improvement Area #2 Improvements	\$ 12,208,879		\$ 1,487,806		\$ -		\$ -		\$ 10,721,074		\$ -
Total	\$ 41,373,439		\$ 4,928,668		\$ 889,135		\$ 12,101,727		\$ 15,759,684		\$ 7,694,225

¹ Cost per Opinion of Probable Cost sealed 01/19/2021. All Phases include a 4% construction management fee for all items with the exception of electric, engineering / soft costs / fees, and no contingency. Butler Farms Phase 1 Model Park includes engineering / soft costs / fees and does not include contingency. Contingency is set to 0% for offsite infrastructure, Phase 1 & 11 Spine, & Phase 1 Model Park, 5% for Phase 9, 10% for Phases 2, 3, 4, & 7 and 20% for Phases 5 & 8. All phases include engineering / soft costs / fees.

² Calculated pro rata based on Estimated Buildout Value. See **Exhibit J** for details.

³ Includes erosion control, excavation and embankment, and sleeving costs

⁴ Per the Third Amendment to Annexation and Development Agreement with the City, the city would pay costs, up to \$889,134.97.

⁵ Unit Prices provided from Joe Bland Construction 12.07.2020 for the Off-Site Major Improvements; ProDirt Services 12.07.2020 for the Onsite Major Improvements and Improvement Areas #1 Phase 1 Model Park; and Joe Bland Construction 11.30.2020 for the Improvement Areas #1 and Improvement Areas #2.

⁶ Private infrastructure includes construction of electrical infrastructure.

⁷ The offsite inspection and construction fees up to \$235,351.77 is waived per the Third Amendment to Annexation and Development Agreement with the City.

⁸ The booster pump improvements, up to \$500,000, is waived per the Third Amendment to Annexation and Development Agreement with the City.

⁹ The onsite inspection fees for Phase 1 and Phase 1 Model Park up to \$204,972.26 is waived per the Third Amendment to Annexation and Development Agreement with the City.

¹⁰ The Developer has elected to upsize the Off-Site Major Water Improvements. The upsizing costs are included as a Non-PID Improvement item.

**OPINION OF PROBABLE COST
BUTLER FARMS OFFSITE INFRASTRUCTURE**

**16" DEVELOPER
WATERLINE UPSIZING**

**16" DEVELOPER
WATERLINE UPSIZING**

		Approx. Qty	Unit	Description of Item	Unit Price	Amount	Amount
A. EROSION CONTROLS & MISCELLANEOUS ITEMS (OFFSITE WATER)							
A1	25	25	EA	Furnish and Install stabilized construction entrance - complete in place. Maintain during construction.	\$ 1,100.00	\$ 27,500.00	\$ 27,500.00
A2	15,181	15,181	LF	Furnish and Install temporary silt fence within limits of construction - complete in place. Maintain during construction.	\$ 3.00	\$ 45,543.00	\$ 45,543.00
A3	25	25	LS	Furnish and Install Temporary Staging/Storage/Spoils/Concrete Wash Out Area. Secure area with Chain Link Fence and (1) Entry / Exit Gate. Install Silt Fence around perimeter. Remove upon completion of construction, grade to drain and hydromulch.	\$ 1,200.00	\$ 30,000.00	\$ 30,000.00
A4 (A1)	1,539	1,539	LF	Furnish and Install Rock Berm - complete in place	\$ 25.00	\$ 38,475.00	\$ 38,475.00
A5 (A3)	78,245	78,245	SY	Furnish and Install topsoil (6" depth) within landscaped tract areas and within R.O.W. - complete in place	\$ 2.00	\$ 156,490.00	\$ 156,490.00
A6 (A3)	78,245	78,245	SY	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within R.O.W., including deconstruction area - complete in place	\$ 2.00	\$ 156,490.00	\$ 156,490.00
A7 (A3)	956	956	LF	Furnish and Install Tree Protection Fencing per detail - complete in place	\$ 4.00	\$ 3,824.00	\$ 3,824.00
A8	1	1	LS	Miscellaneous demolition including drives and fences	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
SUBTOTAL EROSION CONTROLS & MISCELLANEOUS ITEMS						\$ 518,322.00	\$ 518,322.00
A. EROSION CONTROLS & MISCELLANEOUS ITEMS (OFFSITE FORCEMAIN)							
A1	25	25	EA	Furnish and Install stabilized construction entrance - complete in place. Maintain during construction.	\$ 1,100.00	\$ 27,500.00	\$ 27,500.00
A2	15,410	15,410	LF	Furnish and Install temporary silt fence within limits of construction - complete in place. Maintain during construction.	\$ 2.00	\$ 30,820.00	\$ 30,820.00
A3	25	25	LS	Furnish and Install Temporary Staging/Storage/Spoils/Concrete Wash Out Area. Secure area with Chain Link Fence and (1) Entry / Exit Gate. Install Silt Fence around perimeter. Remove upon completion of construction, grade to drain and hydromulch.	\$ 1,300.00	\$ 32,500.00	\$ 32,500.00
A4	2,137	2,137	LF	Furnish and Install Rock Berm - complete in place	\$ 25.00	\$ 53,425.00	\$ 53,425.00
A5	36,340	36,340	SY	Furnish and Install topsoil (6" depth) within landscaped tract areas and within R.O.W. - complete in place	\$ 3.00	\$ 109,020.00	\$ 109,020.00
A6	36,340	36,340	SY	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within R.O.W., including deconstruction area - complete in place	\$ 2.00	\$ 72,680.00	\$ 72,680.00
A7	964	964	LF	Furnish and Install Tree Protection Fencing per detail - complete in place	\$ 4.00	\$ 3,856.00	\$ 3,856.00
A8	1	1	LS	Miscellaneous demolition including drives and fences	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
SUBTOTAL EROSION CONTROLS & MISCELLANEOUS ITEMS						\$ 389,801.00	\$ 389,801.00
A. EROSION CONTROLS & MISCELLANEOUS ITEMS (OFFSITE LIFT STATION)							
A1	1	1	EA	Furnish and Install stabilized construction entrance - complete in place. Maintain during construction.	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
A2	230	230	LF	Furnish and Install temporary silt fence within limits of construction - complete in place. Maintain during construction.	\$ 8.00	\$ 1,840.00	\$ 1,840.00
A3	1	1	LS	Furnish and Install Temporary Staging/Storage/Spoils/Concrete Wash Out Area. Secure area with Chain Link Fence and (1) Entry / Exit Gate. Install Silt Fence around perimeter. Remove upon completion of construction, grade to drain and hydromulch.	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
A4	3,293	3,293	SY	Lift Station Access Drive - All Weather - Complete in place.	\$ 20.00	\$ 65,860.00	\$ 65,860.00
SUBTOTAL EROSION CONTROLS & MISCELLANEOUS ITEMS						\$ 77,700.00	\$ 77,700.00
B. WASTEWATER IMPROVEMENTS							
B1	21,804	21,804	LF	Furnish and Install 6-inch and 8-inch PVC Force Main wastewater pipe (all depths, same trench) - complete in place **Measured to the interior wall of the MH	\$ 84.00	\$ 1,831,536.00	\$ 1,831,536.00
B2	576	576	LF	Furnish and Install 24" Steel Encasement including boring, spacers, and end caps	\$ 800.00	\$ 460,800.00	\$ 460,800.00
B3	14	14	EA	Furnish and Install 6" Plug Valve, including any necessary appurtenances - complete in place	\$ 2,000.00	\$ 28,000.00	\$ 28,000.00
B4	14	14	EA	Furnish and Install 8" Plug Valve, including any necessary appurtenances - complete in place	\$ 3,000.00	\$ 42,000.00	\$ 42,000.00
B5	9	9	EA	Furnish and Install 2" Sewage Air Release Valve - Complete in place	\$ 16,000.00	\$ 144,000.00	\$ 144,000.00
B6	1	1	EA	Furnish and Install 6" Swing Check Valve - Complete in place	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
B7	220	220	LF	Furnish and Install 6" Concrete Cap	\$ 60.00	\$ 13,200.00	\$ 13,200.00
B8	21,804	21,804	LF	Trench Safety System for wastewater line	\$ 2.00	\$ 43,608.00	\$ 43,608.00
B9	10	10	EA	Furnish and Install 2-Way Cleanout - Complete in Place	\$ 22,000.00	\$ 220,000.00	\$ 220,000.00
B10	1	1	EA	Connect to Offsite Foremain	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
B11	1	1	EA	Lift Station (Including wet well, Pumps, receiving manhole, 8' Chain Link Fence with gate, 4'-6" Stone with Top of road 3/4" Rock within Fenced Enclosure, electrical, communications, and all other appurtenances within the fenced limits.	\$ 786,000.00	\$ 786,000.00	\$ 786,000.00
B12	1	1	EA	Lift Station Ph 2 Impeler Upgrades	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
SUBTOTAL WASTEWATER ITEMS						\$ 3,609,144.00	\$ 3,609,144.00

**OPINION OF PROBABLE COST
BUTLER FARMS OFFSITE INFRASTRUCTURE**

**16" DEVELOPER
WATERLINE UPSIZING**

**16" DEVELOPER
WATERLINE UPSIZING**

		Approx. Qty	Unit	Description of Item	Unit Price	Amount	Amount
C. POTABLE WATER IMPROVEMENTS							
C1 (A3)	0	88	LF	Furnish and Install 12-inch C-900 PVC DR-18 water line including pipe, fittings, restraints, and all other appurtenances (all depths) to cross Stubblefield Lane - complete in place	\$ 72.00	\$ 0.00	\$ 6,336.00
C2	25,697	2,200	LF	Furnish and Install 16-inch C-900 PVC DR-18 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 89.00	\$ 2,287,033.00	\$ 195,800.00
C3	0	8,271	LF	Furnish and Install 18-inch C-900 PVC DR-18 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 97.00	\$ 0.00	\$ 802,287.00
C4	0	15,226	LF	Furnish and Install 24-inch Ductil Iron water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 162.00	\$ 0.00	\$ 2,466,612.00
C5	0	3,106	LF	Furnish and Install 4-inch C-900 PVC DR-18 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 23.00	\$ 0.00	\$ 71,438.00
C6	187	82	LF	Furnish and Install 24" Steel Encasement including boring, spacers, and end caps	\$ 620.00	\$ 115,940.00	\$ 50,840.00
C7	0	73	LF	Furnish and Install 30" Steel Encasement across Hwy 29 including boring, spacers, and end caps	\$ 900.00	\$ 0.00	\$ 65,700.00
C8	0	32	LF	Furnish and Install 36" Steel Encasement across Hwy 29 including boring, spacers, and end caps	\$ 1,300.00	\$ 0.00	\$ 41,600.00
C9 (A3)	0	81	LF	Furnish and Install 42" Steel Encasement including boring, spacers, and end caps	\$ 1,500.00	\$ 0.00	\$ 121,500.00
C10	438	438	LF	Furnish and Install 6" Concrete Cap	\$ 50.00	\$ 21,900.00	\$ 21,900.00
C11	0	4	EA	Furnish and Install 16" Gate Valve, including any necessary appurtenances - complete in place	\$ 10,000.00	\$ 0.00	\$ 40,000.00
C12	0	8	EA	Furnish and Install 18" Gate Valve, including any necessary appurtenances - complete in place	\$ 14,000.00	\$ 0.00	\$ 112,000.00
C13	0	16	EA	Furnish and Install 24" Gate Valve, including any necessary appurtenances - complete in place	\$ 22,000.00	\$ 0.00	\$ 352,000.00
C14	9	9	EA	8" Drain Valve Assembly - complete in place	\$ 6,000.00	\$ 54,000.00	\$ 54,000.00
C15	25	25	EA	Furnish and Install Standard Fire Hydrant Assembly, including pipe, fittings, restraints, valves, hydrant, and all required appurtenances, as shown on plans - complete in place	\$ 6,000.00	\$ 150,000.00	\$ 150,000.00
C16	13	13	EA	2" Air Release Valve - complete in place	\$ 5,000.00	\$ 65,000.00	\$ 65,000.00
C17 (A3)	0	1	EA	6" PRV and 10'x13' Vault - complete in place	\$ 75,000.00	\$ 0.00	\$ 75,000.00
C18 (A3)	0	1	EA	12" PRV and 10'x14.5' Vault - complete in place	\$ 110,000.00	\$ 0.00	\$ 110,000.00
C19	0	1	EA	24"X12" Reducer	\$ 3,000.00	\$ 0.00	\$ 3,000.00
C20	25697	28,845	LF	Trench Safety Systems for water line	\$ 3.00	\$ 77,091.00	\$ 86,535.00
C21	1	1	EA	Connect to existing waterline	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00
C22	25697	28,845	LF	Pressure Pipe Hydrostatic Testing	\$ 2.00	\$ 51,394.00	\$ 57,690.00
SUBTOTAL POTABLE WATER IMPROVEMENTS						\$ 2,828,858.00	\$ 4,955,738.00
D. STREET AND DRAINAGE IMPROVEMENTS (OFFSITE WATER)							
D1	1	1	LS	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
D2 (A3)	198	198	SY	Various Gravel Drive/Paving Repair to match existing conditions.	\$ 68.00	\$ 13,464.00	\$ 13,464.00
D4 (A3)	944	944	SY	Various Asphalt Drive/Paving Repairs to match existing conditions.	\$ 105.00	\$ 99,120.00	\$ 99,120.00
D5	1	1	LS	Open Cut Stubblefield Lane (Remove and Replace Pavement Section: 2" HMAC and 12" Flexbase per County standards)	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
D6	1	1	LS	Open Cut River View Road (Remove and Replace Pavement Section: 2" HMAC and 12" Flexbase per County standards)	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
D7	1	1	LS	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices for Stubblefield Lane - complete in place	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
D8 (A1)	25	25	SY	Various Gravel Drive/Paving Repair to match existing conditions and Replace existing culvert with 18" pipe or larger (to match existing if larger than 18" pipe), and match existing concrete rip rap.	\$ 275.00	\$ 6,875.00	\$ 6,875.00
D10 (A1)	58	58	SY	Various Asphalt Drive/Paving Repairs to match existing conditions and Replace existing culvert with 18" pipe (to match existing if larger than 18" pipe) and match existing concrete rip rap.	\$ 300.00	\$ 17,400.00	\$ 17,400.00
D11 (A2)	26	26	SY	Concrete Rip Rap / SET Repairs.	\$	\$ 0.00	\$ 0.00
SUBTOTAL STREET AND DRAINAGE IMPROVEMENTS IMPROVEMENTS						\$ 206,859.00	\$ 206,859.00
D. STREET IMPROVEMENTS (OFFSITE FORCE MAIN)							
D1	1	1	LS	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00
D2	434	434	SY	Various Gravel Drive/Paving Repair to match existing conditions.	\$ 70.00	\$ 30,380.00	\$ 30,380.00
D3	603	603	SY	Various Concrete Drive/Paving Repair to match existing conditions.	\$ 135.00	\$ 81,405.00	\$ 81,405.00
D4	515	515	SY	Various Asphalt Drive/Paving Repairs to match existing conditions.	\$ 106.00	\$ 54,590.00	\$ 54,590.00
D5	1	1	LS	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices for Stubblefield Lane - complete in place	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
SUBTOTAL STREET IMPROVEMENTS						\$ 234,375.00	\$ 234,375.00

OPINION OF PROBABLE COST
BUTLER FARMS OFFSITE INFRASTRUCTURE

16" DEVELOPER WATERLINE UPSIZING		16" DEVELOPER WATERLINE UPSIZING				16" DEVELOPER WATERLINE UPSIZING		16" DEVELOPER WATERLINE UPSIZING	
	Approx. Qty	Unit	Description of Item	Unit Price	Amount	Amount	Amount	Amount	Amount
L. ENGINEERING & CONSULTING FEES									
L1			Acoustical Consultant		\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
L2			CFD/MUD/AD Costs		\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
L3			Eng-Bidding		\$ 10,000.00	\$ 10,000.00		\$ 10,000.00	\$ 10,000.00
L4			Eng-Civil Design		\$ 425,500.00	\$ 425,500.00		\$ 425,500.00	\$ 425,500.00
L5			Eng - MS Blvd		\$ 97,500.00	\$ 97,500.00		\$ 97,500.00	\$ 97,500.00
L6			Eng-Construction Phase Services		\$ 25,000.00	\$ 25,000.00		\$ 25,000.00	\$ 25,000.00
L7			Eng-Structural		\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
L8			Environ-SWPPP/Inspection		\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
L9			Environ-SWPPP Prep/NOI		\$ 35,000.00	\$ 35,000.00		\$ 35,000.00	\$ 35,000.00
L10			Geotech-CMT		\$ 20,000.00	\$ 20,000.00		\$ 20,000.00	\$ 20,000.00
L11			Geotech-Soils Testing		\$ 9,000.00	\$ 9,000.00		\$ 9,000.00	\$ 9,000.00
L12			Landscape Design (8% of const)		\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
L13			Survey-Final Plat		\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
L14			Survey-Boundary/ALTA		\$ 11,000.00	\$ 11,000.00		\$ 11,000.00	\$ 11,000.00
L15			Survey-Topo		\$ 191,000.00	\$ 191,000.00		\$ 191,000.00	\$ 191,000.00
L16			Utility Coordination		\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
SUBTOTAL ENGINEERING & CONSULTING FEES					\$ 824,000.00	\$ 824,000.00		\$ 824,000.00	\$ 824,000.00
M. FEES									
M1	0	0	LOTS Preliminary Plat Review Fee - (\$750 + \$20/Lot)	\$ 20.00	\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
M2	1	1	LS Plan Review Fee - Liberty Hill	\$ 500.00	\$ 500.00	\$ 500.00		\$ 500.00	\$ 500.00
M3	7,865,059	9,991,939.00	% Inspection Fee - Liberty Hill (% construction cost due at Construction Plan submittal)	% 0.50%	\$ 39,325.30	\$ 49,959.70		\$ 39,325.30	\$ 49,959.70
M4	7,865,059	9,991,939.00	% Inspection Fee - Liberty Hill (% construction cost due before Pre-Construction Meeting) ⁴	% 3.00%	\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
M5	0	0	AC TCEQ - CZP	\$ 0.00	\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
M6	0	0	LOTS Plat Review Fee - Liberty Hill (\$500 + \$20/Lot)	\$ 20.00	\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
M7	0	0	LOTS City of Liberty Hill Park Fee (Due at Final Plat; Builder Cost \$169/LOT)	\$ 169.00	\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
M8	0	0	LOTS PID Bond Fees (Due at Final Plat; Builder Cost \$1000/lot)	\$ 1,000.00	\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
M9	0	0	LOTS Building Permit Fee (Builder Cost \$1,400/lot)	\$ 1,400.00	\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
M10	0	0	LF PEC Payment to Pull Wire	\$ 16.00	\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
M11	0	0	LOTS Liberty Hill Impact Fees (Wastewater, Builder Cost \$3,500/lot)	\$ 3,500.00	\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
M12	0	0	LOTS Liberty Hill Impact Fees (Water, Builder Cost \$3,500/lot)	\$ 3,500.00	\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
SUBTOTAL FEES					39,825.30	\$ 50,459.70		\$ 50,459.70	\$ 50,459.70

OPINION OF PROBABLE COST
BUTLER FARMS OFFSITE INFRASTRUCTURE

	16" WATERLINE	DEVELOPER UPSIZING				16" WATERLINE	DEVELOPER UPSIZING
	Approx. Qty	Unit	Description of Item	Unit Price	Amount	Amount	Amount

		16" WATERLINE		DEVELOPER UPSIZING
OFFSITE UTILITIES				
A. EROSION CONTROLS & MISCELLANEOUS ITEMS (OFFSITE WATER)		\$ 518,322		\$ 518,322
A. EROSION CONTROLS & MISCELLANEOUS ITEMS (OFFSITE FORCEMAIN)		\$ 389,801		\$ 389,801
A. EROSION CONTROLS & MISCELLANEOUS ITEMS (OFFSITE LIFT STATION)		\$ 77,700		\$ 77,700
B. WASTEWATER IMPROVEMENTS		\$ 3,609,144		\$ 3,609,144
C. POTABLE WATER IMPROVEMENTS		\$ 2,828,858		\$ 4,955,738
D. STREET AND DRAINAGE IMPROVEMENTS (OFFSITE WATER)		\$ 206,859		\$ 206,859
D. STREET IMPROVEMENTS (OFFSITE FORCE MAIN)		\$ 234,375		\$ 234,375
CONSTRUCTION TOTAL		\$ 7,865,059.00		\$ 9,991,939.00
L. ENGINEERING & CONSULTING FEES		\$ 824,000.00		\$ 824,000.00
M. FEES		\$ 39,825.30		\$ 50,459.70
CONTINGENCY	0%	\$ 0.00		\$ 0.00
CONSTRUCTION MANAGEMENT FEE	4%	\$ 314,602.36		\$ 399,677.56
TOTAL		\$ 9,043,486.66		\$ 11,266,076.26

- ¹ This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction costs may vary significantly due to not having engineering construction documents, geotechnical conditions, timing of construction, changed conditions, the competitive nature of the market, labor rate changes, or other factors.
- ² Contingency is set to 0% for offsite infrastructure, Phase 1 & 11 Spine, & Phase 1 Model Park, 5% for Phase 9, 10% for Phases 2, 3, 4, & 7 and 20% for Phases 5 & 8 per owner's request.
- ³ The offsite OPC construction cost total includes Lift Station, force main and the developer required 16" waterline.
- ⁴ The offsite inspection and construction fees up to \$235,351.77 is waived per the Third Amendment to Annexation and Development Agreement with the City.
- ⁵ The booster pump improvements, up to \$500,000, is waived per the Third Amendment to Annexation and Development Agreement with the City.
- ⁶ Geotechnical pavement design for Phase 1 was available at the time of OPC.
- ⁷ Hardscape and Landscaping costs are not included.
- ⁸ Unit Prices provided from Joe Bland Construction 12.07.2020.

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 1 AND PHASE 11**

	Approx. Qty	Unit	Description of Item	Unit Price	Amount
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A. EROSION CONTROLS & MISCELLANEOUS ITEMS

A1	1	EA	Furnish and Install stabilized construction entrance - complete in place. Maintain during construction.	\$ 1,200.00	\$ 1,200.00
A2	18	EA	Furnish and Install Inlet Protection - complete in place. Maintain during construction.	\$ 70.00	\$ 1,260.00
A3 (A2)	7,421	LF	Furnish and Install temporary silt fence within limits of construction - complete in place. Maintain during construction.	\$ 2.50	\$ 18,552.50
A4	1	LS	Furnish and Install Temporary Staging/Storage/Spoils/Concrete Wash Out Area. Secure area with Chain Link Fence and (1) Entry / Exit Gate. Install Silt Fence around perimeter. Remove upon completion of construction, grade to drain and hydromulch.	\$ 1.00	\$ 1.00
A5	263	LF	Furnish and Install Rock Berm - complete in place	\$ 25.00	\$ 6,575.00
A6	49,593	SY	Furnish and Install topsoil (6" depth) within landscaped tract areas and within R.O.W. - complete in place	\$ 2.50	\$ 123,982.50
A7	49,593	SY	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within R.O.W., including deconstruction area - complete in place	\$ 1.75	\$ 86,787.75
A8	3,371	LF	Furnish and Install Tree Protection Fencing per detail - complete in place	\$ 3.00	\$ 10,113.00
A9	1	LS	Double mulch all removed trees and leave stockpiled on site.	\$ 30,000.00	\$ 30,000.00
SUBTOTAL EROSION CONTROLS & MISCELLANEOUS ITEMS					\$ 278,471.75

B. WASTEWATER IMPROVEMENTS

B1	1267	LF	Furnish and Install 8-inch SDR-26 PVC gravity wastewater pipe (all depths) - complete in place **Measured to the interior wall of the MH	\$ 49.15	\$ 62,273.05
B2 (A5)	2,300	LF	Furnish and Install 10-inch SDR-26 PVC gravity wastewater pipe (all depths) - complete in place **Measured to the interior wall of the MH	\$ 53.63	\$ 123,349.00
B3	72	LF	Furnish and Install 12-inch SDR-26 PVC gravity wastewater pipe (all depths) - complete in place **Measured to the interior wall of the MH	\$ 65.00	\$ 4,680.00
B4	2	EA	Furnish and Install 4-ft diameter wastewater manhole - complete in place	\$ 2,250.00	\$ 4,500.00
B5 (A3)	20	EA	Furnish and Install 5-ft diameter wastewater manhole - complete in place	\$ 4,500.00	\$ 90,000.00
B6 (A2)	3639	LF	Trench Safety System for wastewater line	\$ 1.25	\$ 4,548.75
B7	6	EA	Furnish and Install Stub for Future Connecton	\$ 500.00	\$ 3,000.00
B8	15	LF	Furnish and Install 16-inch Steel Encasement Pipe (all depths) - complete in place.	\$ 250.00	\$ 3,750.00
B9	1	LF	Furnish and Install 8" Cleanout	\$ 1,250.00	\$ 1,250.00
SUBTOTAL WASTEWATER IMPROVEMENTS					\$ 297,350.80

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 1 AND PHASE 11**

C. DRAINAGE IMPROVEMENTS

C1	681	LF	Furnish and Install 18-inch Class III RCP storm sewer including pipe, joints, and all other appurtenances (all depths) - complete in place	\$ 59.00	\$ 40,179.00
C2	1521	LF	Furnish and Install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 64.00	\$ 97,344.00
C3	898	LF	Furnish and Install 30-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 70.00	\$ 62,860.00
C4	687	LF	Furnish and Install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 99.00	\$ 68,013.00
C5	73	LF	Furnish and Install 54-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 156.00	\$ 11,388.00
C6	2	EA	Furnish and Install (4' dia) Storm Sewer Manhole (all depths) - complete and in place	\$ 1,250.00	\$ 2,500.00
C7	4	EA	Furnish and Install (5' dia) Storm Sewer Manhole (all depths) - complete and in place	\$ 2,500.00	\$ 10,000.00
C8	1	EA	Furnish and Install (2' x 2') Grate Inlet (all depths) - complete and in place	\$ 2,000.00	\$ 2,000.00
C9	3	EA	Furnish and Install (3' x 3') Grate Inlet (all depths) - complete and in place	\$ 2,000.00	\$ 6,000.00
C10	1	EA	Furnish and Install (3' x 3') Area Inlet (all depths) - complete and in place	\$ 1,800.00	\$ 1,800.00
C11	1	EA	Furnish and Install (4' x 4') Junction Box (all depths) - complete and in place	\$ 2,500.00	\$ 2,500.00
C12	1	EA	Furnish and Install (5' x 5') Storm Sewer Junction Box (all depths) - complete and in place	\$ 3,500.00	\$ 3,500.00
C13	1	EA	Furnish and Install (6' x 6') Storm Sewer Junction Box (all depths) - complete and in place	\$ 6,500.00	\$ 6,500.00
C14	9	EA	Furnish and Install 10' Curb Inlet (5'-10' depths), Type I, per City of Round Rock Standard detail - complete in place	\$ 4,500.00	\$ 40,500.00
C15	408	LF	Trapezoidal Channel Excavation shape and reveg (25FT WIDE BOTTOM & 4 FT TALL w/3:1 SIDE SLOPES)	\$ 25.00	\$ 10,200.00
C16	4	EA	Furnish and Install 24" Headwall Outlet Structure	\$ 4,200.00	\$ 16,800.00
C17	1	EA	Furnish and Install 30" Headwall Outlet Structure	\$ 5,500.00	\$ 5,500.00
C18	1	EA	Furnish and Install 36" Headwall Outlet Structure	\$ 6,500.00	\$ 6,500.00
C19	451	LF	Furnish and Install 5' x 5' Reinforced Concrete Box Culvert storm sewer including pipe, joints and all other appurtenances - complete in place	\$ 296.00	\$ 133,496.00
C20	1,218	LF	Furnish and Install 8' x 4' Reinforced Concrete Box Culvert storm sewer including pipe, joints, and all other appurtenances - complete in place	\$ 450.00	\$ 548,100.00
C21	2	EA	Furnish and Install Headwall Inlet/Outlet Structure for 8' x 4' Culvert Crossing - complete in place	\$ 31,000.00	\$ 62,000.00
C22	22,363	SF	Rock Rip Rap	\$ 2.50	\$ 55,907.50
C23	6,142	LF	Trench Safety Systems for storm sewers	\$ 1.25	\$ 7,677.50
C24	4	EA	Furnish and Install (4' x 4') Area Inlet (all depths) - complete and in place	\$ 2,000.00	\$ 8,000.00
C27	613	LF	Furnish and Install 4' x 3' Reinforced Concrete Box Culvert storm sewer including pipe, joints, and all other appurtenances - complete in place	\$ 260.00	\$ 159,380.00
C28	1	EA	Furnish and Install Headwall Inlet/Outlet Structure for 4' x 3' Culvert Crossing - complete in place	\$ 60,000.00	\$ 60,000.00
C29	1	EA	Furnish and Install Headwall Inlet/Outlet Structure for 5' x 5' Culvert - complete in place	\$ 75,000.00	\$ 75,000.00
SUBTOTAL DRAINAGE IMPROVEMENTS					\$ 1,503,645.00

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 1 AND PHASE 11**

D. POTABLE WATER IMPROVEMENTS

D1	165	LF	Furnish and Install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 42.00	\$ 6,930.00
D2	1950	LF	Furnish and Install 12-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 57.00	\$ 111,150.00
D3 (A2)	2717	LF	Furnish and Install 16-inch Ductile Iron, Class 200, water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 109.00	\$ 296,153.00
D4	3	EA	Furnish and Install 8" Gate Valve, including any necessary appurtenances - complete in place	\$ 1,250.00	\$ 3,750.00
D5	4	EA	Furnish and Install 12" Gate Valve, including any necessary appurtenances - complete in place	\$ 2,500.00	\$ 10,000.00
D6	5	EA	Furnish and Install 16" Gate Valve, including any necessary appurtenances - complete in place	\$ 6,500.00	\$ 32,500.00
D7	1	EA	Furnish and Install 16" x 8" Reducer, including any necessary appurtenances - complete in place	\$ 1,500.00	\$ 1,500.00
D8	2	EA	Furnish and Install 16" x 12" Reducer, including any necessary appurtenances - complete in place	\$ 1,500.00	\$ 3,000.00
D9	1	EA	Furnish and Install 8" Auto Flush Vavle Assembly - complete in place	\$ 3,000.00	\$ 3,000.00
D10	3	EA	Furnish and Install 12" Auto Flush Vavle Assembly - complete in place	\$ 4,500.00	\$ 13,500.00
D11	13	EA	Furnish and Install Standard Fire Hydrant Assembly, including pipe, fittings, restraints, valves, hydrant, and all required appurtenances, as shown on plans - complete in place	\$ 4,500.00	\$ 58,500.00
D12	2	EA	1" Irrigation Meters with Backflow Preventors - complete in place	\$ 1,500.00	\$ 3,000.00
D13	5	EA	1" Air Release Valve - complete in place	\$ 2,500.00	\$ 12,500.00
D14	4,832	LF	Trench Safety Systems for water line	\$ 1.25	\$ 6,040.00
D15	1	EA	Furnish and Install 8-inch Plug	\$ 500.00	\$ 500.00
D16	3	EA	Furnish and Install 12-inch Plug	\$ 750.00	\$ 2,250.00
D17	1	EA	Connect to existing waterline	\$ 1,250.00	\$ 1,250.00
D18	4,832	LF	Pressure Pipe Hydrostatic Testing	\$ 1.50	\$ 7,248.00
SUBTOTAL POTABLE WATER IMPROVEMENTS					\$ 572,771.00

E. WATER QUALITY / DETENTION POND IMPROVEMENTS

E1	1	EA	Water Quality Wet Basin Pond A (Including Clear and Grub, Excavation, Embankment, Concrete Outfall Structure with associated Rock Rip-Rap, Access Ramps, Earthen Berm, Loose	\$ 500,000.00	\$ 500,000.00
E2	1	EA	Water Quality Wet Basin Pond B (Including Clear and Grub, Excavation, Embankment, Concrete Outfall Structure with associated Rock Rip-Rap, Access Ramps, Earthen Berm, Loose	\$ 575,000.00	\$ 575,000.00
E3	1	EA	Detention Pond C (Including Clear and Grub, Excavation, Embankment, Outfall Structure, Access Ramps, Gates, Tiered Wall/Berm, Concrete trickle channel, Low flow outfall pipes,	\$ 200,000.00	\$ 200,000.00
SUBTOTAL WATER QUALITY / DETENTION POND IMPROVEMENTS					\$ 1,275,000.00

F. STREET IMPROVEMENTS

F1	37,880	SY	Subgrade Preparation per City of Round Rock Standard Specification 201	\$ 1.25	\$ 47,350.00
F2	37,880	SY	Furnish and Install 10" Lime Stabilized Subgrade to 36" beyond back of curb - complete in place. *Lime stabilization limits to be adjusted and verified during construction*	\$ 6.05	\$ 229,174.00
F3	3,680	SY	Furnish and Install 10" Crushed Limestone Base Material to 36" beyond back of curb - complete in place.	\$ 12.50	\$ 46,000.00
F4	34200	SY	Furnish and Install 15" Crushed Limestone Base Material to 36" beyond back of curb - complete in place.	\$ 12.50	\$ 427,500.00
F5	2700	SY	Furnish and Install CoRR Item 340 Type D HMAC, 1.5" depth - complete in place	\$ 8.75	\$ 23,625.00
F6	25,720	SY	Furnish and Install CoRR Item 340 Type D HMAC, 3.0" depth - complete in place	\$ 14.90	\$ 383,228.00
F7	5,400	LF	Furnish and Install Standard 18" Ribbon Curb - complete in place.	\$ 9.00	\$ 48,600.00
F8	11,338	LF	Furnish and Install Standard 6" Concrete Curb and Gutter - complete in place.	\$ 12.20	\$ 138,323.60
F9 (A2)	2393	SY	Furnish and Install Concrete Sidewalks, 4' wide - complete in place	\$ 59.00	\$ 141,187.00
F10	11	EA	Furnish and Install curb ramp (All Types) per details - complete in place	\$ 1,500.00	\$ 16,500.00
F11	1	LS	Furnish and Install Pavement Marking and Signage - complete and in place	\$ 2,500.00	\$ 2,500.00
F12	1	LS	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	\$ 500.00	\$ 500.00
F13	1	LS	Furnish and Install Street End Barricades (Use on-site boulders if required)	\$ 750.00	\$ 750.00
F14	1,860	SF	Furnish and Install Concrete Valley Gutter - complete in place	\$ 15.00	\$ 27,900.00
F15 (A3)	911	SF	Furnish and Install Metal Beam Guard Fence with Upstream and Downstream End Treatments - complete in place	\$ 76.00	\$ 69,236.00
SUBTOTAL STREET IMPROVEMENTS					\$ 1,602,373.60

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 1 AND PHASE 11

G. EXCAVATION AND EMBANKMENT (SPINE INFRASTRUCTURE) *

G1	13.4	AC	Clear and Grub (ROW)	\$ 1,500.00	\$ 20,160.00
G2	8.7	AC	Clear and Grub (Lots)	\$ 1,500.00	\$ 13,110.00
G3	1	LS	Excavation (ROW)	\$ 50,000.00	\$ 50,000.00
G4	1	LS	Embankment - (Use Material from On-Site Stockpile, ROW, Pond, & Lots.)	\$ 130,000.00	\$ 130,000.00
SUBTOTAL EXCAVATION AND EMBANKMENT					\$ 213,270.00

Ga. ADD ALTERNATIVE EXCAVATION AND EMBANKMENT * (A2)

Ga1 (A2)	1	LS	Stock pile and process material to meet the requirements of FHA Data Sheet 79G.	\$ 100,000.00	\$ 100,000.00
SUBTOTAL ADD ALTERNATIVE EXCAVATION AND EMBANKMENT					\$ 100,000.00

H. SLEEVING

H1	1	LS	Furnish and Install 4-inch SCH 40 PVC irrigation sleeves including pipe, tape, "T" stakes, paint marks, curb stamps, and all other appurtenances - complete in place	\$ 2,500.00	\$ 2,500.00
H2	1	LS	Furnish and Install 8-inch SCH 40 PVC irrigation sleeves including pipe, tape, "T" stakes, paint marks, curb stamps, and all other appurtenances - complete in place	\$ 3,000.00	\$ 3,000.00
SUBTOTAL IRRIGATION SLEEVING					\$ 5,500.00

I. ELECTRIC

I1	5,718	LF	Contractor (conduit, transformers, trenching, boxes, street lights, wiring, etc.)	\$ 49.50	\$ 283,041.00
I2	27	EA	Furnish and Install Street Lights	\$ 4,500.00	\$ 121,500.00
SUBTOTAL ELECTRIC					\$ 404,541.00

J. AMENITY CENTER (PHASE 11)

J1	1	LS	Amenity Center	\$ 0.00	\$ 0.00
SUBTOTAL AMENITY CENTER					\$ 0.00

K. HIGHWAY 29 IMPROVEMENTS

K1	1.0	EA	HWY 29 widening, Right Turn Lane, deceleration lane, 10'x4' Box Culvert extention and headwall structure, Traffic Signal light; - complete in place	\$ 1,429,965.00	\$ 1,429,965.00
SUBTOTAL HIGHWAY 29 IMPROVEMENTS					1,429,965.00

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 1 AND PHASE 11**

L. ENGINEERING & CONSULTING FEES

L1	Acoustical Consultant	\$	0.00
L2	CFD/MUD/AD Costs	\$	0.00
L3	Eng-Bidding	\$	10,000.00
L4	Eng-Civil Design	\$	515,000.00
L5	Eng - MS Blvd	\$	0.00
L6	Eng-Construction Phase Services	\$	20,000.00
L7	Eng-Structural	\$	0.00
L8	Environ-SWPPP/Inspection	\$	9,000.00
L9	Environ-SWPPP Prep/NOI	\$	500.00
L10	Geotech-CMT	\$	0.00
L11	Geotech-Soils Testing	\$	0.00
L12	Landscape Design (8% of const)	\$	80,000.00
L13	Survey-Final Plat	\$	0.00
L14	Survey-Boundary/ALTA	\$	0.00
L15	Survey-Misc	\$	0.00
L16	Utility Coordination	\$	5,000.00
SUBTOTAL ENGINEERING & CONSULTING FEES			\$ 639,500.00

M. FEES

M1	0	LOTS	Preliminary Plat Review Fee - (\$750 + \$20/Lot)	\$	20.00	\$	0.00
M2	1	LS	Plan Review Fee - Liberty Hill	\$	500.00	\$	500.00
M3	\$ 5,729,772	%	Inspection Fee - Liberty Hill (% construction cost due at Construction Plan submittal)	%	0.5%	\$	28,648.86
M4	\$ 5,729,772	%	Inspection Fee - Liberty Hill (% construction cost due before Pre-Construction Meeting) (Note 12)	%	3.0%	\$	0.00
M5	102.17	AC	TCEQ - CZP	\$	8,000.00	\$	8,000.00
M6	0	LOTS	Plat Review Fee - Liberty Hill (\$500 + \$20/Lot)	\$	20.00	\$	0.00
M7	0.00	LOTS	City of Liberty Hill Park Fee (Due at Final Plat; Builder Cost \$169/LOT)	\$	169.00	\$	0.00
M8	0	LOTS	PID Bond Fees (Due at Final Plat; Builder Cost \$1000/lot)	\$	1,000.00	\$	0.00
M9	0	LOTS	Building Permit Fee (Builder Cost \$1,400/lot)	\$	1,400.00	\$	0.00
M10	5,718.00	LF	PEC Payment to Pull Wire	\$	25.00	\$	142,950.00
M11	0	LOTS	Liberty Hill Impact Fees (Wastewater, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
M12	0	LOTS	Liberty Hill Impact Fees (Water, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
SUBTOTAL FEES						\$	180,098.86

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 1 AND PHASE 11

BUTLER PHASE 1 AND PHASE 11		
A. EROSION CONTROLS & MISCELLANEOUS ITEMS		\$ 278,472
B. WASTEWATER IMPROVEMENTS		\$ 297,351
C. DRAINAGE IMPROVEMENTS		\$ 1,503,645
D. POTABLE WATER IMPROVEMENTS		\$ 572,771
E. WATER QUALITY / DETENTION POND IMPROVEMENTS		\$ 1,275,000
F. STREET IMPROVEMENTS		\$ 1,602,374
G. EXCAVATION AND EMBANKMENT (SPINE INFRASTRUCTURE) *		\$ 213,270
Ga. ADD ALTERNATIVE EXCAVATION AND EMBANKMENT * (A2)		\$ 100,000
H. SLEEVING		\$ 5,500
I. ELECTRIC		\$ 404,541
J. AMENITY CENTER (PHASE 11)		\$ 0
K. HIGHWAY 29 IMPROVEMENTS		\$ 1,429,965
SUBTOTAL		\$ 7,682,888.15
ENGINEERING & CONSULTING FEES		\$ 639,500.00
FEES		\$ 180,098.86
CONTINGENCY	0%	\$ 0.00
CONSTRUCTION MANAGEMENT FEE	4%	\$ 291,133.89
TOTAL		\$ 8,793,620.90

This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction costs may vary significantly due to not having engineering construction documents, geotechnical conditions, timing of construction, changed conditions, the competitive nature of the market, labor rate changes, or other factors.

2 Contingency is set to 0% for offsite infrastructure, Phase 1 & 11 Spine, & Phase 1 Model Park, 5% for Phase 9, 10% for Phases 2, 3, 4, & 7 and 20% for Phases 5 & 8 per owner's request.

3 This OPC is based on conceptual plan provided by SEC Planning – "Lotting R" configuration.

4 The Phase 1 and 11 OPC includes the construction of two wet basins, detention pond, and channel behind the model park and future Phase 2 to keep the calculated floodplain outside these lots.

5 Geotechnical pavement design for Phase 1 was available at the time of OPC.

6 Hardscape and Landscaping costs are not included.

7 Only the Developer sidewalk has been included as the sidewalk quantity.

8 Detailed dry utility costs are not included.

9 Unit Prices provided from ProDirt Services 12.07.2020.

10 Construction management fee is set to 4% for all items with the exception of electric.

11 The onsite inspection fees for Phase 1 and Phase 1 Model Park up to \$204,972.26 is waived per the Third Amendment to Annexation and Development Agreement with the City.

12 The onsite Highway 29 Improvement costs, up to \$889,134.97, will be paid by the City per the Third Amendment to Annexation and Development Agreement with the City.

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 1 MODEL PARK**

	Approx. Qty	Unit	Description of Item	Unit Price	Amount
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A. EROSION CONTROLS & MISCELLANEOUS ITEMS

A1	1	EA	Furnish and Install stabilized construction entrance - complete in place. Maintain during construction.	\$ 1,200.00	\$ 1,200.00
A2	9	EA	Furnish and Install Inlet Protection - complete in place. Maintain during construction.	\$ 70.00	\$ 630.00
A3	1,779	LF	Furnish and Install temporary silt fence within limits of construction - complete in place. Maintain during construction.	\$ 2.50	\$ 4,447.50
A4	1	LS	Furnish and Install Temporary Staging/Storage/Spoils/Concrete Wash Out Area. Secure area with Chain Link Fence and (1) Entry / Exit Gate. Install Silt Fence around perimeter. Remove upon completion of construction, grade to drain and hydromulch.	\$ 1.00	\$ 1.00
A5	30	LF	Furnish and Install Rock Berm - complete in place	\$ 25.00	\$ 750.00
A6 (A5)	5,000	SY	Furnish and Install topsoil (6" depth) within landscaped tract areas and within R.O.W. - complete in place	\$ 2.50	\$ 12,500.00
A7 (A5)	5,000	SY	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within R.O.W., including deconstruction area - complete in place	\$ 1.75	\$ 8,750.00
A9	1	LS	Double mulch all removed trees and leave stockpiled on site.	\$ 20,000.00	\$ 20,000.00
A10	540	LF	Furnish and Install Mulch Roll Erosion Protection- complete in place. Maintain during construction.	\$ 25.00	\$ 13,500.00
A11	2	EA	Furnish and Install Mailbox unit including but not limited to Cluster Box Unit(s) per plan, foundation, sidewalk to curb connection, pedestal, side panels for end units and coordination with USPS for key delivery (contact number: 512-419-7504) - complete in place	\$ 4,500.00	\$ 9,000.00
SUBTOTAL EROSION CONTROLS & MISCELLANEOUS ITEMS					\$ 70,778.50

B. WASTEWATER IMPROVEMENTS

B1	1134	LF	Furnish and Install 8-inch SDR-26 PVC gravity wastewater pipe (all depths) - complete in place **Measured to the interior wall of the MH	\$ 49.15	\$ 55,736.10
B2	10	LF	Furnish and Install 16-inch Steel Encasement Pipe (all depths) - complete in place	\$ 250.00	\$ 2,500.00
B3	7	EA	Furnish and Install 4-ft diameter wastewater manhole - complete in place	\$ 2,250.00	\$ 15,750.00
B4	2	EA	Furnish and Install 5-ft diameter wastewater manhole - complete in place	\$ 4,500.00	\$ 9,000.00
B5	1134	LF	Trench Safety System for wastewater line	\$ 1.25	\$ 1,417.50
B6	7	EA	Furnish and Install double service connection, per detail - complete in place	\$ 2,500.00	\$ 17,500.00
B7	6	EA	Furnish and Install single service connection, per detail - complete in place	\$ 1,500.00	\$ 9,000.00
B8	1	EA	Connect to Wastewater Stub or Existing Wastewater Manhole	\$ 2,500.00	\$ 2,500.00
B9	6	EA	Furnish and Install Stub for Future Connecton	\$ 500.00	\$ 3,000.00
B10	4	EA	Furnish and Install 8" Cleanout - complete in place	\$ 500.00	\$ 2,000.00
SUBTOTAL WASTEWATER IMPROVEMENTS					\$ 118,403.60

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 1 MODEL PARK**

C. DRAINAGE IMPROVEMENTS

C1	311	LF	Furnish and Install 18-inch Class III RCP storm sewer including pipe, joints, and all other appurtenances (all depths) - complete in place	\$ 59.00	\$ 18,349.00
C2	140	LF	Furnish and Install 30-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 70.00	\$ 9,800.00
C3	99	LF	Furnish and Install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 95.00	\$ 9,405.00
C4	129	LF	Furnish and Install 48-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 108.00	\$ 13,932.00
C5	119	LF	Furnish and Install 54-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 156.00	\$ 18,564.00
C6	287	LF	Furnish and Install 60-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 216.00	\$ 61,992.00
C7	1	EA	Furnish and Install (6' dia) Storm Sewer Manhole (all depths) - complete and in place	\$ 5,500.00	\$ 5,500.00
C8	1	EA	Furnish and Install (7' x 7') Storm Sewer Junction Box (all depths) - complete and in place	\$ 11,000.00	\$ 11,000.00
C9	1	EA	Furnish and Install (8' x 8') Storm Sewer Junction Box (all depths) - complete and in place	\$ 12,000.00	\$ 12,000.00
C10	404	LF	Furnish and Install 6' x 5' Reinforced Concrete Box Culvert storm sewer including pipe, joints and all other appurtenances - complete in place	\$ 400.00	\$ 161,600.00
C12	4293	SF	Rock Rip Rap	\$ 2.50	\$ 10,732.50
C13	1489	LF	Trench Safety Systems for storm sewers	\$ 1.25	\$ 1,861.25
C14 (A2)	1	EA	Furnish and Install (5' x 5') Area Inlet (all depths) - complete and in place	\$ 2,500.00	\$ 2,500.00
C15 (A3)	1	EA	Furnish and Install (6' x 6') Area Inlet (all depths) - complete and in place	\$ 11,500.00	\$ 11,500.00
C16	2	LF	Furnish and Install SETB-CD Headwall Inlet/Outlet Structure for 6' x 5' Culvert - complete in place	\$ 22,000.00	\$ 44,000.00
C17 (A3)	7	LF	Furnish and Install 10' Curb Inlet (5'-10' depths), Type I, per City of Round Rock Standard detail - complete in place	\$ 4,500.00	\$ 31,500.00
C18 (A3)	1	EA	Furnish and Install 54" Headwall Inlet Structure- complete in place	\$ 11,000.00	\$ 11,000.00
SUBTOTAL DRAINAGE IMPROVEMENTS					\$ 435,235.75

D. POTABLE WATER IMPROVEMENTS

D1	530	LF	Furnish and Install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 42.00	\$ 22,260.00
D1a (A5)	20	LF	Furnish and Install 16" Steel Encasement Pipe - complete in place	\$ 250.00	\$ 5,000.00
D2 (A5)	638	LF	Furnish and Install 16-inch Ductile Iron Class 200 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 60.00	\$ 38,280.00
D2a (A5)	40	LF	Furnish and Install 24" Steel Encasement Pipe - complete in place	\$ 400.00	\$ 16,000.00
D3	1	EA	Furnish and Install 8" Gate Valve, including any necessary appurtenances - complete in place	\$ 1,250.00	\$ 1,250.00
D4	4	EA	Furnish and Install 16" Gate Valve, including any necessary appurtenances - complete in place	\$ 6,500.00	\$ 26,000.00
D5	2	EA	Furnish and Install 16" x 8" Reducer, including any necessary appurtenances - complete in place	\$ 1,500.00	\$ 3,000.00
D6	2	EA	Furnish and Install 8" Auto Flush Vavle Assembly - complete in place	\$ 3,000.00	\$ 6,000.00
D7	1	EA	Furnish and Install 16" Auto Flush Valve Assembly - complete in place	\$ 4,500.00	\$ 4,500.00
D8	3	EA	Furnish and Install Standard Fire Hydrant Assembly, including pipe, fittings, restraints, valves, hydrant, and all required appurtenances, as shown on plans - complete in place	\$ 4,500.00	\$ 13,500.00
D9	2	EA	1" Irrigation Meters with Backflow Preventors - complete in place	\$ 1,500.00	\$ 3,000.00
D10	1	EA	1" Air Release Valve - complete in place	\$ 2,500.00	\$ 2,500.00
D11	9	EA	Furnish and Install Standard potable water double service connection with meter boxes, per plans - complete in place	\$ 1,500.00	\$ 13,500.00
D12	2	EA	Furnish and Install Standard potable water single service connection with meter box, per plans - complete in place	\$ 1,250.00	\$ 2,500.00
D13	1,168	LF	Trench Safety Systems for water line	\$ 1.25	\$ 1,460.00
D14	2	EA	Furnish and Install 8-inch Plug	\$ 500.00	\$ 1,000.00
D15	1	EA	Furnish and Install 16-inch Plug	\$ 750.00	\$ 750.00
D16	1,168	LF	Pressure Pipe Hydrostatic Testing	\$ 1.50	\$ 1,752.00
SUBTOTAL POTABLE WATER IMPROVEMENTS					\$ 162,252.00

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 1 MODEL PARK**

F. STREET IMPROVEMENTS

F1	5,513	SY	Subgrade Preparation per City of Round Rock Standard Specification 201	\$ 1.25	\$ 6,891.25
F2	5,513	SY	Furnish and Install 10" Lime Stabilized Subgrade to 36" beyond back of curb - complete in place. *Lime stabilization limits to be adjusted and verified during construction*	\$ 6.05	\$ 33,353.65
F3	5,513	SY	Furnish and Install 10" Crushed Limestone Base Material to 36" beyond back of curb - complete in place.	\$ 12.00	\$ 66,156.00
F4	4,403	SY	Furnish and Install CoRR Item 340 Type D HMAC, 1.5" depth - complete in place	\$ 8.75	\$ 38,526.25
F5	2,204	LF	Furnish and Install Standard 6" Concrete Curb and Gutter - complete in place.	\$ 13.00	\$ 28,652.00
F6 (A2)	766	SY	Furnish and Install Concrete Sidewalks, 4' wide - complete in place	\$ 56.00	\$ 42,896.00
F7	6	EA	Furnish and Install curb ramp (All Types) per details - complete in place	\$ 1,500.00	\$ 9,000.00
F8	1	LS	Furnish and Install Pavement Marking and Signage - complete and in place	\$ 2,500.00	\$ 2,500.00
F9	1	LS	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	\$ 500.00	\$ 500.00
F10	1	LS	Furnish and Install Street End Barricades (Use on-site boulders if required)	\$ 750.00	\$ 750.00
SUBTOTAL STREET IMPROVEMENTS					\$ 229,225.15

G. EXCAVATION AND EMBANKMENT (MODEL PARK)*

G1	1.4	AC	Clear and Grub (ROW)	\$ 1,500.00	\$ 2,145.00
G2	4.0	AC	Clear and Grub (Outside ROW & Lots)	\$ 1,500.00	\$ 6,000.00
G3	1	LS	Excavation (ROW)	\$ 5,000.00	\$ 5,000.00
G4	1	LS	Embankment - (Use Material from On-site Stockpile, ROW, pond, & Lots. Material placed on residential lots shall meet the requirements of FHA Data Sheet 79G.)	\$ 12,000.00	\$ 12,000.00
G5 (A5)	14,509	SY	Furnish and Install topsoil (6" depth) within landscaped tract areas and within Model Park Lots. - complete in place	\$ 2.50	\$ 36,272.50
G6 (A5)	14,509	SY	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within Model Park Lots, including deconstruction area - complete in place	\$ 1.75	\$ 25,390.75
SUBTOTAL EXCAVATION AND EMBANKMENT (MODEL PARK)					\$ 86,808.25

H. EXCAVATION AND EMBANKMENT (PHASE 2)*

H1	3.7	AC	Clear and Grub (Outside ROW & Lots)	\$ 1,500.00	\$ 5,550.00
H2	1	LS	Excavation (ROW)	\$ 5,000.00	\$ 5,000.00
H3	1	LS	Embankment - (Use Material from On-site Stockpile, ROW, pond, & Lots. Material placed on residential lots shall meet the requirements of FHA Data Sheet 79G.)	\$ 15,000.00	\$ 15,000.00
H5 (A5)	16,268	SY	Furnish and Install topsoil (6" depth) within landscaped tract areas and within Phase 2 Lots - complete in place	\$ 2.50	\$ 40,670.00
H6 (A5)	16,268	SY	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within Phase 2 Lots, including deconstruction area - complete in place	\$ 1.75	\$ 28,469.00
SUBTOTAL EXCAVATION AND EMBANKMENT (PHASE 2)					\$ 94,689.00

I. SLEEVING

I1	1	LS	Furnish and Install 4-inch SCH 40 PVC irrigation sleeves including pipe, tape, "T" stakes, paint marks, curb stamps, and all other appurtenances - complete in place	\$ 2,500.00	\$ 2,500.00
I2	1	LS	Furnish and Install 8-inch SCH 40 PVC irrigation sleeves including pipe, tape, "T" stakes, paint marks, curb stamps, and all other appurtenances - complete in place	\$ 3,000.00	\$ 3,000.00
SUBTOTAL IRRIGATION SLEEVING					\$ 5,500.00

J. ELECTRIC

I1	1,089	LF	Contractor (conduit, transformers, trenching, boxes, street lights, wiring, etc.)	\$ 49.50	\$ 53,905.50
I2	4	EA	Furnish and Install Street Lights	\$ 4,500.00	\$ 18,000.00
SUBTOTAL ELECTRIC					\$ 71,905.50

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 1 MODEL PARK

L. ENGINEERING & CONSULTING FEES

L1	Acoustical Consultant	\$	0.00
L2	CFD/MUD/AD Costs	\$	0.00
L3	Eng-Bidding	\$	4,600.00
L4	Eng-Civil Design	\$	96,600.00
L5	Eng - MS Blvd	\$	0.00
L6	Eng-Construction Phase Services	\$	4,600.00
L7	Eng-Structural	\$	0.00
L8	Environ-SWPPP/Inspection	\$	5,000.00
L9	Environ-SWPPP Prep/NOI	\$	500.00
L10	Geotech-CMT	\$	0.00
L11	Geotech-Soils Testing	\$	0.00
L12	Landscape Design (8% of const)	\$	0.00
L13	Survey-Final Plat	\$	0.00
L14	Survey-Boundary/ALTA	\$	5,000.00
L15	Survey-Misc	\$	3,000.00
L16	Utility Coordination	\$	2,500.00
SUBTOTAL ENGINEERING & CONSULTING FEES			\$ 121,800.00

M. FEES

M1	20	LOTS	Preliminary Plat Review Fee - (\$750 + \$20/Lot)	\$	20.00	\$	400.00
M2	1	LS	Plan Review Fee - Liberty Hill	\$	500.00	\$	500.00
M3	\$ 1,102,703	%	Inspection Fee - Liberty Hill (% construction cost due at Construction Plan submittal)	%	0.5%	\$	5,513.52
M4	\$ 1,102,703	%	Inspection Fee - Liberty Hill (% construction cost due before Pre-Construction Meeting) (Note 12)	%	3.0%	\$	0.00
M5	4.94	AC	TCEQ - CZP	\$	1,500.00	\$	1,500.00
M6	20	LOTS	Plat Review Fee - Liberty Hill (\$500 + \$20/Lot)	\$	20.00	\$	400.00
M7	20	LOTS	City of Liberty Hill Park Fee (Due at Final Plat; Builder Cost \$169/LOT)	\$	169.00	\$	0.00
M8	20	LOTS	PID Bond Fees (Due at Final Plat; Builder Cost \$1000/lot)	\$	1,000.00	\$	0.00
M9	20	LOTS	Building Permit Fee (Builder Cost \$1,400/lot)	\$	1,400.00	\$	0.00
M10	1,089.00	LF	PEC Payment to Pull Wire	\$	16.00	\$	17,424.00
M11	20	LOTS	Liberty Hill Impact Fees (Wastewater, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
M12	20	LOTS	Liberty Hill Impact Fees (Water, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
SUBTOTAL FEES							\$ 25,737.52

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 1 MODEL PARK

BUTLER PHASE 1 MODEL PARK		
A. EROSION CONTROLS & MISCELLANEOUS ITEMS		\$ 70,779
B. WASTEWATER IMPROVEMENTS		\$ 118,404
C. DRAINAGE IMPROVEMENTS		\$ 435,236
D. POTABLE WATER IMPROVEMENTS		\$ 162,252
F. STREET IMPROVEMENTS		\$ 229,225
G. EXCAVATION AND EMBANKMENT (MODEL PARK)*		\$ 86,808
H. EXCAVATION AND EMBANKMENT (PHASE 2)*		\$ 94,689
I. SLEEVING		\$ 5,500
J. ELECTRIC		\$ 71,906
SUBTOTAL		\$ 1,274,797.75
ENGINEERING & CONSULTING FEES		\$ 121,800.00
FEES		\$ 25,737.52
CONTINGENCY	0%	\$ 0.00
CONSTRUCTION MANAGEMENT FEE	4%	\$ 48,115.69
TOTAL		\$ 1,470,450.96

This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction costs may vary significantly due to not having engineering construction documents, geotechnical conditions, timing of construction, changed conditions, the competitive nature of the market, labor rate changes, or other factors.

Contingency is set to 0% for offsite infrastructure, Phase 1 & 11 Spine, & Phase 1 Model Park, 5% for Phase 9, 10% for Phases 2, 3, 4, & 7 and 20% for Phases 5 & 8 per owner's request.

The Phase 1 Model Park includes onsite and offsite grading associated with the future Phase 2 to ensure the lots will be outside the calculated floodplain.

Geotechnical pavement design for Phase 1 was available at the time of OPC.

Hardscape and Landscaping costs are not included.

Only the Developer sidewalk has been included as the sidewalk quantity.

Detailed dry utility costs are not included.

Unit Prices provided from ProDirt Services 12.07.2020.

The onsite inspection fees for Phase 1 and Phase 1 Model Park up to \$204,972.26 is waived per the Third Amendment to Annexation and Development Agreement with the City.

Construction management fee is set to 4% for all items with the exception of electric.

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 2**

	Approx. Qty	Unit	Description of Item	Unit Price	Amount
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A. EROSION CONTROLS & MISCELLANEOUS ITEMS

A1	1	EA	Furnish and Install stabilized construction entrance - complete in place. Maintain during construction.	\$ 1,000.00	\$ 1,000.00
A2	13	EA	Furnish and Install Inlet Protection - complete in place. Maintain during construction.	\$ 80.00	\$ 1,040.00
A3	1,404	LF	Furnish and Install temporary silt fence within limits of construction - complete in place. Maintain during construction.	\$ 2.00	\$ 2,808.00
A4	1	LS	Furnish and Install Temporary Staging/Storage/Spoils/Concrete Wash Out Area. Secure area with Chain Link Fence and (1) Entry / Exit Gate. Install Silt Fence around perimeter. Remove upon completion of construction, grade to drain and hydromulch.	\$ 5,000.00	\$ 5,000.00
A6	3,145	SY	Furnish and Install topsoil (6" depth) within landscaped tract areas and within R.O.W. - complete in place	\$ 3.00	\$ 9,435.00
A7	3,145	SY	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within R.O.W., including deconstruction area - complete in place	\$ 1.00	\$ 3,145.00
A13	3	EA	Furnish and Install Mailbox unit including but not limited to Cluster Box Unit(s) per plan, foundation, sidewalk to curb connection, pedestal, side panels for end units and coordination with USPS for key delivery (contact number: 512-419-7504) - complete in place	\$ 8,000.00	\$ 24,000.00
SUBTOTAL EROSION CONTROLS & MISCELLANEOUS ITEMS					\$ 46,428.00

B. WASTEWATER IMPROVEMENTS

B1	332	LF	Furnish and Install 8-inch SDR-26 PVC gravity wastewater pipe (all depths) - complete in place **Measured to the interior wall of the MH	\$ 47.00	\$ 15,604.00
B2	1,133	LF	Furnish and Install 10-inch SDR-26 PVC gravity wastewater pipe (all depths) - complete in place **Measured to the interior wall of the MH	\$ 58.00	\$ 65,714.00
B5	6	EA	Furnish and Install 4-ft diameter wastewater manhole - complete in place	\$ 4,675.00	\$ 28,050.00
B6	1	EA	Furnish and Install 5-ft diameter wastewater manhole - complete in place	\$ 7,525.00	\$ 7,525.00
B8	1465	LF	Trench Safety System for wastewater line	\$ 1.00	\$ 1,465.00
B9	14	EA	Furnish and Install double service connection, per detail - complete in place	\$ 1,480.00	\$ 20,424.00
B10	18	EA	Furnish and Install single service connection, per detail - complete in place	\$ 1,370.00	\$ 25,208.00
B11	1	EA	Connect to Wastewater Stub or Existing Wastewater Manhole	\$ 5,000.00	\$ 5,000.00
B12	1	EA	Furnish and Install Stub for Future Connecton	\$ 750.00	\$ 750.00
SUBTOTAL WASTEWATER IMPROVEMENTS					\$ 169,740.00

C. DRAINAGE IMPROVEMENTS

C1	456	LF	Furnish and Install 18-inch Class III RCP storm sewer including pipe, joints, and all other appurtenances (all depths) - complete in place	\$ 64.00	\$ 29,184.00
C2	371	LF	Furnish and Install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 69.00	\$ 25,599.00
C4	454	LF	Furnish and Install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 135.00	\$ 61,290.00
C5	275	LF	Furnish and Install 42-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 170.00	\$ 46,750.00
C22	1	EA	Furnish and Install (8' x 8') Storm Sewer Junction Box (all depths) - complete and in place	\$ 11,000.00	\$ 11,000.00
C23	13	EA	Furnish and Install 10' Curb Inlet (5'-10' depths), Type I, per City of Round Rock Standard detail - complete in place	\$ 3,610.00	\$ 46,930.00
C31	1	EA	Furnish and Install 42" Headwall Outlet Structure	\$ 5,500.00	\$ 5,500.00
C40	258	EA	Furnish and Install 3' x 5' Reinforced Concrete Box Culvert storm sewer including pipe, joints, and all other appurtenances - complete in place	\$ 225.50	\$ 58,179.00
C41	2	EA	Furnish and Install Headwall Inlet/Outlet Structure for 3' x 5' Culvert Crossing - complete in place	\$ 7,700.00	\$ 15,400.00
C51	1,814	LF	Trench Safety Systems for storm sewers	\$ 1.00	\$ 1,814.00
SUBTOTAL DRAINAGE IMPROVEMENTS					\$ 301,646.00

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 2**

D. POTABLE WATER IMPROVEMENTS

D1	1,619	LF	Furnish and Install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 39.00	\$ 63,141.00
D4	5	EA	Furnish and Install 8" Gate Valve, including any necessary appurtenances - complete in place	\$ 2,500.00	\$ 12,500.00
D9	1	EA	Furnish and Install 8" Auto Flush Valve Assembly - complete in place	\$ 6,200.00	\$ 6,200.00
D12	4	EA	Furnish and Install Standard Fire Hydrant Assembly, including pipe, fittings, restraints, valves, hydrant, and all required appurtenances, as shown on plans - complete in place	\$ 5,800.00	\$ 23,200.00
D15	14	EA	Furnish and Install Standard potable water double service connection with meter boxes, per plans - complete in place	\$ 1,350.00	\$ 18,630.00
D16	18	EA	Furnish and Install Standard potable water single service connection with meter box, per plans - complete in place	\$ 980.00	\$ 18,032.00
D17	1,619	LF	Trench Safety Systems for water line	\$ 1.00	\$ 1,619.00
D18	1	EA	Furnish and Install 8-inch Plug	\$ 750.00	\$ 750.00
D21	1	EA	Connect to existing waterline	\$ 4,750.00	\$ 4,750.00
D22	1,619	LF	Pressure Pipe Hydrostatic Testing	\$ 1.00	\$ 1,619.00
SUBTOTAL POTABLE WATER IMPROVEMENTS					\$ 150,441.00

F. STREET IMPROVEMENTS

F1	6,416	SY	Subgrade Preparation per City of Round Rock Standard Specification 201	\$ 1.00	\$ 6,416.00
F2	6,416	SY	Furnish and Install 10" Lime Stabilized Subgrade to 36" beyond back of curb - complete in place. *Lime stabilization limits to be adjusted and verified during construction*	\$ 12.00	\$ 76,992.00
F4	6,416	SY	Furnish and Install 10" Crushed Limestone Base Material to 36" beyond back of curb - complete in place.	\$ 12.00	\$ 76,992.00
F6	4747	SY	Furnish and Install CoRR Item 340 Type D HMAC, 1.5" depth - complete in place	\$ 10.00	\$ 47,470.00
F9	3,011	LF	Furnish and Install Standard 6" Concrete Curb and Gutter - complete in place.	\$ 13.00	\$ 39,143.00
F12	4	EA	Furnish and Install curb ramp (All Types) per details - complete in place	\$ 1,850.00	\$ 7,400.00
F13	1	LS	Furnish and Install Pavement Marking and Signage - complete and in place	\$ 10,500.00	\$ 10,500.00
F14	1	LS	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	\$ 1,200.00	\$ 1,200.00
F16	250	SF	Furnish and Install Concrete Valley Gutter - complete in place	\$ 13.00	\$ 3,250.00
SUBTOTAL STREET IMPROVEMENTS					\$ 269,363.00

G. EXCAVATION AND EMBANKMENT

G1	1.8	AC	Clear and Grub (ROW)	\$ 8,500.00	\$ 15,300.00
G2	7.1	AC	Clear and Grub (Lots)	\$ 8,500.00	\$ 60,350.00
G3	5,878	CY	Excavation (ROW & Lots)	\$ 4.00	\$ 23,512.00
G4	5,878	CY	Embankment - (Use Material from On-Site Stockpile, ROW & Lots. Material placed on residential lots shall meet the requirements of FHIA Data Sheet 79G.	\$ 3.00	\$ 17,634.00
SUBTOTAL EXCAVATION AND EMBANKMENT					\$ 116,796.00

H. SLEEVING

H1	1	LS	Sleeving	\$ 13,000.00	\$ 13,000.00
SUBTOTAL IRRIGATION SLEEVING					\$ 13,000.00

I. ELECTRIC

I1	1,587	LF	Contractor (conduit, transformers, trenching, boxes, street lights, wiring, etc.)	\$ 49.50	\$ 78,556.50
I2	6	EA	Furnish and Install Street Lights	\$ 4,200.00	\$ 25,200.00
SUBTOTAL ELECTRIC					\$ 103,756.50

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 2

L. ENGINEERING & CONSULTING FEES

L3	46		Eng-Bidding	200.00	\$	9,200.00
L4	46		Eng-Civil Design	2,500.00	\$	115,000.00
L6	46		Eng-Construction Phase Services	200.00	\$	9,200.00
L7	46		Eng-Structural	250.00	\$	0.00
L8	1		Environ-SWPPP/Inspection	9,600.00	\$	9,600.00
L9	1		Environ-SWPPP Prep/NOI	500.00	\$	500.00
L10	46		Geotech-CMT	400.00	\$	0.00
L11	35.5		Geotech-Soils Testing	600.00	\$	0.00
L13	35.5		Survey-Final Plat	500.00	\$	17,750.00
L14	1		Survey-Boundary/ALTA	5,000.00	\$	5,000.00
L15	35.5		Survey-Misc	250.00	\$	8,875.00
L16	46		Utility Coordination	50.00	\$	2,300.00
SUBTOTAL ENGINEERING & CONSULTING FEES						\$ 177,425.00

M. FEES

M1	46	LOTS	Preliminary Plat Review Fee - (\$750 + \$20/Lot)	\$	20.00	\$	920.00
M2	1	LS	Plan Review Fee - Liberty Hill	\$	500.00	\$	500.00
M3	\$ 937,618	%	Inspection Fee - Liberty Hill (% construction cost due at Construction Plan submittal)	%	0.01	\$	4,688.09
M4	\$ 937,618	%	Inspection Fee - Liberty Hill (% construction cost due before Pre-Construction Meeting)	%	0.03	\$	28,128.54
M5	8.83	AC	TCEQ - CZP	\$	3,000.00	\$	3,000.00
M6	46	LOTS	Plat Review Fee - Liberty Hill (\$500 + \$20/Lot)	\$	20.00	\$	920.00
M7	46	LOTS	City of Liberty Hill Park Fee (Due at Final Plat; Builder Cost \$169/LOT)	\$	169.00	\$	0.00
M8	46	LOTS	PID Bond Fees (Due at Final Plat; Builder Cost \$1000/lot)	\$	1,000.00	\$	0.00
M9	46	LOTS	Building Permit Fee (Builder Cost \$1,400/lot)	\$	1,400.00	\$	0.00
M10	1,587.00	LF	PEC Payment to Pull Wire	\$	16.00	\$	25,392.00
M11	46	LOTS	Liberty Hill Impact Fees (Wastewater, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
M12	46	LOTS	Liberty Hill Impact Fees (Water, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
SUBTOTAL FEES						\$ 63,548.63	

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 2

BUTLER PHASE 2		
A. EROSION CONTROLS & MISCELLANEOUS ITEMS		\$ 46,428.00
B. WASTEWATER IMPROVEMENTS		\$ 169,740.00
C. DRAINAGE IMPROVEMENTS		\$ 301,646.00
D. POTABLE WATER IMPROVEMENTS		\$ 150,441.00
F. STREET IMPROVEMENTS		\$ 269,363.00
G. EXCAVATION AND EMBANKMENT		\$ 116,796.00
H. SLEEVING		\$ 13,000.00
I. ELECTRIC		\$ 103,756.50
SUBTOTAL		\$ 1,171,170.50
ENGINEERING & CONSULTING FEES		\$ 177,425.00
FEES		\$ 63,548.63
CONTINGENCY	10%	\$ 117,117.05
CONSTRUCTION MANAGEMENT FEE	4%	\$ 42,696.56
TOTAL		\$ 1,571,957.74

This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction costs may vary significantly due to not having engineering construction documents, geotechnical conditions, timing of construction, changed conditions, the competitive nature of the market, labor rate changes, or other factors.

Contingency is set to 0% for offsite infrastructure, Phase 1 & 11 Spine, & Phase 1 Model Park, 5% for Phase 9, 10% for Phases 2, 3, 4, & 7 and 20% for Phases 5 & 8 per owner's request.

This OPC is based on conceptual plan provided by SEC Planning – "Lotting R" configuration.

Geotechnical pavement design for Phase 1 was available at the time of OPC.

Hardscape and Landscaping costs are not included.

Only the Developer sidewalk has been included as the sidewalk quantity.

Detailed dry utility costs are not included.

Unit Prices provided are a combination of pricing from Joe Bland Construction 11/30/20 and also from Joe Bland Construction prices for Butler Farms Phase 7.

Construction management fee is set to 4% for all items with the exception of electric.

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 3**

	Approx. Qty	Unit	Description of Item	Unit Price	Amount
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A. EROSION CONTROLS & MISCELLANEOUS ITEMS

A1	1	EA	Furnish and Install stabilized construction entrance - complete in place. Maintain during construction.	\$ 1,000.00	\$ 1,000.00
A2	17	EA	Furnish and Install Inlet Protection - complete in place. Maintain during construction.	\$ 80.00	\$ 1,360.00
A3	1,307	LF	Furnish and Install temporary silt fence within limits of construction - complete in place. Maintain during construction.	\$ 2.00	\$ 2,614.00
A4	1	LS	Furnish and Install Temporary Staging/Storage/Spoils/Concrete Wash Out Area. Secure area with Chain Link Fence and (1) Entry / Exit Gate. Install Silt Fence around perimeter. Remove upon completion of construction, grade to drain and hydromulch.	\$ 5,000.00	\$ 5,000.00
A6	5,635	SY	Furnish and Install topsoil (6" depth) within landscaped tract areas and within R.O.W. - complete in place	\$ 3.00	\$ 16,905.00
A7	5,635	SY	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within R.O.W., including deconstruction area - complete in place	\$ 1.00	\$ 5,635.00
A13	6	EA	Furnish and Install Mailbox unit including but not limited to Cluster Box Unit(s) per plan, foundation, sidewalk to curb connection, pedestal, side panels for end units and coordination with USPS for key delivery (contact number: 512-419-7504) - complete in place	\$ 8,000.00	\$ 48,000.00
SUBTOTAL EROSION CONTROLS & MISCELLANEOUS ITEMS					\$ 80,514.00

B. WASTEWATER IMPROVEMENTS

B1	2557	LF	Furnish and Install 8-inch SDR-26 PVC gravity wastewater pipe (all depths) - complete in place **Measured to the interior wall of the MH	\$ 47.00	\$ 120,179.00
B5	11	EA	Furnish and Install 4-ft diameter wastewater manhole - complete in place	\$ 4,675.00	\$ 51,425.00
B6	2	EA	Furnish and Install 5-ft diameter wastewater manhole - complete in place	\$ 7,525.00	\$ 15,050.00
B8	2543	LF	Trench Safety System for wastewater line	\$ 1.00	\$ 2,543.00
B9	25	EA	Furnish and Install double service connection, per detail - complete in place	\$ 1,480.00	\$ 36,408.00
B10	33	EA	Furnish and Install single service connection, per detail - complete in place	\$ 1,370.00	\$ 44,936.00
B11	2	EA	Connect to Wastewater Stub or Existing Wastewater Manhole	\$ 5,000.00	\$ 10,000.00
B12	4	EA	Furnish and Install Stub for Future Connecton	\$ 750.00	\$ 3,000.00
SUBTOTAL WASTEWATER IMPROVEMENTS					\$ 283,541.00

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 3**

C. DRAINAGE IMPROVEMENTS

C1	1089	LF	Furnish and Install 18-inch Class III RCP storm sewer including pipe, joints, and all other appurtenances (all depths) - complete in place	\$ 64.00	\$ 69,696.00
C2	579	LF	Furnish and Install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 69.00	\$ 39,951.00
C3	671	LF	Furnish and Install 30-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 88.00	\$ 59,048.00
C4	168	LF	Furnish and Install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 135.00	\$ 22,680.00
C18	4	EA	Furnish and Install (4' x 4') Storm Sewer Junction Box (all depths) - complete and in place	\$ 3,450.00	\$ 13,800.00
C20	1	EA	Furnish and Install (6' x 6') Storm Sewer Junction Box (all depths) - complete and in place	\$ 5,270.00	\$ 5,270.00
C23	17	EA	Furnish and Install 10' Curb Inlet (5'-10' depths), Type I, per City of Round Rock Standard detail - complete in place	\$ 3,610.00	\$ 61,370.00
C29	1	EA	Furnish and Install 30" Headwall Outlet Structure	\$ 4,200.00	\$ 4,200.00
C51	2,507	LF	Trench Safety Systems for storm sewers	\$ 1.00	\$ 2,507.00
SUBTOTAL DRAINAGE IMPROVEMENTS					\$ 278,522.00

D. POTABLE WATER IMPROVEMENTS

D1	1647	LF	Furnish and Install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 39.00	\$ 64,233.00
D3	1070	LF	Furnish and Install 16-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 77.00	\$ 82,390.00
D4	3	EA	Furnish and Install 8" Gate Valve, including any necessary appurtenances - complete in place	\$ 2,500.00	\$ 7,500.00
D6	4	EA	Furnish and Install 16" Gate Valve, including any necessary appurtenances - complete in place	\$ 7,700.00	\$ 30,800.00
D7	1	EA	Furnish and Install 16" x 8" Reducer, including any necessary appurtenances - complete in place	\$ 440.00	\$ 440.00
D9	1	EA	Furnish and Install 8" Auto Flush Valve Assembly - complete in place	\$ 6,200.00	\$ 6,200.00
D11	1	EA	Furnish and Install 16" Auto Flush Valve Assembly - complete in place	\$ 10,450.00	\$ 10,450.00
D12	4	EA	Furnish and Install Standard Fire Hydrant Assembly, including pipe, fittings, restraints, valves, hydrant, and all required appurtenances, as shown on plans - complete in place	\$ 5,800.00	\$ 23,200.00
D15	25	EA	Furnish and Install Standard potable water double service connection with meter boxes, per plans - complete in place	\$ 1,350.00	\$ 33,210.00
D16	33	EA	Furnish and Install Standard potable water single service connection with meter box, per plans - complete in place	\$ 980.00	\$ 32,144.00
D17	2,717	LF	Trench Safety Systems for water line	\$ 1.00	\$ 2,717.00
D18	2	EA	Furnish and Install 8-inch Plug	\$ 750.00	\$ 1,500.00
D20	1	EA	Furnish and Install 16-inch Plug	\$ 220.00	\$ 220.00
D21	2	EA	Connect to existing waterline	\$ 4,750.00	\$ 9,500.00
D22	2,717	LF	Pressure Pipe Hydrostatic Testing	\$ 1.00	\$ 2,717.00
SUBTOTAL POTABLE WATER IMPROVEMENTS					\$ 307,221.00

F. STREET IMPROVEMENTS

F1	11,783	SY	Subgrade Preparation per City of Round Rock Standard Specification 201	\$ 1.00	\$ 11,783.00
F2	11,783	SY	Furnish and Install 10" Lime Stabilized Subgrade to 36" beyond back of curb - complete in place. *Lime stabilization limits to be adjusted and verified during construction*	\$ 12.00	\$ 141,396.00
F4	11,783	SY	Furnish and Install 10" Crushed Limestone Base Material to 36" beyond back of curb - complete in place.	\$ 12.00	\$ 141,396.00
F6	8809	SY	Furnish and Install CoRR Item 340 Type D HMAc, 1.5" depth - complete in place	\$ 10.00	\$ 88,090.00
F9	5,361	LF	Furnish and Install Standard 6" Concrete Curb and Gutter - complete in place.	\$ 13.00	\$ 69,693.00
F12	6	EA	Furnish and Install curb ramp (All Types) per details - complete in place	\$ 1,850.00	\$ 11,100.00
F13	1	LS	Furnish and Install Pavement Marking and Signage - complete and in place	\$ 10,500.00	\$ 10,500.00
F14	1	LS	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	\$ 1,200.00	\$ 1,200.00
F15	1	LS	Furnish and Install Street End Barricades (Use on-site boulders if required)	\$ 5,800.00	\$ 5,800.00
F16	750	SF	Furnish and Install Concrete Valley Gutter - complete in place	\$ 13.00	\$ 9,750.00
SUBTOTAL STREET IMPROVEMENTS					\$ 490,708.00

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 3

G. EXCAVATION AND EMBANKMENT

G1	2.9	AC	Clear and Grub (ROW)	\$ 8,500.00	\$ 24,650.00
G2	12.4	AC	Clear and Grub (Lots)	\$ 4,900.00	\$ 60,760.00
G3	10,044	CY	Excavation (ROW & Lots)	\$ 4.00	\$ 40,176.00
G4	10,044	CY	Embankment - (Use Material from On-Site Stockpile, ROW & Lots. Material placed on residential lots shall meet the requirements of FHA Data Sheet 79G.)	\$ 3.00	\$ 30,132.00
SUBTOTAL EXCAVATION AND EMBANKMENT					\$ 155,718.00

H. SLEEVING

H1	1	LS	Sleeving	\$ 13,000.00	\$ 13,000.00
SUBTOTAL IRRIGATION SLEEVING					\$ 13,000.00

I. ELECTRIC

I1	2,712	LF	Contractor (conduit, transformers, trenching, boxes, street lights, wiring, etc.)	\$ 49.50	\$ 134,244.00
I2	10	EA	Furnish and Install Street Lights	\$ 4,200.00	\$ 42,000.00
SUBTOTAL ELECTRIC					\$ 176,244.00

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 3

L. ENGINEERING & CONSULTING FEES

L3	82		Eng-Bidding	200.00	\$	16,400.00
L4	82		Eng-Civil Design	2,500.00	\$	205,000.00
L6	82		Eng-Construction Phase Services	300.00	\$	24,600.00
L7	82		Eng-Structural	250.00	\$	0.00
L8	1		Environ-SWPPP/Inspection	9,600.00	\$	9,600.00
L9	1		Environ-SWPPP Prep/NOI	500.00	\$	500.00
L10	82		Geotech-CMT	400.00	\$	0.00
L11	15.6		Geotech-Soils Testing	600.00	\$	0.00
L12	0		Landscape Design (8% of const)	0.00	\$	0.00
L13	15.6		Survey-Final Plat	500.00	\$	7,800.00
L14	1		Survey-Boundary/ALTA	5,000.00	\$	5,000.00
L15	15.6		Survey-Misc	250.00	\$	3,900.00
L16	82		Utility Coordination	50.00	\$	4,100.00
SUBTOTAL ENGINEERING & CONSULTING FEES						\$ 276,900.00

M. FEES

M1	82	LOTS	Preliminary Plat Review Fee - (\$750 + \$20/Lot)	\$	20.00	\$	1,640.00
M2	1	LS	Plan Review Fee - Liberty Hill	\$	500.00	\$	500.00
M3	\$ 1,440,506	%	Inspection Fee - Liberty Hill (% construction cost due at Construction Plan submittal)	%	0.5%	\$	7,202.53
M4	\$ 1,440,506	%	Inspection Fee - Liberty Hill (% construction cost due before Pre-Construction Meeting)	%	3.0%	\$	43,215.18
M5	15.32	AC	TCEQ - CZP	\$	4,000.00	\$	4,000.00
M6	82	LOTS	Plat Review Fee - Liberty Hill (\$500 + \$20/Lot)	\$	20.00	\$	1,640.00
M7	82	LOTS	City of Liberty Hill Park Fee (Due at Final Plat; Builder Cost \$169/LOT)	\$	169.00	\$	0.00
M8	82	LOTS	PID Bond Fees (Due at Final Plat; Builder Cost \$1000/lot)	\$	1,000.00	\$	0.00
M9	82	LOTS	Building Permit Fee (Builder Cost \$1,400/lot)	\$	1,400.00	\$	0.00
M10	2,712.00	LF	PEC Payment to Pull Wire	\$	16.00	\$	43,392.00
M11	82	LOTS	Liberty Hill Impact Fees (Wastewater, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
M12	82	LOTS	Liberty Hill Impact Fees (Water, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
SUBTOTAL FEES						\$ 101,589.71	

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 3

BUTLER PHASE 3		
A. EROSION CONTROLS & MISCELLANEOUS ITEMS		\$ 80,514.00
B. WASTEWATER IMPROVEMENTS		\$ 283,541.00
C. DRAINAGE IMPROVEMENTS		\$ 278,522.00
D. POTABLE WATER IMPROVEMENTS		\$ 307,221.00
F. STREET IMPROVEMENTS		\$ 490,708.00
G. EXCAVATION AND EMBANKMENT		\$ 155,718.00
H. SLEEVING		\$ 13,000.00
I. ELECTRIC		\$ 176,244.00
SUBTOTAL		\$ 1,785,468.00
ENGINEERING & CONSULTING FEES		\$ 276,900.00
FEES		\$ 101,589.71
CONTINGENCY	10%	\$ 178,546.80
CONSTRUCTION MANAGEMENT FEE	4%	\$ 64,368.96
TOTAL		\$ 2,406,873.47

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Contingency is set to 0% for offsite infrastructure, Phase 1 & 11 Spine, & Phase 1 Model Park, 5% for Phase 9, 10% for Phases 2, 3, 4, & 7 and 20% for Phases 5 & 8 per owner's request.

This OPC is based on conceptual plan provided by SEC Planning – "Lotting R" configuration.

Geotechnical pavement design for Phase 1 was available at the time of OPC.

Hardscape and Landscaping costs are not included.

Only the Developer sidewalk has been included as the sidewalk quantity.

Detailed dry utility costs are not included.

Unit Prices provided are a combination of pricing from Joe Bland Construction 11/30/20 and also from Joe Bland Construction prices for Butler Farms Phase 7.

Construction management fee is set to 4% for all items with the exception of electric.

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 4**

	Approx. Qty	Unit	Description of Item	Unit Price	Amount
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A. EROSION CONTROLS & MISCELLANEOUS ITEMS

A1	1	EA	Furnish and Install stabilized construction entrance - complete in place. Maintain during construction.	\$ 1,000.00	\$ 1,000.00
A2	23	EA	Furnish and Install Inlet Protection - complete in place. Maintain during construction.	\$ 80.00	\$ 1,840.00
A3	2,153	LF	Furnish and Install temporary silt fence within limits of construction - complete in place. Maintain during construction.	\$ 2.00	\$ 4,306.00
A4	1	LS	Furnish and Install Temporary Staging/Storage/Spoils/Concrete Wash Out Area. Secure area with Chain Link Fence and (1) Entry / Exit Gate. Install Silt Fence around perimeter. Remove upon completion of construction, grade to drain and hydromulch.	\$ 5,000.00	\$ 5,000.00
A6	4,444	SY	Furnish and Install topsoil (6" depth) within landscaped tract areas and within R.O.W. - complete in place	\$ 3.00	\$ 13,332.00
A7	4,444	SY	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within R.O.W., including deconstruction area - complete in place	\$ 1.00	\$ 4,444.00
A13	5	EA	Furnish and Install Mailbox unit including but not limited to Cluster Box Unit(s) per plan, foundation, sidewalk to curb connection, pedestal, side panels for end units and coordination with USPS for key delivery (contact number: 512-419-7504) - complete in place	\$ 8,000.00	\$ 40,000.00
SUBTOTAL EROSION CONTROLS & MISCELLANEOUS ITEMS					\$ 69,922.00

B. WASTEWATER IMPROVEMENTS

B1	2330	LF	Furnish and Install 8-inch SDR-26 PVC gravity wastewater pipe (all depths) - complete in place **Measured to the interior wall of the MH	\$ 47.00	\$ 109,510.00
B5	12	EA	Furnish and Install 4-ft diameter wastewater manhole - complete in place	\$ 4,675.00	\$ 56,100.00
B6	4	EA	Furnish and Install 5-ft diameter wastewater manhole - complete in place	\$ 7,525.00	\$ 30,100.00
B8	2477	LF	Trench Safety System for wastewater line	\$ 1.00	\$ 2,477.00
B9	21	EA	Furnish and Install double service connection, per detail - complete in place	\$ 1,480.00	\$ 31,080.00
B10	28	EA	Furnish and Install single service connection, per detail - complete in place	\$ 1,370.00	\$ 38,360.00
B11	3	EA	Connect to Wastewater Stub or Existing Wastewater Manhole	\$ 5,000.00	\$ 15,000.00
B12	2	EA	Furnish and Install Stub for Future Connecton	\$ 750.00	\$ 1,500.00
SUBTOTAL WASTEWATER IMPROVEMENTS					\$ 284,127.00

C. DRAINAGE IMPROVEMENTS

C1	969	LF	Furnish and Install 18-inch Class III RCP storm sewer including pipe, joints, and all other appurtenances (all depths) - complete in place	\$ 64.00	\$ 62,016.00
C2	363	LF	Furnish and Install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 69.00	\$ 25,047.00
C3	576	LF	Furnish and Install 30-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 88.00	\$ 50,688.00
C6	295	LF	Furnish and Install 48-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 205.00	\$ 60,475.00
C7	227	LF	Furnish and Install 54-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 275.00	\$ 62,425.00
C17	1	EA	Furnish and Install (4' x 4') Area Inlet (all depths) - complete and in place	\$ 3,950.00	\$ 3,950.00
C18	1	EA	Furnish and Install (4' x 4') Storm Sewer Junction Box (all depths) - complete and in place	\$ 3,450.00	\$ 3,450.00
C19	0	EA	Furnish and Install (5' x 5') Storm Sewer Junction Box (all depths) - complete and in place	\$ 4,475.00	\$ 0.00
C20	0	EA	Furnish and Install (6' x 6') Storm Sewer Junction Box (all depths) - complete and in place	\$ 5,270.00	\$ 0.00
C21	0	EA	Furnish and Install (7' x 7') Storm Sewer Junction Box (all depths) - complete and in place	\$ 8,600.00	\$ 0.00
C22	2	EA	Furnish and Install (8' x 8') Storm Sewer Junction Box (all depths) - complete and in place	\$ 11,000.00	\$ 22,000.00
C23	23	EA	Furnish and Install 10' Curb Inlet (5'-10' depths), Type I, per City of Round Rock Standard detail - complete in place	\$ 3,610.00	\$ 83,030.00
C51	2,430	LF	Trench Safety Systems for storm sewers	\$ 1.00	\$ 2,430.00
SUBTOTAL DRAINAGE IMPROVEMENTS					\$ 375,511.00

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 4**

D. POTABLE WATER IMPROVEMENTS

D1	752	LF	Furnish and Install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 39.00	\$ 29,328.00
D2	899	LF	Furnish and Install 12-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 68.00	\$ 61,132.00
D3	712	LF	Furnish and Install 16-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 77.00	\$ 54,824.00
D4	4	EA	Furnish and Install 8" Gate Valve, including any necessary appurtenances - complete in place	\$ 2,500.00	\$ 10,000.00
D5	2	EA	Furnish and Install 12" Gate Valve, including any necessary appurtenances - complete in place	\$ 3,975.00	\$ 7,950.00
D6	2	EA	Furnish and Install 16" Gate Valve, including any necessary appurtenances - complete in place	\$ 7,700.00	\$ 15,400.00
D7	1	EA	Furnish and Install 16" x 8" Reducer, including any necessary appurtenances - complete in place	\$ 440.00	\$ 440.00
D8	1	EA	Furnish and Install 16" x 12" Reducer, including any necessary appurtenances - complete in place	\$ 550.00	\$ 550.00
D9	2	EA	Furnish and Install 8" Auto Flush Valve Assembly - complete in place	\$ 6,200.00	\$ 12,400.00
D11	1	EA	Furnish and Install 16" Auto Flush Valve Assembly - complete in place	\$ 10,450.00	\$ 10,450.00
D12	4	EA	Furnish and Install Standard Fire Hydrant Assembly, including pipe, fittings, restraints, valves, hydrant, and all required appurtenances, as shown on plans - complete in place	\$ 5,800.00	\$ 23,200.00
D15	21	EA	Furnish and Install Standard potable water double service connection with meter boxes, per plans - complete in place	\$ 1,350.00	\$ 28,350.00
D16	28	EA	Furnish and Install Standard potable water single service connection with meter box, per plans - complete in place	\$ 980.00	\$ 27,440.00
D17	2,404	LF	Trench Safety Systems for water line	\$ 1.00	\$ 2,404.00
D18	3	EA	Furnish and Install 8-inch Plug	\$ 750.00	\$ 2,250.00
D20	1	EA	Furnish and Install 16-inch Plug	\$ 220.00	\$ 220.00
D21	2	EA	Connect to existing waterline	\$ 4,750.00	\$ 9,500.00
D22	2,404	LF	Pressure Pipe Hydrostatic Testing	\$ 1.00	\$ 2,404.00
SUBTOTAL POTABLE WATER IMPROVEMENTS					\$ 298,242.00

F. STREET IMPROVEMENTS

F1	9,251	SY	Subgrade Preparation per City of Round Rock Standard Specification 201	\$ 1.00	\$ 9,251.00
F2	9,251	SY	Furnish and Install 10" Lime Stabilized Subgrade to 36" beyond back of curb - complete in place. *Lime stabilization limits to be adjusted and verified during construction*	\$ 12.00	\$ 111,012.00
F4	9,251	SY	Furnish and Install 10" Crushed Limestone Base Material to 36" beyond back of curb - complete in place.	\$ 12.00	\$ 111,012.00
F6	6881	SY	Furnish and Install CoRR Item 340 Type D HMA, 1.5" depth - complete in place	\$ 10.00	\$ 68,810.00
F9	4,278	LF	Furnish and Install Standard 6" Concrete Curb and Gutter - complete in place.	\$ 13.00	\$ 55,614.00
F10	629	LF	Furnish and Install Concrete Sidewalks, 4' wide - complete in place	\$ 32.00	\$ 20,128.00
F12	8	EA	Furnish and Install curb ramp (All Types) per details - complete in place	\$ 1,850.00	\$ 14,800.00
F13	1	LS	Furnish and Install Pavement Marking and Signage - complete and in place	\$ 10,500.00	\$ 10,500.00
F14	1	LS	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	\$ 1,200.00	\$ 1,200.00
F15	1	LS	Furnish and Install Street End Barricades (Use on-site boulders if required)	\$ 5,800.00	\$ 5,800.00
F16	1,000	SF	Furnish and Install Concrete Valley Gutter - complete in place	\$ 13.00	\$ 13,000.00
SUBTOTAL STREET IMPROVEMENTS					\$ 421,127.00

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 4**

G. EXCAVATION AND EMBANKMENT

G1	2.5	AC	Clear and Grub (ROW)	\$ 8,500.00	\$ 21,250.00
G2	9.7	AC	Clear and Grub (Lots)	\$ 4,900.00	\$ 47,530.00
G3	8,693	CY	Excavation (ROW & Lots)	\$ 4.00	\$ 34,770.37
G4	8,693	CY	Embankment - (Use Material from On-Site Stockpile, ROW & Lots. Material placed on resident	\$ 3.00	\$ 26,077.78
G5	0	CY	Import Material from Pond and Spine Grading	\$ 3.00	\$ 0.00
SUBTOTAL EXCAVATION AND EMBANKMENT					\$ 129,628.15

H. SLEEVING

H1	1	LS	Sleeving	\$ 13,000.00	\$ 13,000.00
SUBTOTAL IRRIGATION SLEEVING					\$ 13,000.00

I. ELECTRIC

I1	2,347	LF	Contractor (conduit, transformers, trenching, boxes, street lights, wiring, etc.)	\$ 49.50	\$ 116,176.50
I2	8	EA	Furnish and Install Street Lights	\$ 4,200.00	\$ 33,600.00
SUBTOTAL ELECTRIC					\$ 149,776.50

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 4

L. ENGINEERING & CONSULTING FEES

L3	65		Eng-Bidding	200.00	\$	13,000.00
L4	65		Eng-Civil Design	2,500.00	\$	162,500.00
L5	0		Eng - MS Blvd	0.00	\$	0.00
L6	65		Eng-Construction Phase Services	200.00	\$	13,000.00
L7	65		Eng-Structural	250.00	\$	0.00
L8	1		Environ-SWPPP/Inspection	9,600.00	\$	9,600.00
L9	1		Environ-SWPPP Prep/NOI	500.00	\$	500.00
L10	65		Geotech-CMT	400.00	\$	0.00
L11	12.4		Geotech-Soils Testing	600.00	\$	0.00
L12	0		Landscape Design (8% of const)	0.00	\$	0.00
L13	12.4		Survey-Final Plat	500.00	\$	6,200.00
L14	1		Survey-Boundary/ALTA	5,000.00	\$	5,000.00
L15	12.4		Survey-Misc	250.00	\$	3,100.00
L16	65		Utility Coordination	50.00	\$	3,250.00
SUBTOTAL ENGINEERING & CONSULTING FEES						\$ 216,150.00

M. FEES

M1	70	LOTS	Preliminary Plat Review Fee - (\$750 + \$20/Lot)	\$ 20.00	\$	1,400.00
M2	1	LS	Plan Review Fee - Liberty Hill	\$ 500.00	\$	500.00
M3	\$ 1,448,929	%	Inspection Fee - Liberty Hill (% construction cost due at Construction Plan submittal)	% 0.5%	\$	7,244.65
M4	\$ 1,448,929	%	Inspection Fee - Liberty Hill (% construction cost due before Pre-Construction Meeting)	% 3.0%	\$	43,467.87
M5	12.22	AC	TCEQ - CZP	\$ 4,000.00	\$	4,000.00
M6	70	LOTS	Plat Review Fee - Liberty Hill (\$500 + \$20/Lot)	\$ 20.00	\$	1,400.00
M7	70	LOTS	City of Liberty Hill Park Fee (Due at Final Plat; Builder Cost \$169/LOT)	\$ 169.00	\$	0.00
M8	70	LOTS	PID Bond Fees (Due at Final Plat; Builder Cost \$1000/lot)	\$ 1,000.00	\$	0.00
M9	70	LOTS	Building Permit Fee (Builder Cost \$1,400/lot)	\$ 1,400.00	\$	0.00
M10	2,347.00	LF	PEC Payment to Pull Wire	\$ 16.00	\$	37,552.00
M11	70	LOTS	Liberty Hill Impact Fees (Wastewater, Builder Cost \$3,500/lot)	\$ 3,500.00	\$	0.00
M12	70	LOTS	Liberty Hill Impact Fees (Water, Builder Cost \$3,500/lot)	\$ 3,500.00	\$	0.00
SUBTOTAL FEES						\$ 95,564.52

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 4

BUTLER PHASE 4		
A. EROSION CONTROLS & MISCELLANEOUS ITEMS		\$ 69,922.00
B. WASTEWATER IMPROVEMENTS		\$ 284,127.00
C. DRAINAGE IMPROVEMENTS		\$ 375,511.00
D. POTABLE WATER IMPROVEMENTS		\$ 298,242.00
F. STREET IMPROVEMENTS		\$ 421,127.00
G. EXCAVATION AND EMBANKMENT		\$ 129,628.15
H. SLEEVING		\$ 13,000.00
I. ELECTRIC		\$ 149,776.50
	SUBTOTAL	\$ 1,741,333.65
	ENGINEERING & CONSULTING FEES	\$ 216,150.00
	FEES	\$ 95,564.52
	CONTINGENCY 10%	\$ 174,133.36
	CONSTRUCTION MANAGEMENT FEE 4%	\$ 63,662.29
	TOTAL	\$ 2,290,843.81

This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction costs may vary significantly due to not having engineering construction documents, geotechnical conditions, timing of construction, changed conditions, the competitive nature of the market, labor rate changes, or other factors.

Contingency is set to 0% for offsite infrastructure, Phase 1 & 11 Spine, & Phase 1 Model Park, 5% for Phase 9, 10% for Phases 2, 3, 4, & 7 and 20% for Phases 5 & 8 per owner's request.

This OPC is based on conceptual plan provided by SEC Planning – "Lotting R" configuration.

Geotechnical pavement design for Phase 1 was available at the time of OPC.

Hardscape and Landscaping costs are not included.

Only the Developer sidewalk has been included as the sidewalk quantity.

Detailed dry utility costs are not included.

Unit Prices provided are a combination of pricing from Joe Bland Construction 11/30/20 and also from Joe Bland Construction prices for Butler Farms Phase 7.

Construction management fee is set to 4% for all items with the exception of electric.

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 5**

	Approx. Qty	Unit	Description of Item	Unit Price	Amount
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A. EROSION CONTROLS & MISCELLANEOUS ITEMS

A1	1	EA	Furnish and Install stabilized construction entrance - complete in place. Maintain during construction.	\$ 1,000.00	\$ 1,000.00
A2	7	EA	Furnish and Install Inlet Protection - complete in place. Maintain during construction.	\$ 80.00	\$ 560.00
A3	1,500	LF	Furnish and Install temporary silt fence within limits of construction - complete in place. Maintain during construction.	\$ 2.00	\$ 3,000.00
A4	1	LS	Furnish and Install Temporary Staging/Storage/Spoils/Concrete Wash Out Area. Secure area with Chain Link Fence and (1) Entry / Exit Gate. Install Silt Fence around perimeter. Remove upon completion of construction, grade to drain and hydromulch.	\$ 5,000.00	\$ 5,000.00
A6	3,042	SY	Furnish and Install topsoil (6" depth) within landscaped tract areas and within R.O.W. - complete in place	\$ 3.00	\$ 9,126.00
A7	3,042	SY	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within R.O.W., including deconstruction area - complete in place	\$ 1.00	\$ 3,042.00
A13	3	EA	Furnish and Install Mailbox unit including but not limited to Cluster Box Unit(s) per plan, foundation, sidewalk to curb connection, pedestal, side panels for end units and coordination with USPS for key delivery (contact number: 512-419-7504) - complete in place	\$ 8,000.00	\$ 24,000.00
SUBTOTAL EROSION CONTROLS & MISCELLANEOUS ITEMS					\$ 45,728.00

B. WASTEWATER IMPROVEMENTS

B1	1,029	LF	Furnish and Install 8-inch SDR-26 PVC gravity wastewater pipe (all depths) - complete in place **Measured to the interior wall of the MH	\$ 47.00	\$ 48,363.00
B5	6	EA	Furnish and Install 4-ft diameter wastewater manhole - complete in place	\$ 4,675.00	\$ 28,050.00
B6	4	EA	Furnish and Install 5-ft diameter wastewater manhole - complete in place	\$ 7,525.00	\$ 30,100.00
B8	1,029	LF	Trench Safety System for wastewater line	\$ 1.00	\$ 1,029.00
B9	14	EA	Furnish and Install double service connection, per detail - complete in place	\$ 1,480.00	\$ 20,868.00
B10	19	EA	Furnish and Install single service connection, per detail - complete in place	\$ 1,370.00	\$ 25,756.00
B11	2	EA	Connect to Wastewater Stub or Existing Wastewater Manhole	\$ 5,000.00	\$ 10,000.00
SUBTOTAL WASTEWATER IMPROVEMENTS					\$ 164,166.00

C. DRAINAGE IMPROVEMENTS

C1	504	LF	Furnish and Install 18-inch Class III RCP storm sewer including pipe, joints, and all other appurtenances (all depths) - complete in place	\$ 64.00	\$ 32,256.00
C2	244	LF	Furnish and Install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 69.00	\$ 16,836.00
C4	157	LF	Furnish and Install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 135.00	\$ 21,195.00
C18	2	EA	Furnish and Install (4' x 4') Storm Sewer Junction Box (all depths) - complete and in place	\$ 3,450.00	\$ 6,900.00
C23	7	EA	Furnish and Install 10' Curb Inlet (5'-10' depths), Type I, per City of Round Rock Standard detail - complete in place	\$ 3,610.00	\$ 25,270.00
C51	905	LF	Trench Safety Systems for storm sewers	\$ 1.00	\$ 905.00
SUBTOTAL DRAINAGE IMPROVEMENTS					\$ 103,362.00

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 5**

D. POTABLE WATER IMPROVEMENTS

D1	1,354	LF	Furnish and Install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 39.00	\$ 52,806.00
D4	4	EA	Furnish and Install 8" Gate Valve, including any necessary appurtenances - complete in place	\$ 2,500.00	\$ 10,000.00
D12	3	EA	Furnish and Install Standard Fire Hydrant Assembly, including pipe, fittings, restraints, valves, hydrant, and all required appurtenances, as shown on plans - complete in place	\$ 5,800.00	\$ 17,400.00
D15	14	EA	Furnish and Install Standard potable water double service connection with meter boxes, per plans - complete in place	\$ 1,350.00	\$ 19,035.00
D16	19	EA	Furnish and Install Standard potable water single service connection with meter box, per plans - complete in place	\$ 980.00	\$ 18,424.00
D17	1,354	LF	Trench Safety Systems for water line	\$ 1.00	\$ 1,354.00
D21	3	EA	Connect to existing waterline	\$ 4,750.00	\$ 14,250.00
D22	1,354	LF	Pressure Pipe Hydrostatic Testing	\$ 1.00	\$ 1,354.00
SUBTOTAL POTABLE WATER IMPROVEMENTS					\$ 134,623.00

F. STREET IMPROVEMENTS

F1	6,602	SY	Subgrade Preparation per City of Round Rock Standard Specification 201	\$ 1.00	\$ 6,602.00
F2	6,602	SY	Furnish and Install 10" Lime Stabilized Subgrade to 36" beyond back of curb - complete in place. *Lime stabilization limits to be adjusted and verified during construction*	\$ 12.00	\$ 79,224.00
F4	6,602	SY	Furnish and Install 10" Crushed Limestone Base Material to 36" beyond back of curb - complete in place.	\$ 12.00	\$ 79,224.00
F6	4,993	SY	Furnish and Install CoRR Item 340 Type D HMAC, 1.5" depth - complete in place	\$ 10.00	\$ 49,930.00
F9	2,897	LF	Furnish and Install Standard 6" Concrete Curb and Gutter - complete in place.	\$ 13.00	\$ 37,661.00
F10	43	LF	Furnish and Install Concrete Sidewalks, 4' wide - complete in place	\$ 32.00	\$ 1,376.00
F12	4	EA	Furnish and Install curb ramp (All Types) per details - complete in place	\$ 1,850.00	\$ 7,400.00
F13	1	LS	Furnish and Install Pavement Marking and Signage - complete and in place	\$ 10,500.00	\$ 10,500.00
F14	1	LS	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	\$ 1,200.00	\$ 1,200.00
F16	1,000	SF	Furnish and Install Concrete Valley Gutter - complete in place	\$ 13.00	\$ 13,000.00
SUBTOTAL STREET IMPROVEMENTS					\$ 286,117.00

G. EXCAVATION AND EMBANKMENT

G1	1.8	AC	Clear and Grub (ROW)	\$ 8,500.00	\$ 15,300.00
G2	7.8	AC	Clear and Grub (Lots)	\$ 4,900.00	\$ 38,220.00
G3	5,333	CY	Excavation (ROW & Lots)	\$ 4.00	\$ 21,333.33
G4	5,333	CY	Embankment - (Use Material from On-Site Stockpile, ROW & Lots. Material placed on resident)	\$ 3.00	\$ 16,000.00
SUBTOTAL EXCAVATION AND EMBANKMENT					\$ 90,853.33

H. SLEEVING

H1	1	LS	Sleeving	\$ 13,000.00	\$ 13,000.00
SUBTOTAL IRRIGATION SLEEVING					\$ 13,000.00

I. ELECTRIC

I1	1,440	LF	Contractor (conduit, transformers, trenching, boxes, street lights, wiring, etc.)	\$ 49.50	\$ 71,280.00
I2	5	EA	Furnish and Install Street Lights	\$ 4,200.00	\$ 21,000.00
SUBTOTAL ELECTRIC					\$ 92,280.00

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 5

L. ENGINEERING & CONSULTING FEES

L3	47		Eng-Bidding	200.00	\$	9,400.00	
L4	47		Eng-Civil Design	2,500.00	\$	117,500.00	
L6	47		Eng-Construction Phase Services	200.00	\$	9,400.00	
L7	47		Eng-Structural	250.00	\$	0.00	
L8	1		Environ-SWPPP/Inspection	9,600.00	\$	9,600.00	
L9	1		Environ-SWPPP Prep/NOI	500.00	\$	500.00	
L10	47		Geotech-CMT	400.00	\$	0.00	
L11	9.6		Geotech-Soils Testing	600.00	\$	0.00	
L13	9.6		Survey-Final Plat	500.00	\$	4,805.00	
L14	1		Survey-Boundary/ALTA	5,000.00	\$	5,000.00	
L15	9.6		Survey-Misc	250.00	\$	2,402.50	
L16	47		Utility Coordination	50.00	\$	2,350.00	
SUBTOTAL ENGINEERING & CONSULTING FEES						\$	160,957.50

M. FEES

M1	47	LOTS	Preliminary Plat Review Fee - (\$750 + \$20/Lot)	\$	20.00	\$	940.00
M2	1	LS	Plan Review Fee - Liberty Hill	\$	500.00	\$	500.00
M3	\$ 733,996	%	Inspection Fee - Liberty Hill (% construction cost due at Construction Plan submittal)	%	0.5%	\$	3,669.98
M4	\$ 733,996	%	Inspection Fee - Liberty Hill (% construction cost due before Pre-Construction Meeting)	%	3.0%	\$	22,019.88
M5	9.6	AC	TCEQ - CZP	\$	3,000.00	\$	3,000.00
M6	47	LOTS	Plat Review Fee - Liberty Hill (\$500 + \$20/Lot)	\$	20.00	\$	940.00
M7	47	LOTS	City of Liberty Hill Park Fee (Due at Final Plat; Builder Cost \$169/LOT)	\$	169.00	\$	0.00
M8	47	LOTS	PID Bond Fees (Due at Final Plat; Builder Cost \$1000/lot)	\$	1,000.00	\$	0.00
M9	47	LOTS	Building Permit Fee (Builder Cost \$1,400/lot)	\$	1,400.00	\$	0.00
M10	1,440	LF	PEC Payment to Pull Wire	\$	16.00	\$	23,040.00
M11	47	LOTS	Liberty Hill Impact Fees (Wastewater, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
M12	47	LOTS	Liberty Hill Impact Fees (Water, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
SUBTOTAL FEES						\$	54,109.86

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 5

BUTLER PHASE 5		
A. EROSION CONTROLS & MISCELLANEOUS ITEMS		\$ 45,728.00
B. WASTEWATER IMPROVEMENTS		\$ 164,166.00
C. DRAINAGE IMPROVEMENTS		\$ 103,362.00
D. POTABLE WATER IMPROVEMENTS		\$ 134,623.00
F. STREET IMPROVEMENTS		\$ 286,117.00
G. EXCAVATION AND EMBANKMENT		\$ 90,853.33
H. SLEEVING		\$ 13,000.00
I. ELECTRIC		\$ 92,280.00
SUBTOTAL		\$ 930,129.33
ENGINEERING & CONSULTING FEES		\$ 160,957.50
FEES		\$ 54,109.86
CONTINGENCY	20%	\$ 186,025.87
CONSTRUCTION MANAGEMENT FEE	4%	\$ 33,513.97
TOTAL		\$ 1,364,736.53

This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction costs may vary significantly due to not having engineering construction documents, geotechnical conditions, timing of construction, changed conditions, the competitive nature of the market, labor rate changes, or other factors.

Contingency is set to 0% for offsite infrastructure, Phase 1 & 11 Spine, & Phase 1 Model Park, 5% for Phase 9, 10% for Phases 2, 3, 4, & 7 and 20% for Phases 5 & 8 per owner's request.

This OPC is based on conceptual plan provided by SEC Planning – "Lotting R" configuration.

Geotechnical pavement design for Phase 1 was available at the time of OPC.

Hardscape and Landscaping costs are not included.

Only the Developer sidewalk has been included as the sidewalk quantity.

Detailed dry utility costs are not included.

Unit Prices provided are a combination of pricing from Joe Bland Construction 11/30/20 and also from Joe Bland Construction prices for Butler Farms Phase 7.

Construction management fee is set to 4% for all items with the exception of electric.

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 7

	Approx. Qty	Unit	Description of Item	Unit Price	Amount
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A. EROSION CONTROLS & MISCELLANEOUS ITEMS

A1	1	EA	Furnish and Install stabilized construction entrance - complete in place. Maintain during construction.	\$ 1,000.00	\$ 1,000.00
A2	32	EA	Furnish and Install Inlet Protection - complete in place. Maintain during construction.	\$ 80.00	\$ 2,560.00
A3	3,283	LF	Furnish and Install temporary silt fence within limits of construction - complete in place. Maintain during construction.	\$ 2.00	\$ 6,566.00
A4	1	LS	Furnish and Install Temporary Staging/Storage/Spoils/Concrete Wash Out Area.	\$ 5,000.00	\$ 5,000.00
A5	230	LF	Furnish and Install Rock Berm - complete in place	\$ 30.00	\$ 6,900.00
A6	7,640	SY	Furnish and Install topsoil (6" depth) within landscaped tract areas and within R.O.W. - complete in place	\$ 3.00	\$ 22,920.00
A7	7,640	SY	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within R.O.W., including deconstruction area - complete in place	\$ 1.00	\$ 7,640.00
A8	6	EA	Furnish and Install Mailbox unit including but not limited to Cluster Box Unit(s) per plan, foundation, sidewalk to curb connection, pedestal, side panels for end units and coordination with USPS for key delivery (contact number: 512-419-7504) - complete in place	\$ 8,000.00	\$ 48,000.00
SUBTOTAL EROSION CONTROLS & MISCELLANEOUS ITEMS					\$ 100,586.00

B. WASTEWATER IMPROVEMENTS

B1	2,626	LF	Furnish and Install 8-inch SDR-26 PVC gravity wastewater pipe (ALL DEPTHS)	\$ 47.00	\$ 123,422.00
B2	601	LF	Furnish and Install 10-inch SDR-26 PVC gravity wastewater pipe (ALL DEPTHS)	\$ 58.00	\$ 34,858.00
B3	170	LF	Furnish and Install 12-inch SDR-26 PVC gravity wastewater pipe (ALL DEPTHS)	\$ 68.00	\$ 11,560.00
B4	21	EA	Furnish and Install 4-ft diameter wastewater manhole - complete in place	\$ 4,675.00	\$ 98,175.00
B5	1	EA	Furnish and Install 5-ft diameter wastewater manhole - complete in place	\$ 7,525.00	\$ 7,525.00
B6	3397	LF	Trench Safety System for wastewater line	\$ 1.00	\$ 3,397.00
B7	41	EA	Furnish and Install double service connection, per detail - complete in place	\$ 1,480.00	\$ 60,680.00
B8	5	EA	Furnish and Install single service connection, per detail - complete in place	\$ 1,370.00	\$ 6,850.00
B9	1	EA	Connect to Wastewater Stub or Existing Wastewater Manhole	\$ 5,000.00	\$ 5,000.00
B10	3	EA	Furnish and Install wastewater cleanout	\$ 750.00	\$ 2,250.00
SUBTOTAL WASTEWATER IMPROVEMENTS					\$ 353,717.00

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 7

C. DRAINAGE IMPROVEMENTS

C1	1,318	LF	Furnish and Install 18-inch Class III RCP storm sewer including pipe, joints, and all other appurtenances (all depths) - complete in place	\$ 64.00	\$ 84,352.00
C2	1,078	LF	Furnish and Install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 69.00	\$ 74,382.00
C3	583	LF	Furnish and Install 30-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 88.00	\$ 51,304.00
C4	230	LF	Furnish and Install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 135.00	\$ 31,050.00
C5	388	LF	Furnish and Install 42-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 170.00	\$ 65,960.00
C6	181	LF	Furnish and Install 48-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 205.00	\$ 37,105.00
C7	280	LF	Furnish and Install 60-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 375.00	\$ 105,000.00
C8	1	EA	Furnish and Install (4' dia) Storm Sewer Manhole (all depths) - complete and in place	\$ 3,650.00	\$ 3,650.00
C9	2	EA	Furnish and Install (5' dia) Storm Sewer Manhole (all depths) - complete and in place	\$ 5,100.00	\$ 10,200.00
C10	1	EA	Furnish and Install (6' dia) Storm Sewer Manhole (all depths) - complete and in place	\$ 6,200.00	\$ 6,200.00
C11	1	EA	Furnish and Install (4' x 4') Area Inlet (all depths) - complete and in place	\$ 3,950.00	\$ 3,950.00
C12	3	EA	Furnish and Install (4' x 4') Storm Sewer Junction Box (all depths) - complete and in place	\$ 3,450.00	\$ 10,350.00
C13	2	EA	Furnish and Install (5' x 5') Storm Sewer Junction Box (all depths) - complete and in place	\$ 4,475.00	\$ 8,950.00
C14	1	EA	Furnish and Install (6' x 6') Storm Sewer Junction Box (all depths) - complete and in place	\$ 5,270.00	\$ 5,270.00
C15	31	EA	Furnish and Install 10' Curb Inlet (5'-10' depths), Type I, per City of Round Rock Standard detail - complete in place	\$ 3,610.00	\$ 111,910.00
C16	733	LF	Trapezoidal Channel Excavation shape and reveg (20FT WIDE BOTTOM & 2.5 FT TALL w/6:1 SIDE SLOPES)	\$ 59.00	\$ 43,265.29
C17	242	LF	Trapezoidal Channel Excavation shape and reveg (8FT WIDE BOTTOM & 2.5 FT TALL w/3:1 SIDE SLOPES)	\$ 21.00	\$ 5,082.21
C18	971	LF	Trapezoidal Channel Excavation shape and reveg (8FT WIDE BOTTOM & 2.5 FT TALL w/3:1 & 21:1 SIDE SLOPES)	\$ 21.00	\$ 20,381.76
C19	587	LF	Trapezoidal Channel Excavation shape and reveg (7FT WIDE BOTTOM & 2 FT TALL w/3:1 SIDE SLOPES)	\$ 19.00	\$ 11,153.19
C20	542	LF	4' Trickle Channel	\$ 52.00	\$ 28,159.04
C21	1	EA	Furnish and Install 24" Headwall Outlet Structure	\$ 3,800.00	\$ 3,800.00
C22	1	EA	Furnish and Install 30" Headwall Outlet Structure	\$ 4,200.00	\$ 4,200.00
C23	1	EA	Furnish and Install 48" Headwall Outlet Structure	\$ 14,000.00	\$ 14,000.00
C24	1	EA	Furnish and Install 48" Headwall Outlet Structure w/ Dissipator	\$ 14,750.00	\$ 14,750.00
C25	228	LF	Furnish and Install 7' x 4' Reinforced Concrete Box Culvert storm sewer including pipe, joints, and all other appurtenances - complete in place	\$ 450.00	\$ 102,600.00
C26	2	EA	Furnish and Install Headwall Inlet/Outlet Structure for 7' x 4' Culvert Crossing - complete in place	\$ 22,000.00	\$ 44,000.00
C27	353	SY	Rock Rip Rap Class 3	\$ 78.00	\$ 27,534.00
C28	409	SY	Rock Rip Rap Class 4	\$ 120.00	\$ 49,080.00
C29	309	SY	Rock Rip Rap Class 5	\$ 159.00	\$ 49,131.00
C30	4,286	LF	Trench Safety Systems for storm sewers	\$ 1.00	\$ 4,286.00
SUBTOTAL DRAINAGE IMPROVEMENTS					\$ 1,031,055.49

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 7**

D. POTABLE WATER IMPROVEMENTS

D1	1,887	LF	Furnish and Install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 39.00	\$ 73,593.00
D2	2,101	LF	Furnish and Install 12-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 68.00	\$ 142,868.00
D3	152	LF	Furnish and Install 18-inch SDR-26 / PS-115 encasement over waterline (all depths) - complete in place	\$ 95.00	\$ 14,440.00
D4	11	EA	Furnish and Install 8" Gate Valve, including any necessary appurtenances - complete in place	\$ 2,500.00	\$ 27,500.00
D5	11	EA	Furnish and Install 12" Gate Valve, including any necessary appurtenances - complete in place	\$ 3,975.00	\$ 43,725.00
D6	5	EA	Furnish and Install Auto Flush Valve Assembly - complete in place	\$ 6,200.00	\$ 31,000.00
D7	9	EA	Furnish and Install Standard Fire Hydrant Assembly, including pipe, fittings, restraints, valves, hydrant, and all required appurtenances, as shown on plans - complete in place	\$ 5,800.00	\$ 52,200.00
D8	3	EA	1" Air Release Valve - complete in place	\$ 5,100.00	\$ 15,300.00
D9	34	EA	Furnish and Install Standard potable water double service connection with meter boxes, per plans - complete in place	\$ 1,350.00	\$ 45,900.00
D10	19	EA	Furnish and Install Standard potable water single service connection with meter box, per plans - complete in place	\$ 980.00	\$ 18,620.00
D11	3,988	LF	Trench Safety Systems for water line	\$ 1.00	\$ 3,988.00
D12	2	EA	Connect to existing waterline	\$ 4,750.00	\$ 9,500.00
D13	3,988	LF	Pressure Pipe Hydrostatic Testing	\$ 1.00	\$ 3,988.00
SUBTOTAL POTABLE WATER IMPROVEMENTS					\$ 482,622.00

F. STREET IMPROVEMENTS

F1	15,874	SY	Subgrade Preparation per City of Round Rock Standard Specification 201	\$ 1.00	\$ 15,874.00
F2	15,874	SY	Furnish and Install 10" Crushed Limestone Base Material to 36" beyond back of curb - complete in place.	\$ 12.00	\$ 190,488.00
F3	11510	SY	Furnish and Install CoRR Item 340 Type D HMAC, 1.5" depth - complete in place	\$ 10.00	\$ 115,100.00
F4	7,342	LF	Furnish and Install Standard 6" Concrete Curb and Gutter - complete in place.	\$ 13.00	\$ 95,446.00
F5	702	LF	Furnish and Install Concrete Sidewalks, 4' wide - complete in place	\$ 32.00	\$ 22,464.00
F6	14	EA	Furnish and Install curb ramp (All Types) per details - complete in place	\$ 1,850.00	\$ 25,900.00
F7	1	LS	Furnish and Install Pavement Marking and Signage - complete and in place	\$ 10,500.00	\$ 10,500.00
F8	1	LS	Furnish and Install Street End Barricades (Use on-site boulders if required)	\$ 2,500.00	\$ 2,500.00
F9	3,318	SF	Furnish and Install Concrete Valley Gutter - complete in place	\$ 13.00	\$ 43,134.00
SUBTOTAL STREET IMPROVEMENTS					\$ 521,406.00

G. EXCAVATION AND EMBANKMENT

G1	18.3	AC	Clear and Grub (ROW & Lots)	\$ 6,700.00	\$ 122,442.50
G2	17,496	CY	Excavation (ROW & Lots)	\$ 4.00	\$ 69,984.00
G3	24,346	CY	Embankment (ROW & Lots) Includes Lot Finish	\$ 3.00	\$ 73,038.00
G4	11,577	CY	Haul Excess to Phase 9 to be placed and Phase 8 to stockpile.	\$ 2.00	\$ 23,154.00
SUBTOTAL EXCAVATION AND EMBANKMENT					\$ 288,618.50

I. ELECTRIC

I1	1	LS	PEC Electrical and Street Light Allowance	\$ 350,000.00	\$ 350,000.00
SUBTOTAL ELECTRIC					\$ 350,000.00

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 7

L. ENGINEERING & CONSULTING FEES

L3	85		Eng-Bidding	200.00	\$	17,000.00
L4	85		Eng-Civil Design	2,500.00	\$	212,500.00
L6	85		Eng-Construction Phase Services	200.00	\$	17,000.00
L7	85		Eng-Structural	250.00	\$	0.00
L8	1		Environ-SWPPP/Inspection	9,600.00	\$	9,600.00
L9	1		Environ-SWPPP Prep/NOI	500.00	\$	500.00
L10	85		Geotech-CMT	400.00	\$	0.00
L11	19.6		Geotech-Soils Testing	600.00	\$	0.00
L12	0		Landscape Design (8% of const)	0.00	\$	0.00
L13	19.6		Survey-Final Plat	500.00	\$	9,800.00
L14	1		Survey-Boundary/ALTA	5,000.00	\$	5,000.00
L15	19.6		Survey-Misc	250.00	\$	4,900.00
L16	85		Utility Coordination	50.00	\$	4,250.00
SUBTOTAL ENGINEERING & CONSULTING FEES						\$ 280,550.00

M. FEES

M1	87	LOTS	Preliminary Plat Review Fee - (\$750 + \$20/Lot)	\$	20.00	\$	1,740.00
M2	1	LS	Plan Review Fee - Liberty Hill	\$	500.00	\$	500.00
M3	\$ 2,489,386	%	Inspection Fee - Liberty Hill (% construction cost due at Construction Plan submittal)	%	0.5%	\$	12,446.93
M4	\$ 2,489,386	%	Inspection Fee - Liberty Hill (% construction cost due before Pre-Construction Meeting)	%	3.0%	\$	74,681.59
M5	20.30	AC	TCEQ - CZP	\$	4,000.00	\$	4,000.00
M6	87	LOTS	Plat Review Fee - Liberty Hill (\$500 + \$20/Lot)	\$	20.00	\$	1,740.00
M7	87	LOTS	City of Liberty Hill Park Fee (Due at Final Plat; Builder Cost \$169/LOT)	\$	169.00	\$	0.00
M8	87	LOTS	PID Bond Fees (Due at Final Plat; Builder Cost \$1000/lot)	\$	1,000.00	\$	0.00
M9	87	LOTS	Building Permit Fee (Builder Cost \$1,400/lot)	\$	1,400.00	\$	0.00
M10	3,756	LF	PEC Payment to Pull Wire	\$	16.00	\$	60,096.00
M11	87	LOTS	Liberty Hill Impact Fees (Wastewater, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
M12	87	LOTS	Liberty Hill Impact Fees (Water, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
SUBTOTAL FEES						\$ 155,204.53	

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 7

BUTLER PHASE 7		
A. EROSION CONTROLS & MISCELLANEOUS ITEMS		\$ 100,586.00
B. WASTEWATER IMPROVEMENTS		\$ 353,717.00
C. DRAINAGE IMPROVEMENTS		\$ 1,031,055.49
D. POTABLE WATER IMPROVEMENTS		\$ 482,622.00
F. STREET IMPROVEMENTS		\$ 521,406.00
G. EXCAVATION AND EMBANKMENT		\$ 288,618.50
I. ELECTRIC		\$ 350,000.00
SUBTOTAL		\$ 3,128,004.99
ENGINEERING & CONSULTING FEES		\$ 280,550.00
FEES		\$ 155,204.53
CONTINGENCY	10%	\$ 312,800.50
CONSTRUCTION MANAGEMENT FEE	4%	\$ 111,120.20
TOTAL		\$ 3,987,680.22

This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction costs may vary significantly due to not having engineering construction documents, geotechnical conditions, timing of construction, changed conditions, the competitive nature of the market, labor rate changes, or other factors.

Contingency is set to 0% for offsite infrastructure, Phase 1 & 11 Spine, & Phase 1 Model Park, 5% for Phase 9, 10% for Phases 2, 3, 4, & 7 and 20% for Phases 5 & 8 per owner's request.

This OPC is based on conceptual plan provided by SEC Planning – "Lotting R" configuration.

Geotechnical pavement design for Phase 1 was available at the time of OPC.

Hardscape and Landscaping costs are not included.

Only the Developer sidewalk has been included as the sidewalk quantity.

Detailed dry utility costs are not included.

Unit Prices and Quantities are from Joe Bland Construction prices for Butler Farms Phase 7.

Construction management fee is set to 4% for all items with the exception of electric.

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 8**

	Approx. Qty	Unit	Description of Item	Unit Price	Amount
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A. EROSION CONTROLS & MISCELLANEOUS ITEMS

A1	1	EA	Furnish and Install stabilized construction entrance - complete in place. Maintain during construction.	\$ 1,000.00	\$ 1,000.00
A2	28	EA	Furnish and Install Inlet Protection - complete in place. Maintain during construction.	\$ 80.00	\$ 2,240.00
A3	1,433	LF	Furnish and Install temporary silt fence within limits of construction - complete in place. Maintain during construction.	\$ 2.00	\$ 2,866.00
A4	1	LS	Furnish and Install Temporary Staging/Storage/Spoils/Concrete Wash Out Area. Secure area with Chain Link Fence and (1) Entry / Exit Gate. Install Silt Fence around perimeter. Remove upon completion of construction, grade to drain and hydromulch.	\$ 5,000.00	\$ 5,000.00
A6	7,690	SY	Furnish and Install topsoil (6" depth) within landscaped tract areas and within R.O.W. - complete in place	\$ 3.00	\$ 23,070.00
A7	7,690	SY	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within R.O.W., including deconstruction area - complete in place	\$ 1.00	\$ 7,690.00
A13	9	EA	Furnish and Install Mailbox unit including but not limited to Cluster Box Unit(s) per plan, foundation, sidewalk to curb connection, pedestal, side panels for end units and coordination with USPS for key delivery (contact number: 512-419-7504) - complete in place	\$ 8,000.00	\$ 72,000.00
SUBTOTAL EROSION CONTROLS & MISCELLANEOUS ITEMS					\$ 113,866.00

B. WASTEWATER IMPROVEMENTS

B1	3625	LF	Furnish and Install 8-inch SDR-26 PVC gravity wastewater pipe (all depths) - complete in place **Measured to the interior wall of the MH	\$ 47.00	\$ 170,375.00
B5	16	EA	Furnish and Install 4-ft diameter wastewater manhole - complete in place	\$ 4,675.00	\$ 74,800.00
B8	3625	LF	Trench Safety System for wastewater line	\$ 1.00	\$ 3,625.00
B9	41	EA	Furnish and Install double service connection, per detail - complete in place	\$ 1,480.00	\$ 61,272.00
B10	55	EA	Furnish and Install single service connection, per detail - complete in place	\$ 1,370.00	\$ 75,624.00
B11	4	EA	Connect to Wastewater Stub or Existing Wastewater Manhole	\$ 5,000.00	\$ 20,000.00
B12	2	EA	Furnish and Install Stub for Future Connecton	\$ 750.00	\$ 1,500.00
SUBTOTAL WASTEWATER IMPROVEMENTS					\$ 407,196.00

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 8**

C. DRAINAGE IMPROVEMENTS

C1	1,901	LF	Furnish and Install 18-inch Class III RCP storm sewer including pipe, joints, and all other appurtenances (all depths) - complete in place	\$ 64.00	\$ 121,664.00
C2	955	LF	Furnish and Install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 69.00	\$ 65,895.00
C3	593	LF	Furnish and Install 30-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 88.00	\$ 52,184.00
C4	274	LF	Furnish and Install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 135.00	\$ 36,990.00
C11	3	EA	Furnish and Install (4' dia) Storm Sewer Manhole (all depths) - complete and in place	\$ 3,650.00	\$ 10,950.00
C17	1	EA	Furnish and Install (4' x 4') Area Inlet (all depths) - complete and in place	\$ 3,950.00	\$ 3,950.00
C18	5	EA	Furnish and Install (4' x 4') Storm Sewer Junction Box (all depths) - complete and in place	\$ 3,450.00	\$ 17,250.00
C23	28	EA	Furnish and Install 10' Curb Inlet (5'-10' depths), Type I, per City of Round Rock Standard detail - complete in place	\$ 3,610.00	\$ 101,080.00
C25	980	LF	Trapezoidal Channel Excavation shape and reveg (8FT WIDE BOTTOM & 2 FT TALL w/3:1 SIDE SLOPES)	\$ 21.00	\$ 20,580.00
C50	450	SF	Rock Rip Rap	\$ 5.00	\$ 2,250.00
C51	3,723	LF	Trench Safety Systems for storm sewers	\$ 1.00	\$ 3,723.00
C52	2	EA	Furnish and Install Dual 18" Headwall Outlet Structure	\$ 4,950.00	\$ 9,900.00
SUBTOTAL DRAINAGE IMPROVEMENTS					\$ 446,416.00

D. POTABLE WATER IMPROVEMENTS

D1	3879	LF	Furnish and Install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 39.00	\$ 151,281.00
D4	10	EA	Furnish and Install 8" Gate Valve, including any necessary appurtenances - complete in place	\$ 2,500.00	\$ 25,000.00
D9	1	EA	Furnish and Install 8" Auto Flush Valve Assembly - complete in place	\$ 6,200.00	\$ 6,200.00
D12	3	EA	Furnish and Install Standard Fire Hydrant Assembly, including pipe, fittings, restraints, valves, hydrant, and all required appurtenances, as shown on plans - complete in place	\$ 5,800.00	\$ 17,400.00
D14	1	EA	1" Air Release Valve - complete in place	\$ 5,100.00	\$ 5,100.00
D15	41	EA	Furnish and Install Standard potable water double service connection with meter boxes, per plans - complete in place	\$ 1,350.00	\$ 55,890.00
D16	55	EA	Furnish and Install Standard potable water single service connection with meter box, per plans - complete in place	\$ 980.00	\$ 54,096.00
D17	3,879	LF	Trench Safety Systems for water line	\$ 1.00	\$ 3,879.00
D18	2	EA	Furnish and Install 8-inch Plug	\$ 750.00	\$ 1,500.00
D21	4	EA	Connect to existing waterline	\$ 4,750.00	\$ 19,000.00
D22	3,879	LF	Pressure Pipe Hydrostatic Testing	\$ 1.00	\$ 3,879.00
SUBTOTAL POTABLE WATER IMPROVEMENTS					\$ 343,225.00

F. STREET IMPROVEMENTS

F1	15,951	SY	Subgrade Preparation per City of Round Rock Standard Specification 201	\$ 1.00	\$ 15,951.00
F2	15,951	SY	Furnish and Install 10" Lime Stabilized Subgrade to 36" beyond back of curb - complete in place. *Lime stabilization limits to be adjusted and verified during construction*	\$ 12.00	\$ 191,412.00
F4	15,951	SY	Furnish and Install 10" Crushed Limestone Base Material to 36" beyond back of curb - complete in place.	\$ 12.00	\$ 191,412.00
F6	11,869	SY	Furnish and Install CoRR Item 340 Type D HMA, 1.5" depth - complete in place	\$ 10.00	\$ 118,690.00
F9	6,838	LF	Furnish and Install Standard 6" Concrete Curb and Gutter - complete in place.	\$ 13.00	\$ 88,894.00
F10	84	LF	Furnish and Install Concrete Sidewalks, 4' wide - complete in place	\$ 32.00	\$ 2,688.00
F12	6	EA	Furnish and Install curb ramp (All Types) per details - complete in place	\$ 1,850.00	\$ 11,100.00
F13	1	LS	Furnish and Install Pavement Marking and Signage - complete and in place	\$ 10,500.00	\$ 10,500.00
F14	1	LS	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	\$ 1,200.00	\$ 1,200.00
F16	250	SF	Furnish and Install Concrete Valley Gutter - complete in place	\$ 13.00	\$ 3,250.00
SUBTOTAL STREET IMPROVEMENTS					\$ 635,097.00

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 8**

G. EXCAVATION AND EMBANKMENT

G1	4.38	AC	Clear and Grub (ROW)	\$ 8,500.00	\$ 37,230.00
G2	17.54	AC	Clear and Grub (Lots)	\$ 4,900.00	\$ 85,946.00
G3	14,322	CY	Excavation (ROW & Lots)	\$ 4.00	\$ 57,288.89
G4	14,322	CY	Embankment - (Use Material from On-Site Stockpile, ROW & Lots. Material placed on residential lots shall meet the requirements of FHA Data Sheet 79G.	\$ 3.00	\$ 42,966.67
G5	0	CY	Import Material from Pond and Spine Grading	\$ 3.00	\$ 0.00
SUBTOTAL EXCAVATION AND EMBANKMENT					\$ 223,431.56

H. SLEEVING

H1	1	LS	Sleeving	\$ 13,000.00	\$ 13,000.00
SUBTOTAL IRRIGATION SLEEVING					\$ 13,000.00

I. ELECTRIC

I1	3,867	LF	Contractor (conduit, transformers, trenching, boxes, street lights, wiring, etc.)	\$ 49.50	\$ 191,416.50
I2	13	EA	Furnish and Install Street Lights	\$ 4,200.00	\$ 54,600.00
SUBTOTAL ELECTRIC					\$ 246,016.50

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 8

L. ENGINEERING & CONSULTING FEES

L3	Eng-Bidding	\$	7,500.00
L4	Eng-Civil Design	\$	175,000.00
L6	Eng-Construction Phase Services	\$	27,500.00
L7	Eng-Structural	\$	0.00
L8	Environ-SWPPP/Inspection	\$	9,600.00
L9	Environ-SWPPP Prep/NOI	\$	500.00
L10	Geotech-CMT	\$	0.00
L11	Geotech-Soils Testing	\$	0.00
L13	Survey-Final Plat	\$	48,300.00
L14	Survey-Boundary/ALTA	\$	0.00
L15	Survey-Misc	\$	0.00
L16	Utility Coordination	\$	2,500.00
SUBTOTAL ENGINEERING & CONSULTING FEES			\$ 270,900.00

M. FEES

M1	138	LOTS	Preliminary Plat Review Fee - (\$750 + \$20/Lot)	\$	20.00	\$	2,760.00
M2	1	LS	Plan Review Fee - Liberty Hill	\$	500.00	\$	500.00
M3	\$ 1,945,800	%	Inspection Fee - Liberty Hill (% construction cost due at Construction Plan submittal)	%	0.5%	\$	9,729.00
M4	\$ 1,945,800	%	Inspection Fee - Liberty Hill (% construction cost due before Pre-Construction Meeting)	%	3.0%	\$	58,374.00
M5	23.31	AC	TCEQ - CZP	\$	4,000.00	\$	4,000.00
M6	138	LOTS	Plat Review Fee - Liberty Hill (\$500 + \$20/Lot)	\$	20.00	\$	2,760.00
M7	138	LOTS	City of Liberty Hill Park Fee (Due at Final Plat; Builder Cost \$169/LOT)	\$	169.00	\$	0.00
M8	138	LOTS	PID Bond Fees (Due at Final Plat; Builder Cost \$1000/lot)	\$	1,000.00	\$	0.00
M9	138	LOTS	Building Permit Fee (Builder Cost \$1,400/lot)	\$	1,400.00	\$	0.00
M10	3,867	LF	PEC Payment to Pull Wire	\$	16.00	\$	61,872.00
M11	138	LOTS	Liberty Hill Impact Fees (Wastewater, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
M12	138	LOTS	Liberty Hill Impact Fees (Water, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
SUBTOTAL FEES						\$	139,995.00

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 8

BUTLER PHASE 8		
A. EROSION CONTROLS & MISCELLANEOUS ITEMS		\$ 113,866.00
B. WASTEWATER IMPROVEMENTS		\$ 407,196.00
C. DRAINAGE IMPROVEMENTS		\$ 446,416.00
D. POTABLE WATER IMPROVEMENTS		\$ 343,225.00
F. STREET IMPROVEMENTS		\$ 635,097.00
G. EXCAVATION AND EMBANKMENT		\$ 223,431.56
H. SLEEVING		\$ 13,000.00
I. ELECTRIC		\$ 246,016.50
	SUBTOTAL	\$ 2,428,248.06
	ENGINEERING & CONSULTING FEES	\$ 270,900.00
	FEES	\$ 139,995.00
	CONTINGENCY 20%	\$ 485,649.61
	CONSTRUCTION MANAGEMENT FEE 4%	\$ 87,289.26
	TOTAL	\$ 3,412,081.93

This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction costs may vary significantly due to not having engineering construction documents, geotechnical conditions, timing of construction, changed conditions, the competitive nature of the market, labor rate changes, or other factors.

Contingency is set to 0% for offsite infrastructure, Phase 1 & 11 Spine, & Phase 1 Model Park, 5% for Phase 9, 10% for Phases 2, 3, 4, & 7 and 20% for Phases 5 & 8 per owner's request.

This OPC is based on conceptual plan provided by SEC Planning – "Lotting R" configuration.

Geotechnical pavement design for Phase 1 was available at the time of OPC.

Hardscape and Landscaping costs are not included.

Only the Developer sidewalk has been included as the sidewalk quantity.

Detailed dry utility costs are not included.

Unit Prices provided are a combination of pricing from Joe Bland Construction 11/30/20 and also from Joe Bland Construction prices for Butler Farms Phase 7.

Construction management fee is set to 4% for all items with the exception of electric.

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 9**

	Approx. Qty	Unit	Description of Item	Unit Price	Amount
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A. EROSION CONTROLS & MISCELLANEOUS ITEMS

A1	2	EA	Furnish and Install stabilized construction entrance - complete in place. Maintain during construction.	\$ 1,000.00	\$ 2,000.00
A2	34	EA	Furnish and Install Inlet Protection - complete in place. Maintain during construction.	\$ 80.00	\$ 2,720.00
A3	5,047	LF	Furnish and Install temporary silt fence within limits of construction - complete in place. Maintain during construction.	\$ 2.00	\$ 10,094.00
A4	1	LS	Furnish and Install Temporary Staging/Storage/Spoils/Concrete Wash Out Area. Secure area with Chain Link Fence and (1) Entry / Exit Gate. Install Silt Fence around perimeter. Remove upon completion of construction, grade to drain and hydromulch.	\$ 5,000.00	\$ 5,000.00
A5	71	LF	Furnish and Install Rock Berm - complete in place	\$ 30.00	\$ 2,130.00
A6	12,723	SY	Furnish and Install topsoil (6" depth) within landscaped tract areas and within R.O.W. - complete in place	\$ 3.00	\$ 38,169.00
A7	12,723	SY	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within R.O.W., including deconstruction area - complete in place	\$ 1.00	\$ 12,723.00
A8	150	LF	Furnish and Install Tree Protection Fencing per detail - complete in place	\$ 3.00	\$ 450.00
A9	1,500	SY	Erosion Control ArmorMax (LandLok 450 instead of Armor Max)	\$ 18.00	\$ 27,000.00
A10	10	EA	Furnish and Install Mailbox unit including but not limited to Cluster Box Unit(s) per plan, foundation, sidewalk to curb connection, pedestal, side panels for end units and coordination with USPS for key delivery (contact number: 512-419-7504) - complete in place	\$ 7,500.00	\$ 75,000.00
SUBTOTAL EROSION CONTROLS & MISCELLANEOUS ITEMS					\$ 175,286.00

B. WASTEWATER IMPROVEMENTS

B1	4,758	LF	Furnish and Install 8-inch SDR-26 PVC gravity wastewater pipe (all depths) - complete in place **Measured to the interior wall of the MH	\$ 41.50	\$ 197,457.00
B2	12	EA	Furnish and Install 4-ft diameter wastewater manhole - complete in place	\$ 4,400.00	\$ 52,800.00
B3	13	EA	Furnish and Install 5-ft diameter wastewater manhole - complete in place	\$ 7,300.00	\$ 94,900.00
B4	4,758	LF	Trench Safety System for wastewater line	\$ 1.00	\$ 4,758.00
B5	71	EA	Furnish and Install double service connection, per detail - complete in place	\$ 1,300.00	\$ 92,300.00
B6	10	EA	Furnish and Install single service connection, per detail - complete in place	\$ 1,200.00	\$ 12,000.00
B7	2	EA	Connect to Wastewater Stub or Existing Wastewater Manhole	\$ 5,000.00	\$ 10,000.00
B8	60	LF	Furnish and Install 16-inch Steel Encasement Pipe (all depths) - complete in place	\$ 85.00	\$ 5,100.00
B9	4	EA	Furnish and Install Stub for Future Connecton	\$ 750.00	\$ 3,000.00
SUBTOTAL WASTEWATER IMPROVEMENTS					\$ 472,315.00

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 9**

C. DRAINAGE IMPROVEMENTS

C1	1,442	LF	Furnish and Install 18-inch Class III RCP storm sewer including pipe, joints, and all other appurtenances (all depths) - complete in place	\$ 49.00	\$ 70,658.00
C2	1,239	LF	Furnish and Install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 66.00	\$ 81,774.00
C3	336	LF	Furnish and Install 30-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 86.00	\$ 28,896.00
C4	419	LF	Furnish and Install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 133.00	\$ 55,727.00
C5	513	LF	Furnish and Install 42-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 148.00	\$ 75,924.00
C6	319	LF	Furnish and Install 48-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 189.00	\$ 60,291.00
C7	327	LF	Furnish and Install 54-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 262.00	\$ 85,674.00
C8	356	LF	Furnish and Install 60-inch Class III RCP storm sewer (all depths) including pipe, joints, and all other appurtenances - complete in place	\$ 315.00	\$ 112,140.00
C9	1	EA	Furnish and Install (4' dia) Storm Sewer Manhole (all depths) - complete and in place	\$ 3,400.00	\$ 3,400.00
C10	4	EA	Furnish and Install (4' x 4') Storm Sewer Junction Box (all depths) - complete and in place	\$ 3,400.00	\$ 13,600.00
C11	1	EA	Furnish and Install (5' x 5') Storm Sewer Junction Box (all depths) - complete and in place	\$ 4,400.00	\$ 4,400.00
C12	2	EA	Furnish and Install (6' x 6') Storm Sewer Junction Box (all depths) - complete and in place	\$ 5,100.00	\$ 10,200.00
C13	1	EA	Furnish and Install (7' x 7') Storm Sewer Junction Box (all depths) - complete and in place	\$ 11,000.00	\$ 11,000.00
C14	1	EA	Furnish and Install (8' x 8') Storm Sewer Junction Box (all depths) - complete and in place	\$ 11,000.00	\$ 11,000.00
C15	34	EA	Furnish and Install 10' Curb Inlet (5'-10' depths), Type I, per City of Round Rock Standard detail - complete in place	\$ 3,600.00	\$ 122,400.00
C16	1	EA	Furnish and Install 30" Headwall Outlet Structure	\$ 4,000.00	\$ 4,000.00
C17	2	EA	Furnish and Install 36" Headwall Outlet Structure	\$ 5,500.00	\$ 11,000.00
C18	1	EA	Furnish and Install 42" Headwall Outlet Structure	\$ 11,000.00	\$ 11,000.00
C19	303	LF	Furnish and Install 5' x 5' Reinforced Concrete Box Culvert storm sewer including pipe, joints, and all other appurtenances - complete in place	\$ 360.00	\$ 109,080.00
C20	1	EA	Furnish and Install Headwall Inlet/Outlet Structure for 5'x5' Culvert Crossing - complete in place	\$ 18,000.00	\$ 18,000.00
C21	7,461	SF	Rock Rip Rap	\$ 5.00	\$ 37,305.00
C22	5,254	LF	Trench Safety Systems for storm sewers	\$ 1.00	\$ 5,254.00
SUBTOTAL DRAINAGE IMPROVEMENTS					\$ 942,723.00

D. POTABLE WATER IMPROVEMENTS

D1	4,711	LF	Furnish and Install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 32.00	\$ 150,752.00
D2	488	LF	Furnish and Install 12-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, and all other appurtenances (all depths) - complete in place	\$ 50.00	\$ 24,400.00
D3	110	LF	Furnish and Install 16-inch PVC encasement	\$ 70.00	\$ 7,700.00
D4	17	EA	Furnish and Install 8" Gate Valve, including any necessary appurtenances - complete in place	\$ 2,300.00	\$ 39,100.00
D5	1	EA	Furnish and Install 12" Gate Valve, including any necessary appurtenances - complete in place	\$ 3,550.00	\$ 3,550.00
D6	5	EA	Furnish and Install 8" Auto Flush Valve Assembly - complete in place	\$ 5,600.00	\$ 28,000.00
D7	9	EA	Furnish and Install Standard Fire Hydrant Assembly, including pipe, fittings, restraints, valves, hydrant, and all required appurtenances, as shown on plans - complete in place	\$ 5,000.00	\$ 45,000.00
D8	1	EA	1" Irrigation Meters with Backflow Preventors - complete in place	\$ 1,100.00	\$ 1,100.00
D9	1	EA	1" Air Release Valve - complete in place	\$ 4,900.00	\$ 4,900.00
D10	66	EA	Furnish and Install Standard potable water double service connection with meter boxes, per plans - complete in place	\$ 1,200.00	\$ 79,200.00
D11	22	EA	Furnish and Install Standard potable water single service connection with meter box, per plans - complete in place	\$ 900.00	\$ 19,800.00
D12	5,199	LF	Trench Safety Systems for water line	\$ 2.00	\$ 10,398.00
D13	5	EA	Furnish and Install 8-inch Plug	\$ 750.00	\$ 3,750.00
D14	2	EA	Connect to existing waterline	\$ 4,500.00	\$ 9,000.00
D15	5,215	LF	Pressure Pipe Hydrostatic Testing	\$ 1.00	\$ 5,215.00
SUBTOTAL POTABLE WATER IMPROVEMENTS					\$ 431,865.00

**OPINION OF PROBABLE COST
BUTLER FARMS PHASE 9**

E. WATER QUALITY / DETENTION POND IMPROVEMENTS

E1	1	EA	Water Quality Batch Detention Pond 1 (Including Clear and Grub, Excavation, Embankment, Rock Rip Rap Outfall Structure, 4"-6" Crushed Rock with 3/4" Rock Top layer Access Ramps, Earthen Berm, Loose Rip-Rap Wall, Vertical Sediment Depth Marker, Sloped Inlet and Outlet Headwall structures for 6" Outlet Pipes, 4' Manhole, Actuator Valve, Trash Rack, Pole-Mounted Solar Powered Control, Control Panel, 6" Topsoil, Revegetation, Signage, and All Other Appurtenances) - complete in place	\$ 128,000.00	\$ 128,000.00
SUBTOTAL WATER QUALITY / DETENTION POND IMPROVEMENTS					\$ 128,000.00

F. STREET IMPROVEMENTS

F1	22,399	SY	Subgrade Preparation per City of Round Rock Standard Specification 201	\$ 1.00	\$ 22,399.00
F2	22,399	SY	Geogrid	\$ 3.50	\$ 78,396.50
F3	22,399	SY	Furnish and Install 10" Crushed Limestone Base Material to 36" beyond back of curb - complete in place.	\$ 12.00	\$ 268,788.00
F4	16,892	SY	Furnish and Install CoRR Item 340 Type D HMAC, 1.5" depth - complete in place	\$ 9.00	\$ 152,028.00
F5	9,936	LF	Furnish and Install Standard 6" Concrete Curb and Gutter - complete in place.	\$ 13.00	\$ 129,168.00
F6	1,496	LF	Furnish and Install Concrete Sidewalks, 4' wide - complete in place	\$ 30.00	\$ 44,880.00
F7	18	EA	Furnish and Install curb ramp (All Types) per details - complete in place	\$ 1,700.00	\$ 30,600.00
F8	1	LS	Furnish and Install Pavement Marking and Signage - complete and in place	\$ 8,900.00	\$ 8,900.00
F9	1	LS	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	\$ 1,200.00	\$ 1,200.00
F10	1	LS	Furnish and Install Street End Barricades (Use on-site boulders if required)	\$ 5,800.00	\$ 5,800.00
F11	1,390	SF	Furnish and Install Concrete Valley Gutter - complete in place	\$ 13.00	\$ 18,070.00
SUBTOTAL STREET IMPROVEMENTS					\$ 760,229.50

G. EXCAVATION AND EMBANKMENT

G1	6.1	AC	Clear and Grub (ROW)	\$ 8,500.00	\$ 51,850.00
G2	22.1	AC	Clear and Grub (Lots)	\$ 4,900.00	\$ 108,290.00
G3	18,075	CY	Excavation (ROW & Lots)	\$ 4.00	\$ 72,300.00
G4	36,460	CY	Embankment (ROW & Lots)	\$ 3.00	\$ 109,380.00
SUBTOTAL EXCAVATION AND EMBANKMENT					\$ 341,820.00

I. ELECTRIC

I1	1	LS	PEC Electric	\$ 588,743.50	\$ 588,743.50
SUBTOTAL ELECTRIC					\$ 588,743.50

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 9

L. ENGINEERING & CONSULTING FEES

L3	151		Eng-Bidding	100.00	\$	15,100.00
L4	151		Eng-Civil Design	2,500.00	\$	377,500.00
L6	151		Eng-Construction Phase Services	100.00	\$	15,100.00
L7	151		Eng-Structural	150.00	\$	0.00
L8	1		Environ-SWPPP/Inspection	9,600.00	\$	9,600.00
L9	1		Environ-SWPPP Prep/NOI	500.00	\$	500.00
L10	151		Geotech-CMT	400.00	\$	0.00
L11	28.6		Geotech-Soils Testing	600.00	\$	0.00
L13	28.6		Survey-Final Plat	500.00	\$	14,300.00
L14	1		Survey-Boundary/ALTA	5,000.00	\$	5,000.00
L15	28.6		Survey-Misc	250.00	\$	7,150.00
L16	151		Utility Coordination	50.00	\$	7,550.00
SUBTOTAL ENGINEERING & CONSULTING FEES						\$ 451,800.00

M. FEES

M1	151	LOTS	Preliminary Plat Review Fee - (\$750 + \$20/Lot)	\$	20.00	\$	3,020.00
M2	1	LS	Plan Review Fee - Liberty Hill	\$	500.00	\$	500.00
M3	\$ 2,910,419	%	Inspection Fee - Liberty Hill (% construction cost due at Construction Plan submittal)	%	0.5%	\$	14,552.09
M4	\$ 2,910,419	%	Inspection Fee - Liberty Hill (% construction cost due before Pre-Construction Meeting)	%	3.0%	\$	87,312.56
M5	28.18	AC	TCEQ - CZP	\$	4,000.00	\$	4,000.00
M6	151	LOTS	Plat Review Fee - Liberty Hill (\$500 + \$20/Lot)	\$	20.00	\$	3,020.00
M7	151	LOTS	City of Liberty Hill Park Fee (Due at Final Plat; Builder Cost \$169/LOT)	\$	169.00	\$	0.00
M8	151	LOTS	PID Bond Fees (Due at Final Plat; Builder Cost \$1000/lot)	\$	1,000.00	\$	0.00
M9	151	LOTS	Building Permit Fee (Builder Cost \$1,400/lot)	\$	1,400.00	\$	0.00
M10	5,112	LF	PEC Payment to Pull Wire	\$	16.00	\$	81,792.00
M11	151	LOTS	Liberty Hill Impact Fees (Wastewater, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
M12	151	LOTS	Liberty Hill Impact Fees (Water, Builder Cost \$3,500/lot)	\$	3,500.00	\$	0.00
SUBTOTAL FEES						\$ 194,196.65	

OPINION OF PROBABLE COST
BUTLER FARMS PHASE 9

BUTLER PHASE 9		
A. EROSION CONTROLS & MISCELLANEOUS ITEMS		\$ 175,286
B. WASTEWATER IMPROVEMENTS		\$ 472,315
C. DRAINAGE IMPROVEMENTS		\$ 942,723
D. POTABLE WATER IMPROVEMENTS		\$ 431,865
E. WATER QUALITY / DETENTION POND IMPROVEMENTS		\$ 128,000
F. STREET IMPROVEMENTS		\$ 760,230
G. EXCAVATION AND EMBANKMENT		\$ 341,820
I. ELECTRIC		\$ 588,744
	SUBTOTAL	\$ 3,840,982.00
	ENGINEERING & CONSULTING FEES	\$ 451,800.00
	FEES	\$ 194,196.65
	CONTINGENCY 5%	\$ 192,049.10
	CONSTRUCTION MANAGEMENT FEE 4%	\$ 130,089.54
	TOTAL	\$ 4,809,117.29

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Contingency is set to 0% for offsite infrastructure, Phase 1 & 11 Spine, & Phase 1 Model Park, 5% for Phase 9, 10% for Phases 2, 3, 4, & 7 and 20% for Phases 5 & 8 per owner's request.

This OPC is based on conceptual plan provided by SEC Planning – "Lotting R" configuration.

Geotechnical pavement design for Phase 1 was available at the time of OPC.

Hardscape and Landscaping costs are not included.

Only the Developer sidewalk has been included as the sidewalk quantity.

Detailed dry utility costs are not included.

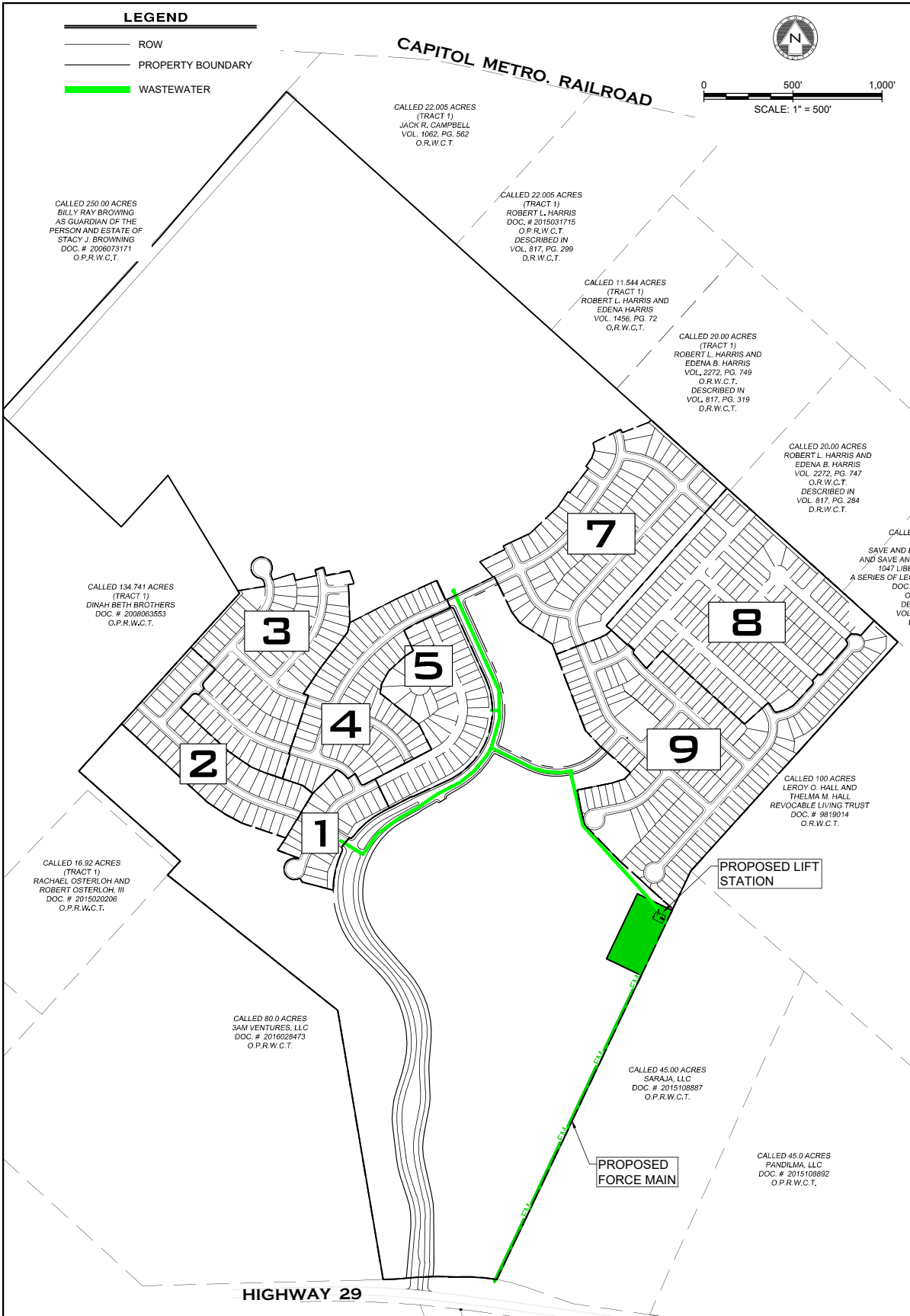
Unit Prices provided from Joe Bland Construction 11.30.2020

Construction management fee is set to 4% for all items with the exception of electric.

PROJECT	ACRES	NUMBER OF LOTS	LOT PRODUCT			
			40'	45'	50'	60'
BUTLER PHASE 1 (MAJOR IMPROVEMENTS)	101.918	-	-	-	-	-
BUTLER PHASE 1 (MODEL PARK)	4.583	20	4	5	11	-
BUTLER PHASE 2	8.826	46	-	-	46	-
BUTLER PHASE 3	15.332	82	-	82	-	-
BUTLER PHASE 4	12.225	70	60	10	-	-
BUTLER PHASE 5	9.606	47	-	47	-	-
BUTLER PHASE 6	23.827	114	-	62	52	-
BUTLER PHASE 7	20.302	87	-	39	48	-
BUTLER PHASE 8	23.305	138	138	-	-	-
BUTLER PHASE 9	28.174	151	151	-	-	-
BUTLER PHASE 10	7.971	27	-	-	-	27
BUTLER REMAINING	110.358	400	122	269	9	-
TOTAL	366.427	1182	475	514	166	27

PHASE	ACRES	NUMBER OF LOTS	LOT PRODUCT			
			40'	45'	50'	60'
MAJOR IMPROVEMENT AREA	244.074	541	122	331	61	27
IMPROVEMENT AREA #1	50.572	265	64	144	57	-
IMPROVEMENT AREA #2	71.781	376	289	39	48	-
TOTAL	366.427	1182	475	514	166	27

APPENDIX 3
MAJOR IMPROVEMENTS ONSITE MAP:
WASTEWATER

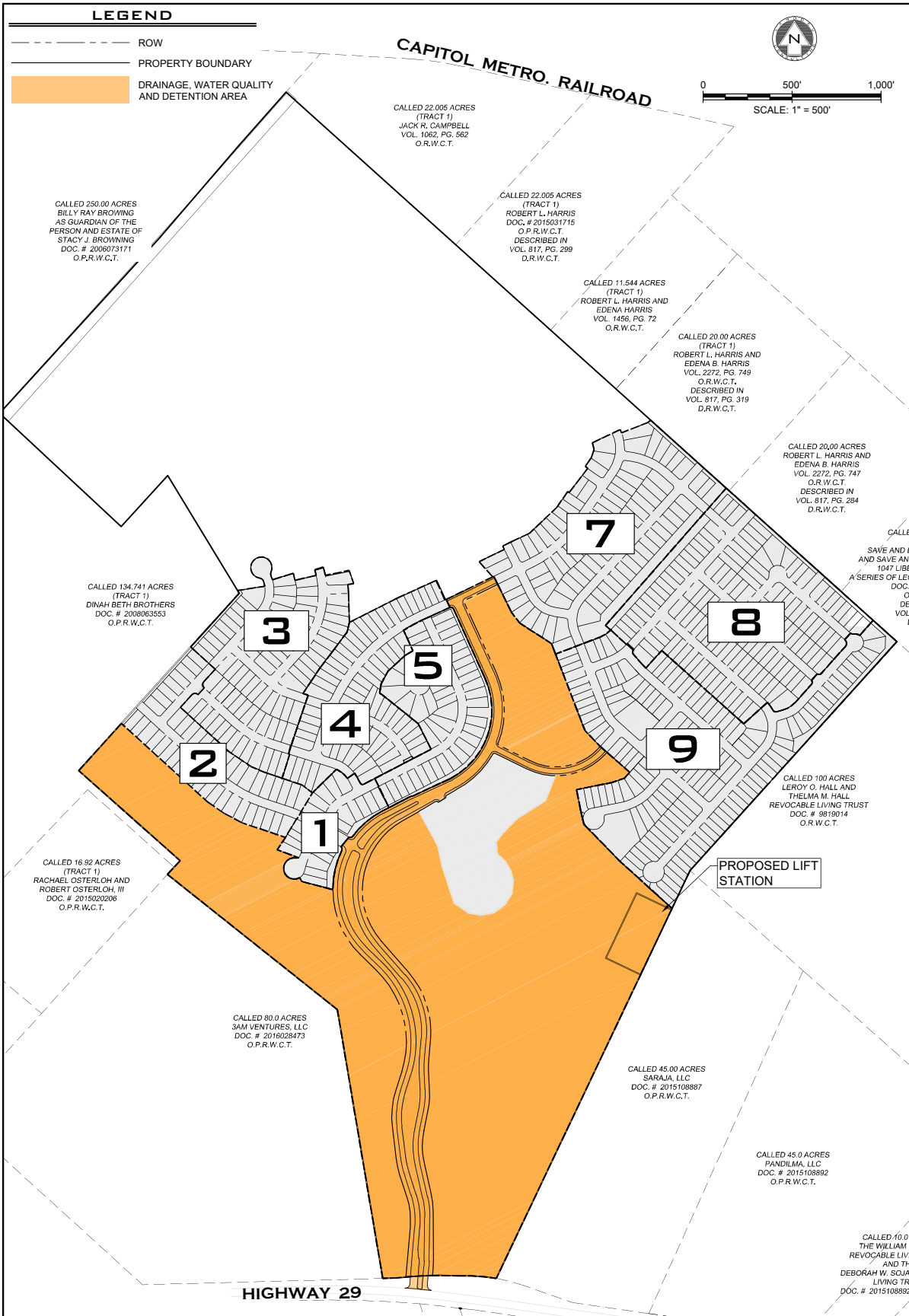


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BUTLER FARMS
MAJOR IMPROVEMENT ONSITE AREA MAP
WASTEWATER
 LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
 OCTOBER, 2021

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APPENDIX 4
MAJOR IMPROVEMENTS ONSITE MAP:
DRAINAGE, WATER QUALITY, AND DETENTION

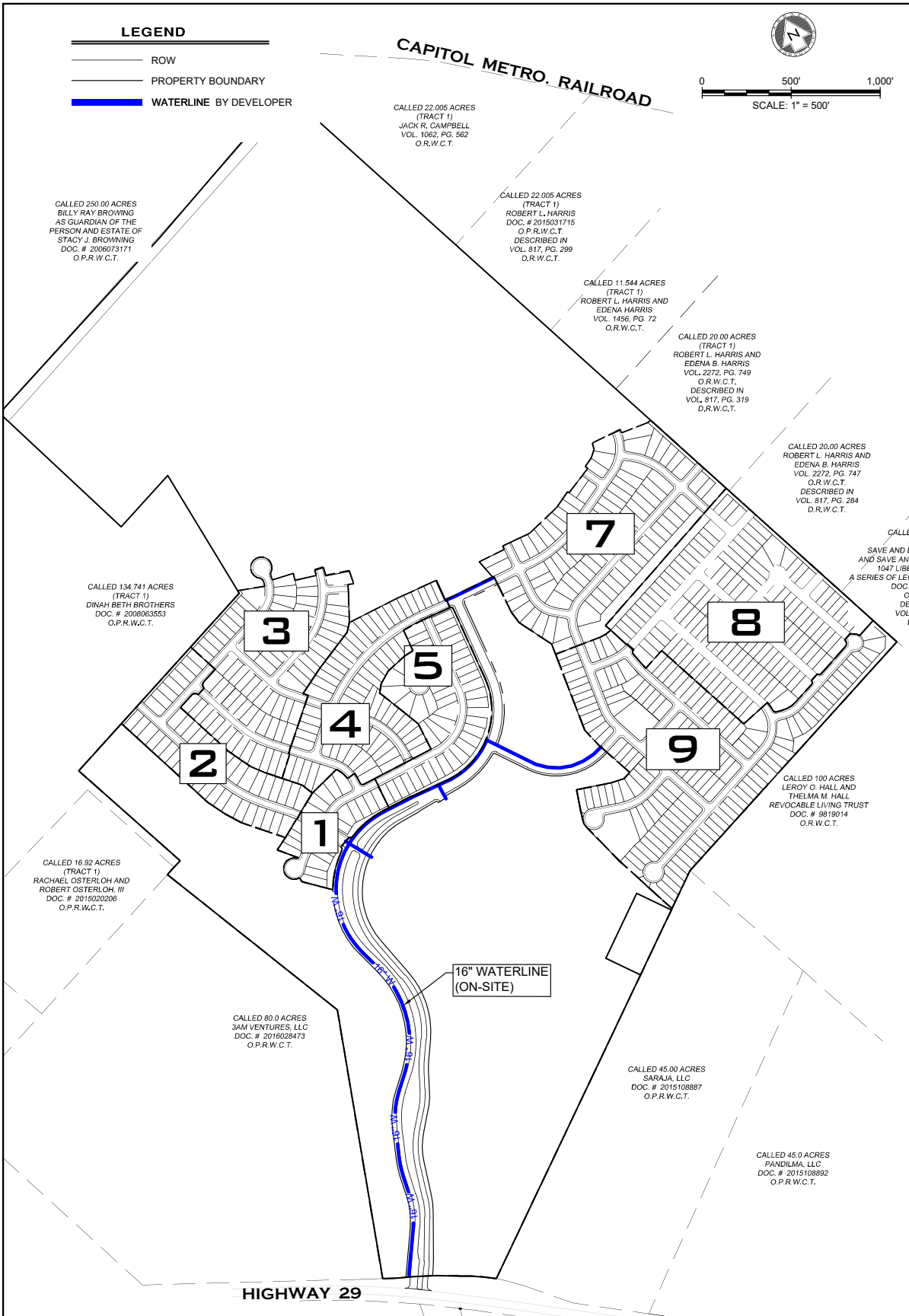


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BUTLER FARMS
 MAJOR IMPROVEMENT AREA ONSITE MAP
 DRAINAGE, WATER QUALITY AND DETENTION
 LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
 OCTOBER, 2021

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APPENDIX 5
MAJOR IMPROVEMENTS ONSITE MAP:
POTABLE WATER

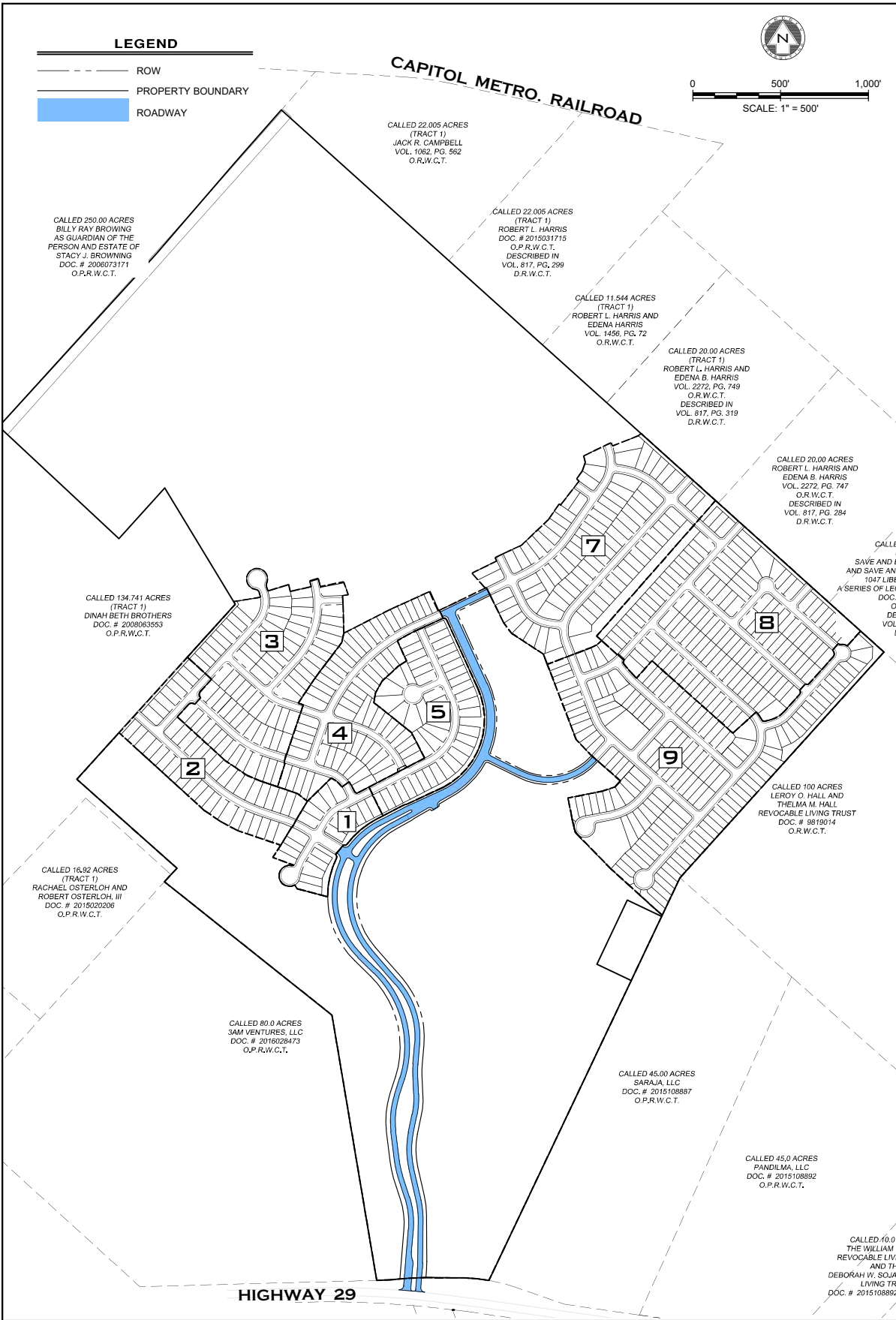


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BUTLER FARMS
 MAJOR IMPROVEMENTS ONSITE AREA MAP -
 POTABLE WATER
 LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
 OCTOBER, 2021

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APPENDIX 6
MAJOR IMPROVEMENTS ONSITE MAP:
STREETS



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BUTLER FARMS
 MAJOR IMPROVEMENT AREA ONSITE MAP
 STREETS
 LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
 OCTOBER, 2021

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APPENDIX 7
MAJOR IMPROVEMENTS OFFSITE MAP:
WASTEWATER

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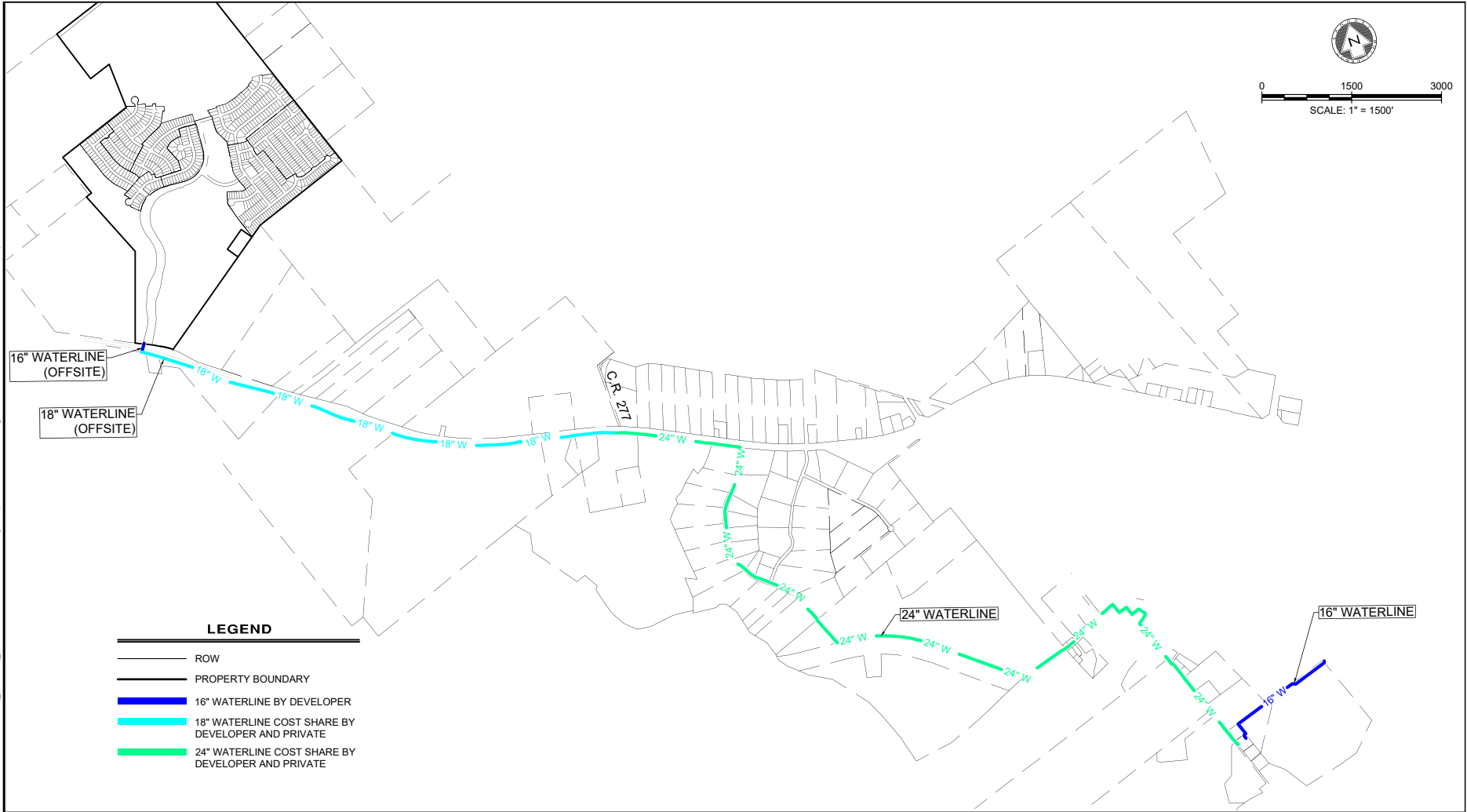


BUTLER FARMS
MAJOR IMPROVEMENT OFFSITE AREA MAP
WASTEWATER
LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
OCTOBER, 2021

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5508 HIGHWAY 290 WEST, SUITE 150
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APPENDIX 8
MAJOR IMPROVEMENTS OFFSITE MAP:
POTABLE WATER

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BUTLER FARMS
 MAJOR IMPROVEMENTS OFFSITE AREA MAP
 POTABLE WATER
 LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
 OCTOBER, 2021

LDC
 TBPE NO: 16384 · TBPLS NO: 10194101
 5508 HIGHWAY 280 WEST, SUITE 150
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APPENDIX 9
MAJOR IMPROVEMENTS OFFSITE MAP:
STREETS

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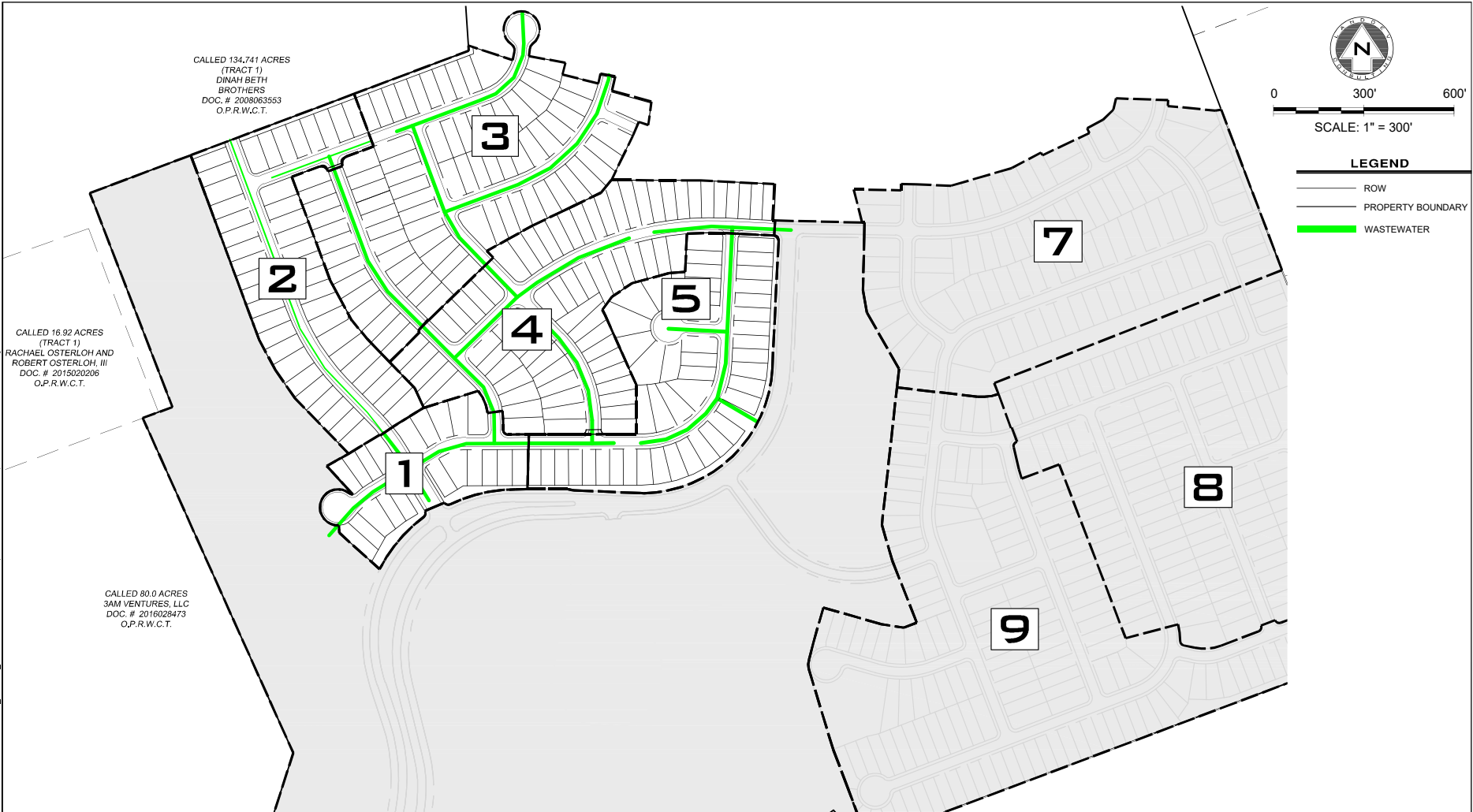
BUTLER FARMS

MAJOR IMPROVEMENT OFFSITE AREA MAP
STREETS
LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
OCTOBER, 2021

LDC
TBPE NO: 16384 • TBPLS NO: 10194101
5508 HIGHWAY 290 WEST, SUITE 150
AUSTIN, TX 78727
512.672.6696
LDCTEAMS.COM

APPENDIX 10
IMPROVEMENT AREA #1 MAP:
WASTEWATER

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BUTLER FARMS

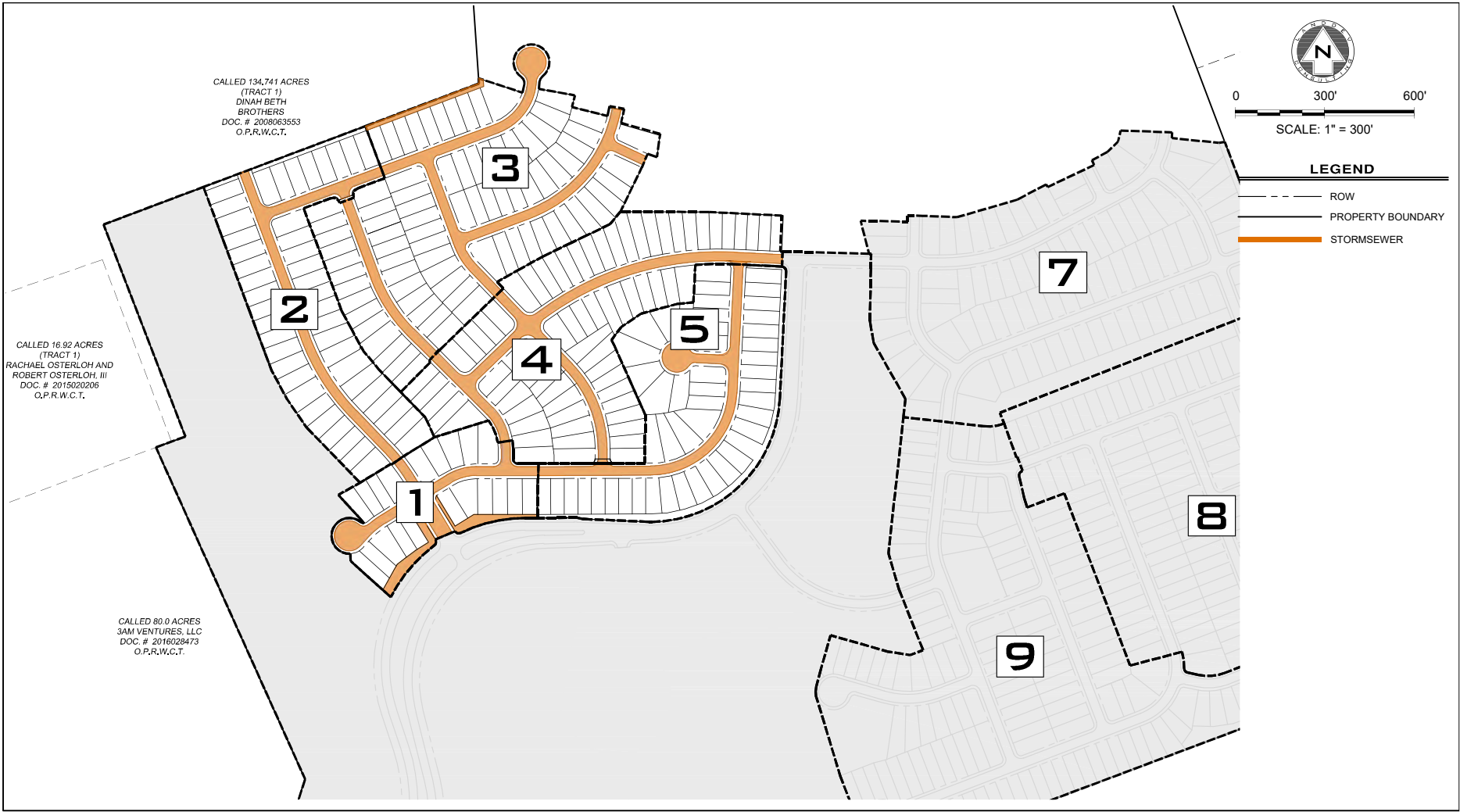
IMPROVEMENT AREA #1 - WASTEWATER
LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
OCTOBER, 2021



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AUSTIN, TX 78727
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APPENDIX 11
IMPROVEMENT AREA #1 MAP:
DRAINAGE

P:\Martin_Atlantis\MAG17001_Butler03_ACAD\Exhibits\IPD Exhibit\Improvement Area 1 West\Improvement Area 1 Storm\dwg IMPROVEMENT AREA 1 STORM - October 26, 2021, 2:29 PM, kschmidt



BUTLER FARMS

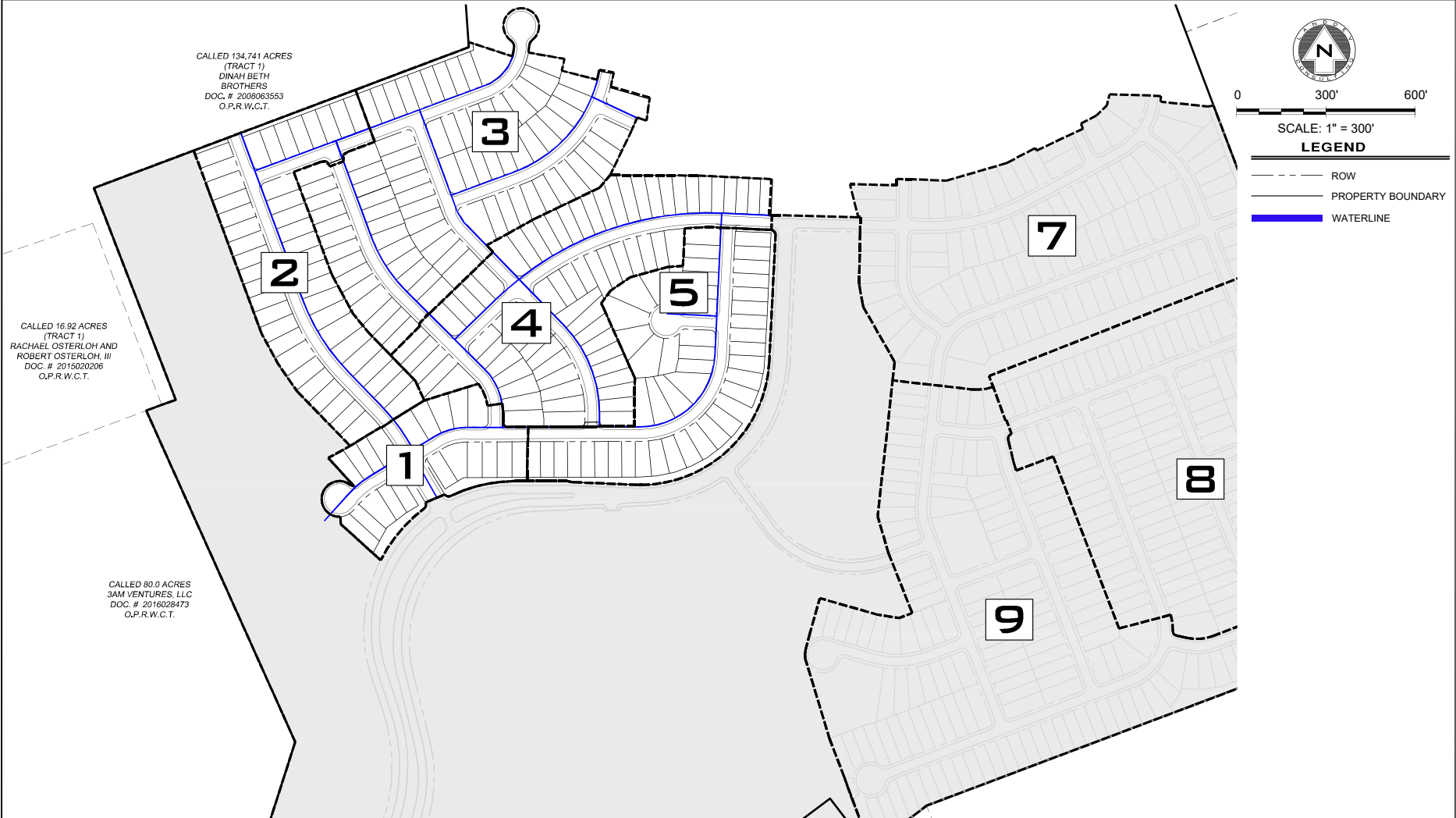
IMPROVEMENT AREA #1 - DRAINAGE
LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
OCTOBER, 2021



TBPE NO: 16384 - TBPLS NO: 10194101
 5508 HIGHWAY 290 WEST, SUITE 150
 AUSTIN, TX 78727
 512.872.6696
 LDCTEAMS.COM

APPENDIX 12
IMPROVEMENT AREA #1 MAP:
POTABLE WATER

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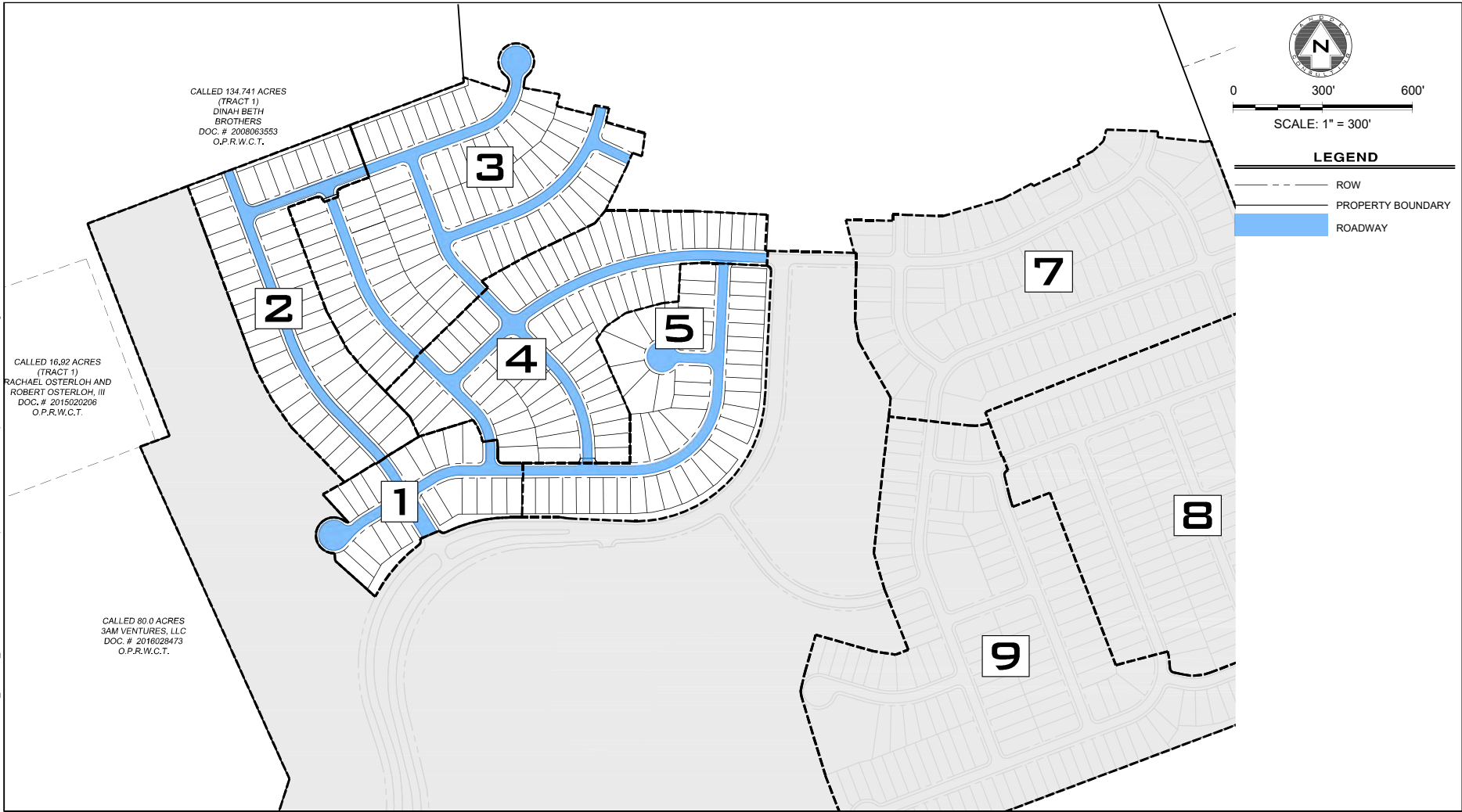
IMPROVEMENT AREA #1 - POTABLE WATER
LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
OCTOBER, 2021



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APPENDIX 13
IMPROVEMENT AREA #1 MAP:
STREETS

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BUTLER FARMS

IMPROVEMENT AREA #1 - STREETS
LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
OCTOBER, 2021



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AUSTIN, TX 78727
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APPENDIX 14
IMPROVEMENT AREA #2 MAP:
WASTEWATER

P:\MapInfo\Allentiss\MAG17001_Butler\03_ACA\Exhibits\PID Exhibits\Improvement Area 1 East\Improvement Area 2 Wastewater - WASTEWATER.dwg, October 26, 2021, 2:26 PM, kschmidt



BUTLER FARMS

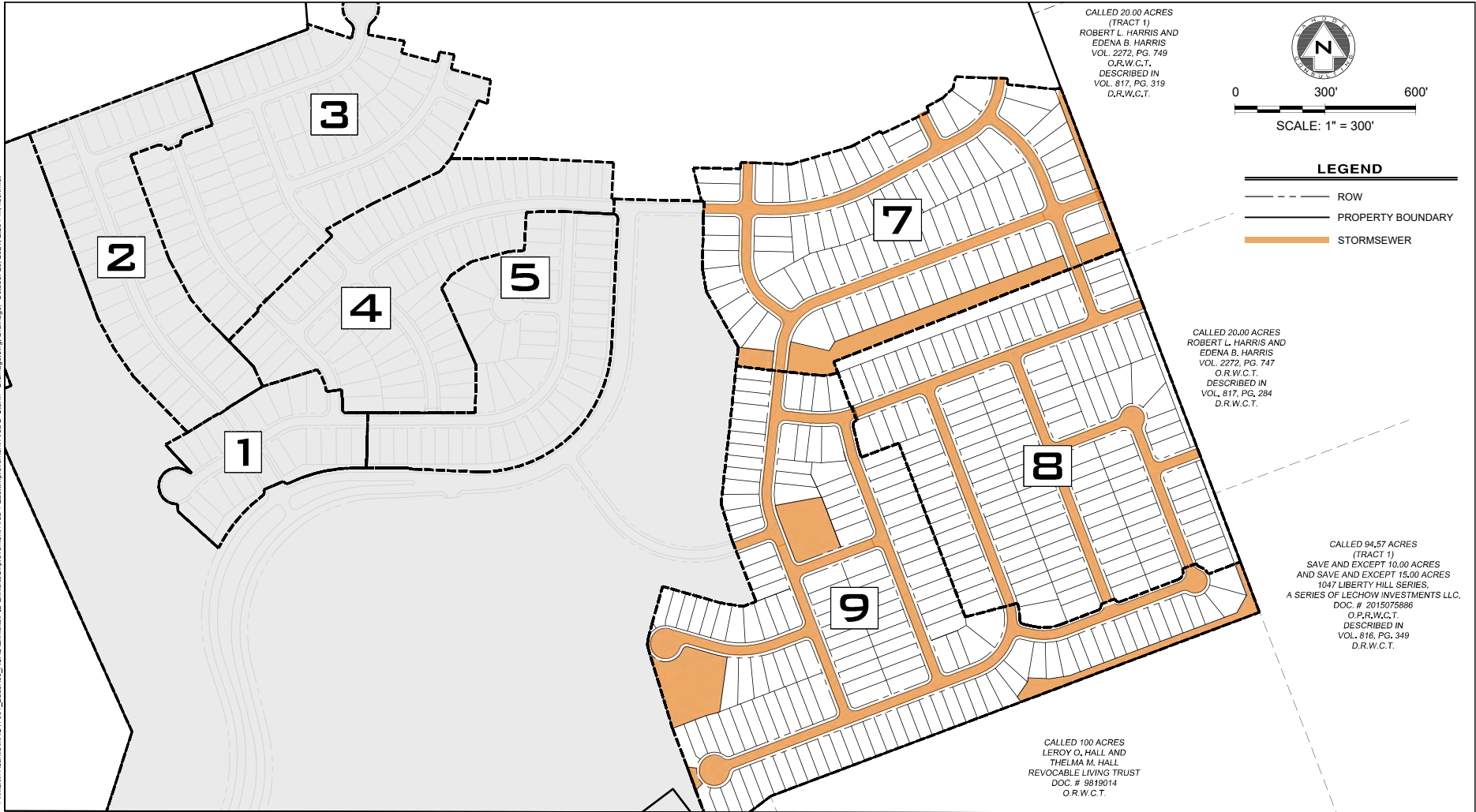
IMPROVEMENT AREA #2 - WASTEWATER
LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
OCTOBER, 2021



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5508 HIGHWAY 290 WEST, SUITE 150
AUSTIN, TX 78727
512-872-6696
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APPENDIX 15
IMPROVEMENT AREA #2 MAP:
DRAINAGE

P:\Martin Allams\MAG17001_Butler\03_ACA\Exhibits\FPD\Exhibit\Improvement Area 2 Storm - Drainage.dwg, October 26, 2021, 2:25 PM, kschmidt



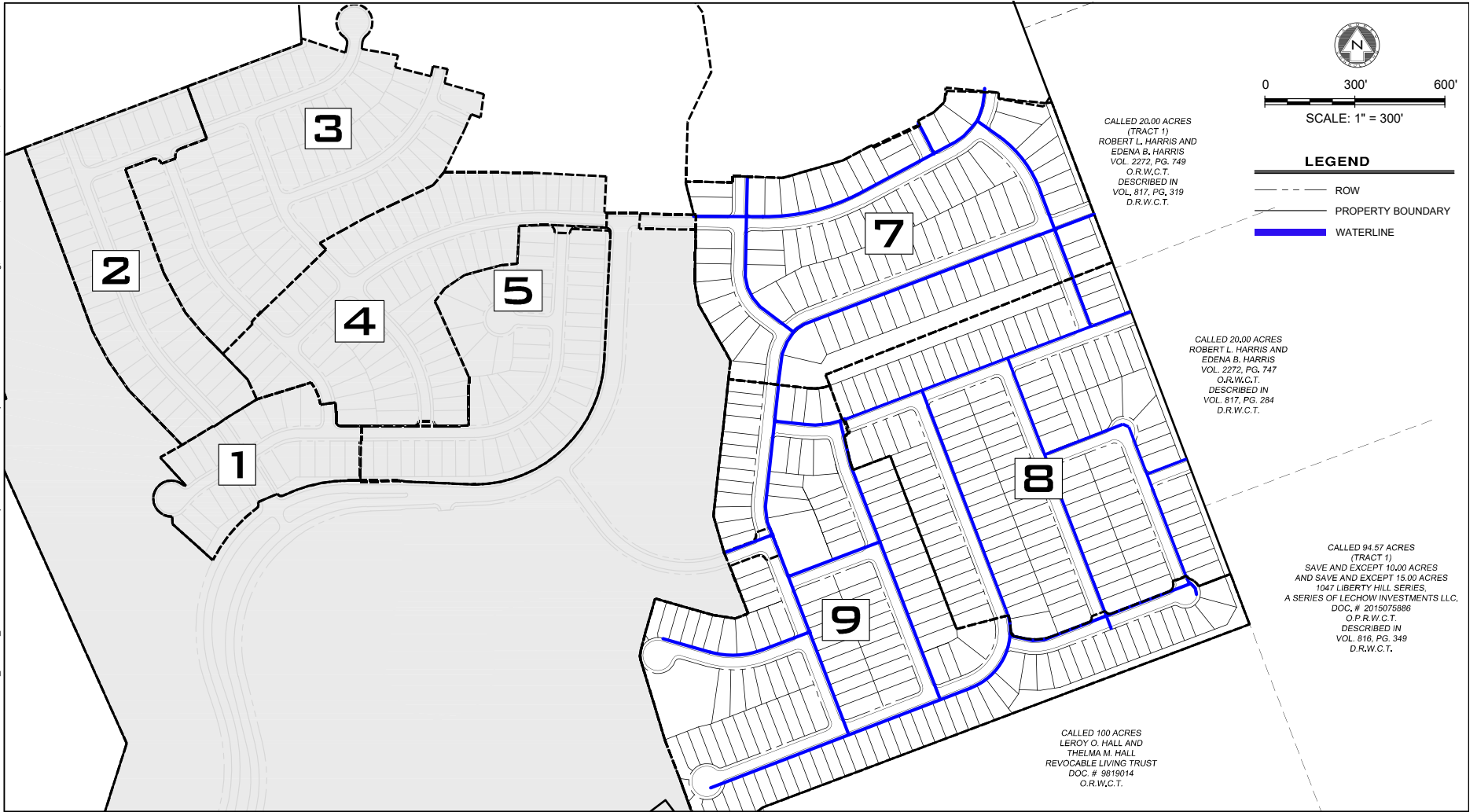
BUTLER FARMS

IMPROVEMENT AREA #2 - DRAINAGE
 LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
 OCTOBER, 2021

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 5508 HIGHWAY 290 WEST, SUITE 150
 AUSTIN, TX 78727
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APPENDIX 16
IMPROVEMENT AREA #2 MAP:
POTABLE WATER

P:\Marin Atlanta\MAG17001_Builer03_ACA\Exhibits\PID Exhibit\Improvement Area 1 East\Improvement Area 2 Water - water.dwg, EAST WATER, October 26, 2021, 2:26 PM, feschmidt



BUTLER FARMS

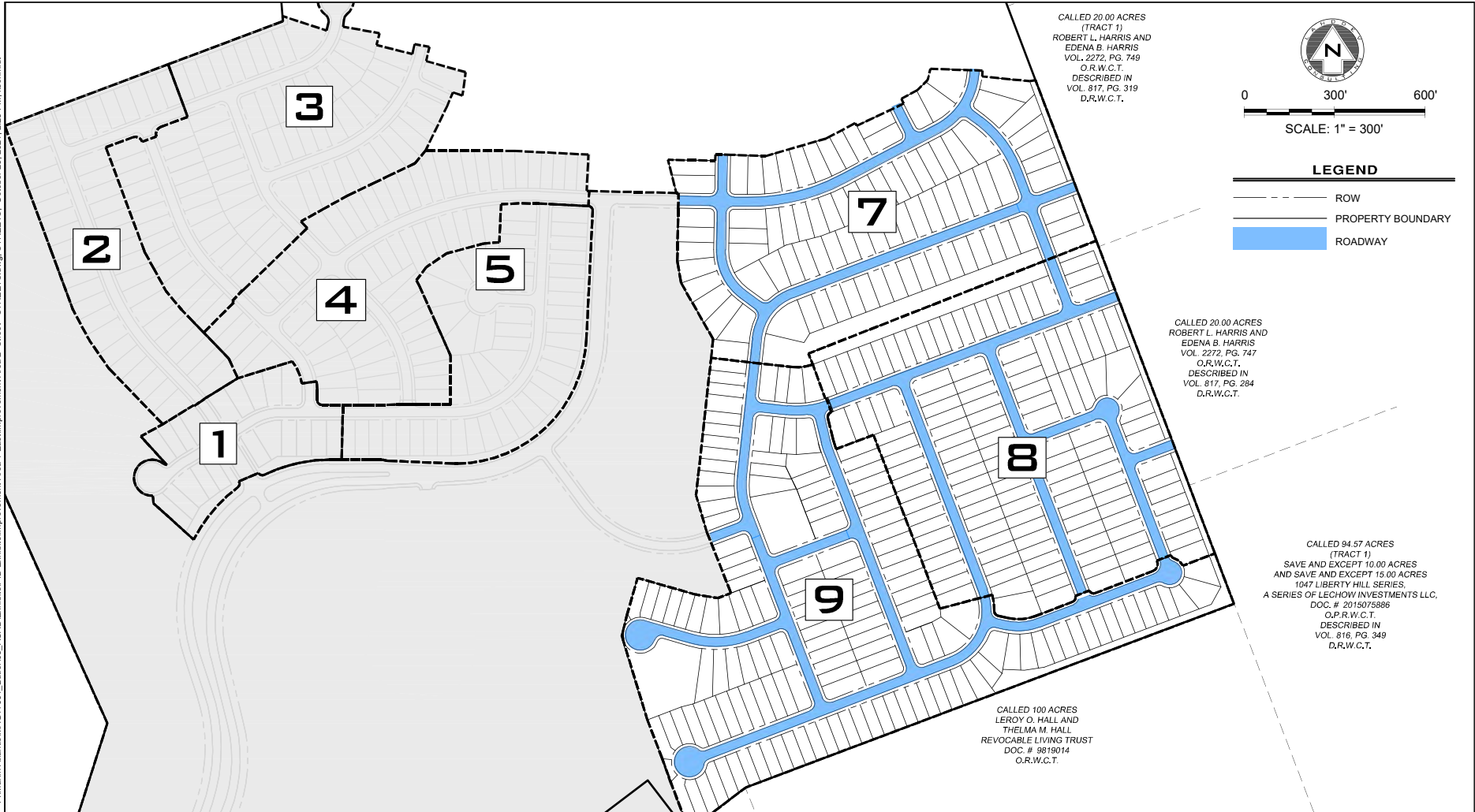
IMPROVEMENT AREA #2 - POTABLE WATER
LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
OCTOBER, 2021



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APPENDIX 17
IMPROVEMENT AREA #2 MAP:
STREETS

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BUTLER FARMS

IMPROVEMENT AREA #2 - STREETS
LIBERTY HILL WILLIAMSON, COUNTY, TEXAS
OCTOBER, 2021



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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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_____, 2022

City of Liberty Hill, Texas
Special Assessment Revenue Bonds, Series 2022
(Butler Farms Public Improvement District Major Improvement Area Project)

Ladies and Gentlemen:

We have acted as bond counsel to the City of Liberty Hill, Texas (the “Issuer”) in connection with the issuance of \$_____ aggregate principal amount of bonds designated as “City of Liberty Hill, Texas Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District Major Improvement Area Project)” (the “Bonds”). The Bonds are authorized by an ordinance adopted by the City Council of the Issuer on December 13, 2021 (the “Ordinance”) and are issued and secured under an Indenture of Trust, dated as of January 1, 2022 (the “Indenture”), between the Issuer and BOKF, NA, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Ordinance, the Indenture, the tax certificate of the Issuer (the “Tax Certificate”) dated the date hereof, certificates of the Issuer, opinions of counsel to the Issuer and Trustee, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Ordinance, the Indenture, and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Ordinance, the Indenture, and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of



judicial discretion in appropriate cases, and to the limitations on legal remedies in the State of Texas (the “State”). We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Limited Offering Memorandum or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Ordinance authorizing the execution of the Indenture and the issuance of the Bonds has been duly and lawfully adopted.
2. The Bonds constitute valid and binding special, limited obligations of the Issuer.
3. The Indenture has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Pledged Assessment Revenues and any other amounts held by the Trustee in the Pledged Funds established pursuant to the Indenture, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.
4. The Bonds are not a lien or charge upon the funds or property of the Issuer except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the Issuer, the State or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds.
5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Very truly yours,

APPENDIX E-1

FORM OF ISSUER DISCLOSURE AGREEMENT

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**CITY OF LIBERTY HILL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(BUTLER FARMS PUBLIC IMPROVEMENT DISTRICT
MAJOR IMPROVEMENT AREA PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of January 1, 2022 (this “Disclosure Agreement”) is executed and delivered by and between the City of Liberty Hill, Texas (the “Issuer”), P3 Works, LLC (the “Administrator”), and Specialized Public Finance, Inc. (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District Major Improvement Area Project)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Agreement shall be filed with the MSRB through EMMA (defined below).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of January 1, 2022, between the Issuer and the Trustee relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean the Issuer or the person or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibility of the administration of the District. The Issuer has selected P3 Works, LLC as the initial Administrator.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Audited Financial Statements” shall mean the audited financial statements of the Issuer that have been prepared in accordance with generally accepted accounting principles applicable to the Issuer from time to time and that have been audited by an independent certified public accountant.

“Business Day” shall mean any day other than a Saturday, Sunday, or legal holiday in the State of Texas observed as such by the Issuer or the Trustee.

“Disclosure Agreement of the Master Developer” shall mean the Continuing Disclosure Agreement of the Master Developer dated as of January 1, 2022 executed and delivered by the Master Developer, the Administrator, and the Dissemination Agent.

“Disclosure Representative” shall mean the Finance Director of the Issuer or his or her designee, or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean Specialized Public Finance, Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Butler Farms Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at <http://emma.msrb.org>.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the one-year period from October 1 through September 30.

“Limited Offering Memorandum” shall mean the Limited Offering Memorandum relating to the Bonds dated December 13, 2021.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Major Improvement Area” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Major Improvement Area Assessments” shall have the meaning given to it in the Indenture.

“Master Developer” shall have the meaning assigned to it in the Disclosure Agreement of the Master Developer.

“Master Developer Acknowledgement” shall have the meaning assigned to it in the Disclosure Agreement of the Master Developer.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Outstanding” shall have the meaning given to it in the Indenture.

“Owner(s)” shall mean the registered owner(s) of any Bonds, as shown on the register maintained by the Trustee.

“Participating Underwriter” means FMSbonds, Inc. and its successors and assigns.

“Person” shall have the meaning assigned to it in the Disclosure Agreement of the Master Developer.

“Prepayment” shall mean the payment of all or a portion of an Assessment before the due date of the final installment payment thereof. Amounts received at the time of a Prepayment which

represent a principal, interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Significant Homebuilder” shall have the meaning assigned to it in the Disclosure Agreement of the Master Developer.

“Significant Homebuilder Acknowledgment” shall have the meaning assigned to it in the Disclosure Agreement of the Master Developer.

“Trust Estate” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean BOKF, NA, or any successor trustee pursuant to the Indenture.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall cause and hereby directs the Administrator to compile and prepare the Annual Financial Information. The Administrator shall provide such Annual Financial Information to the Issuer and the Dissemination Agent no later than 10 Business Days before the expiration of six months after the end of each Fiscal Year.

(b) Commencing with the Fiscal Year ending September 30, 2022, the Issuer shall provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB (i) not later than six (6) months after the end of the Issuer’s Fiscal Year, its Annual Financial Information and (ii) not later than twelve (12) months after the end of the Issuer’s Fiscal Year, its Audited Financial Statements. In each case, the Annual Financial Information and the Audited Financial Statements, as applicable, may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next date by which the Issuer otherwise would be required to provide the Annual Financial Information or Audited Financial Statements, as applicable, pursuant to Section 4 of this Disclosure Agreement. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(c) Upon delivery by the Issuer of the Annual Financial Information or the Audited Financial Statements, as applicable, to the Dissemination Agent together, with written instructions to file such information or financial statements, as applicable, with the MSRB, the Dissemination Agent shall:

(1) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required in subsection (b); and

(2) file the Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required, containing or incorporating by reference the information set forth in Section 4 hereof.

(d) If the Issuer has provided the Dissemination Agent with the completed Annual Financial Information or the Audited Financial Statements, as applicable, together with written instructions to file such financial information or financial statements with the MSRB and the Dissemination Agent has filed such financial information or financial statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or the Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which such financial information or financial statements shall include a filing receipt from the MSRB.

Section 4. Content and Timing of Annual Financial Information and Audited Financial Statements. The Annual Financial Information and Audited Financial Statements for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file, the following:

(a) Within six months after the end of each Fiscal Year the following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and principal amount remaining Outstanding;

(B) The amounts in the funds and accounts securing the Bonds; and

(ii) The principal and interest paid on the Bonds during the most recent Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.

(iii) Any changes to the land use designation for the property in the Major Improvement Area of the District from the purposes identified in the Service and Assessment Plan.

(iv) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a "SAP Update"), including any changes to the methodology for levying the Major Improvement Area Assessments in the Major Improvement Area of the District.

(v) The aggregate taxable assessed valuation for parcels or lots within the Major Improvement Area of the District based on the most recent certified tax roll available to the Issuer.

- (vi) With respect to single-family residential lots, until building permits have been issued for parcels or lots representing, in the aggregate, 95% of the total Major Improvement Area Assessments levied within the Major Improvement Area of the District, such Annual Financial Information (in the SAP Update or otherwise) shall include the following:
 - (A) the number of new homes in the Major Improvement Area of the District for which a certificate of occupancy has been issued during such Fiscal Year; and
 - (B) the aggregate number of new homes within the Major Improvement Area of the District for which a certificate of occupancy has been issued since filing the initial Annual Financial Information for Fiscal Year ended September 30, 2022.
- (vii) Listing of any property or property owners in the Major Improvement Area of the District representing more than twenty percent (20%) of the levy of the Major Improvement Area Assessments, the amount of the levy of the Major Improvement Area Assessments against such landowners, and the percentage of such Major Improvement Area Assessments relative to the entire levy of the Major Improvement Area Assessments within the Major Improvement Area of the District, as shown on the Assessment Rolls attached to the SAP Update for such Fiscal Year.
- (viii) Collection and delinquency history of the Major Improvement Area Assessments within the Major Improvement Area of the District for the past five Fiscal Years, in the following format:

Collection and Delinquent History of Major Improvement Area Assessments in the Major Improvement Area of the District

Collected in Fiscal Year Ending 9/30	Assessment Billed	Parcels Levied	Delinquent Amount as of 2/15	Delinquent Percentage as of 2/15	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Total Assessments Collected ⁽¹⁾
20__	\$			—	—		\$

⁽¹⁾ Collected as of _____, 20__. Includes \$_____ attributable to Prepayments.

- (ix) Total amount of Prepayments collected, as of the February 15 of the calendar year immediately succeeding such Fiscal Year, in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year).
- (x) The amount of delinquent Major Improvement Area Assessments by Fiscal Year:
 - (A) which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted);
 - (B) which are currently subject to foreclosure proceedings which have not been concluded;

- (C) which have been reduced to judgment but not collected;
 - (D) which have been reduced to judgment and collected; and
 - (E) the result of any foreclosure sales of assessed property within the Major Improvement Area of the District if the assessed property represents more than five percent (5%) of the total amount of Major Improvement Area Assessments.
- (xi) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.
- (b) Within twelve (12) months after the end of each Fiscal Year, the Audited Financial Statements of the Issuer, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If such Audited Financial Statements are not complete within twelve (12) months after the end of each Fiscal Year, then the Issuer shall provide unaudited financial statements within such period and shall provide Audited Financial Statements for the applicable Fiscal Year when and if the audit report on such statements becomes available.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs. The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information and Audited Financial Statements under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

- (a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:
1. Principal and interest payment delinquencies.
 2. Non-payment related defaults, if material.
 3. Unscheduled draws on debt service reserves reflecting financial difficulties.
 4. Unscheduled draws on credit enhancements reflecting financial difficulties.
 5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the Bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership, or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a financial obligation of the Issuer, if material, or agreements to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

The Issuer does not intend for any sale by the Master Developer or Meritage (as such term is defined in the Limited Offering Memorandum) of real property within the Major Improvement Area of the District to be considered a significant event for the purposes of paragraph (10) above.

For these purposes, “financial obligation” means (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. The Issuer intends the words used in paragraphs (15) and (16) and the definition of “financial obligation” to have the meanings ascribed to them in SEC Release No. 34-83885 (August 20, 2018).

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer

in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such within ten (10) Business Days of the occurrence of such Listed Event upon the receipt of such notice from the Issuer; provided that the Dissemination Agent shall not be liable for the filing of notice of any Listed Event more than ten (10) Business Days after the occurrence of such Listed Event if notice of such Listed Event is received from the Issuer more than ten (10) Business Days after the occurrence of such Listed Event.

Additionally, the Dissemination Agent shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide Audited Financial Statements or unaudited financial statements or Annual Financial Information, as applicable, as required under this Disclosure Agreement. The form for submitting such notice is attached hereto as Exhibit A.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. The Issuer acknowledges the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14 or 15 of subsection (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (d).

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with the MSRB (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

Section 6. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Dissemination Agent and the Administrator may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 5(a).

Section 7. Dissemination Agent. The Dissemination Agent agrees to perform the duties set forth in this Agreement. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder is set forth in Section 2. The Issuer agrees to provide written notice to each of the Master Developer, any Person that has executed a Master Developer Acknowledgement, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment of any change in the identity of the Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal

requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information or Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Audited Financial Statements for the fiscal year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial Information, Audited Financial Statements or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information, Audited Financial Statements or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer, Dissemination Agent or Administrator to comply with any provision of this Disclosure Agreement, any Owner or beneficial owner of the Bonds may, and the Trustee (at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer, Dissemination Agent and/or Administrator, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, Dissemination Agent or Administrator to comply

with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of the Master Developer, and a default under the Disclosure Agreement of the Master Developer shall not be deemed a default under this Disclosure Agreement.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator. The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees, and agents, but only with funds to be provided by the Master Developer or from Annual Collection Costs collected from the property owners in the Major Improvement Area of the District against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses, or liabilities arising from information provided to the Dissemination Agent by the Master Developer, any Person that has executed a Master Developer Acknowledgement, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment or the failure of the Master Developer or such Person or Significant Homebuilder to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of the Master Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

The Administrator shall not have any responsibility for the (1) accuracy of any information provided by third parties or the Issuer for the disclosures made pursuant to the terms hereof, or (2) the untimeliness of any information provided by third parties or the Issuer for the disclosures made pursuant to the terms hereof, except where such untimeliness is attributable to the actions or inactions of the Administrator. The Administrator shall have only such duties as are specifically set forth in Sections 3 and 4 of this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with

funds to be provided by the Master Developer or from Annual Collection Costs collected from the property owners in the Major Improvement Area of the District against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability resulting from information provided to the Administrator by the Issuer, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses, or liabilities arising from information provided to the Administrator by the Master Developer, any Person that has executed a Master Developer Acknowledgement, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment or the failure of the Master Developer or such Person or Significant Homebuilder to provide information to the Administrator as and when required under the Disclosure Agreement of the Master Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. NEITHER THE DISSEMINATION AGENT NOR THE ADMINISTRATOR ARE UNDER ANY OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

Section 12. Assessment Timeline. The basic expected timeline for the collection of Major Improvement Area Assessments and the anticipated procedures for pursuing the collection of delinquent Major Improvement Area Assessments are set forth in Exhibit C which is solely intended to illustrate the general procedures expected to generally be followed in enforcing the payment of delinquent Major Improvement Area Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

Section 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be

deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator or the Dissemination Agent in other than that person's official capacity.

Section 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 15. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

Section 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

Section 17. Dissemination Agent Compensation; Administrator Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from Major Improvement Area Assessments collected from the property owners in the Major Improvement Area of the District, for its fees and expenses for the Dissemination Agent's services rendered in accordance with this Disclosure Agreement.

The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Administrator, but only with funds to be provided from Major Improvement Area Assessments collected from the property owners in the Major Improvement Area of the District, for its fees and expenses for the Administrator's services rendered in accordance with this Disclosure Agreement.

Section 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

Section 19. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 20. Disclosure Agreement of the Master Developer. Concurrently with the execution and delivery of this Disclosure Agreement, the Dissemination Agent and Administrator have entered into the Disclosure Agreement of the Master Developer. The Issuer has no obligation to assume any of the duties of the Master Developer under the terms of the Disclosure Agreement of the Master Developer.

Section 21. Forms 1295. Submitted by the Administrator and Dissemination Agent herewith are completed Forms 1295 in connection with the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Issuer hereby confirms receipt of the Forms 1295 from the Administrator and the Dissemination Agent, respectively, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Administrator, Dissemination Agent and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultant is responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator and Dissemination Agent, as applicable; and, neither the Issuer nor its consultants have verified such information.

Section 22. Certification with Respect to Contract Value. The Issuer, Dissemination Agent and Administrator hereby certify that this Disclosure Agreement does not have a value of \$100,000 or more and is therefore exempt from Chapter 2271.002, Texas Government Code and Chapter 2274, Texas Government Code (as added by Senate Bill 13 and Senate Bill 19 in the 87th Texas Legislative Session). The Dissemination Agent and Administrator agree that when aggregated their compensation hereunder will not exceed \$100,000.

Section 23. Iran, Sudan and Foreign Terrorist Organizations. Pursuant to Subchapter F, Chapter 2252, Texas Government Code, the Dissemination Agent and the Administrator represent that neither the Dissemination Agent, the Administrator, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to enable the Issuer to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable state or federal law and excludes the Dissemination Agent, the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any state or federal sanctions regime relating to a foreign terrorist organization. The Dissemination Agent and the Administrator understand "affiliate" to mean any entity that controls, is controlled by, or is

under common control with the Dissemination Agent or the Administrator within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

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CITY OF LIBERTY HILL, TEXAS

By: _____
Mayor

**DISSEMINATION AGENT:
SPECIALIZED PUBLIC FINANCE, INC.**

By: _____
Authorized Officer

**ADMINISTRATOR:
P3 WORKS, LLC**

By: _____
Name: _____
Title: _____

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION] [AUDITED/UNAUDITED FINANCIAL
STATEMENTS]**

Name of Issuer: City of Liberty Hill, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022
(Butler Farms Public Improvement District Major Improvement Area
Project)
Date of Delivery: _____

NOTICE IS HEREBY GIVEN that the City of Liberty Hill, Texas, has not provided [Annual Financial Information][Audited Financial Statements][unaudited financial statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement dated January 1, 2022, between the Issuer, P3 Works, LLC, as Administrator, and Specialized Public Finance, Inc., as Dissemination Agent. The Issuer anticipates that [the Annual Financial Information][Audited Financial Statements][unaudited financial statements] will be filed by _____.

Dated: _____

SPECIALIZED PUBLIC FINANCE, INC., on
behalf of the City of Liberty Hill, Texas
(as Dissemination Agent)

By: _____
Title: _____

cc: City of Liberty Hill, Texas

EXHIBIT B

**CITY OF LIBERTY HILL, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(BUTLER FARMS PUBLIC IMPROVEMENT DISTRICT
MAJOR IMPROVEMENT AREA PROJECT)**

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP NOS: [insert CUSIP NOs.]

ITEMS REQUIRED BY SECTIONS 4(a)(i)(A) – (B)*

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

*Excluding Audited Financial Statements of the Issuer

BALANCE OF FUNDS AND ACCOUNTS SECURING THE BONDS

Bonds (Principal Balance) _____
Funds and Accounts [list] _____
TOTAL ASSETS _____

Form of Accounting Cash Accrual Modified Accrual

ITEMS REQUIRED BY SECTIONS 4(a)(ii)-(vii)

[Insert a line item for each applicable listing]

ITEMS REQUIRED BY SECTIONS 4(a)(viii)-(ix)

SECTION 4(a)(viii)

COLLECTION AND DELINQUENCY HISTORY OF THE ASSESSMENTS WITHIN THE MAJOR IMPROVEMENT AREA OF THE DISTRICT FOR THE PAST FIVE FISCAL YEARS, IN THE FOLLOWING FORMAT:

Collection and Delinquent History of Major Improvement Area Assessments in the Major Improvement Area of the District

Collected in Fiscal Year	Assessment Billed	Parcels Levied	Delinquent Amount as of 2/15	Delinquent Percentage as of 2/15	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Total Assessments Collected ⁽¹⁾
20__	\$			—	—		\$

⁽¹⁾ Collected as of _____, 20_. Includes \$ _____ attributable to Prepayments.

ITEMS REQUIRED BY SECTIONS 4(a)(ix)-(xi)

[Insert a line item for each applicable listing]

EXHIBIT C

BASIC TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Major Improvement Area Assessments are due.
February 1	1	Major Improvement Area Assessments delinquent if not received
February 15	15	Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.
		Issuer and/or Administrator should be aware of actual and specific delinquencies
		Issuer and/or Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Trustee and Dissemination Agent should be immediately notified.
		Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections and any TIRZ Increment Receipts (as defined in the Service and Assessment Plan) will be fully adequate for debt service in the corresponding March and September.
		At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Major Improvement Area Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure.

¹ Illustration of sequencing and thresholds of events only. Actual actions may differ from this timeline. Illustrates anticipated dates and procedures for pursuing the collection of delinquent Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33 and 34, Texas Tax Code, as amended (the "Code"), and the County Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
		If there are over 5% delinquencies or if there is inadequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.
March 1	28/29	Trustee pays bond interest payments to Owners.
		Reserve Fund payment to Bond Fund may be required if Major Improvement Area Assessments are below approximately 50% collection rate.
		Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund for debt service.
		Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.
		Issuer determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments.
July 1	150/151	Issuer and/or Administrator to notify Dissemination Agent for disclosure to MSRB of all delinquencies in the form of the Annual Financial Information or otherwise.
		If any property owner with ownership of property responsible for more than \$10,000 of the Major Improvement Area Assessments is delinquent or if a total of delinquencies is over 5%, or if it is expected that Reserve Fund moneys will need to be utilized for either the March or September bond payments, the Disclosure Representative shall work with City Attorney's office, or the appropriate designee, to satisfy payment of all delinquent Major Improvement Area Assessments.
		Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent of the commencement of preliminary foreclosure activity.

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
		If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.
		If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the bondholders under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
August 15	196/197	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those bondholders who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15.
		Foreclosure action to be filed with the court.
		Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status. Dissemination Agent notifies bondholders.
		If bondholders and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

APPENDIX E-2

FORM OF MASTER DEVELOPER DISCLOSURE AGREEMENT

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**CITY OF LIBERTY HILL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(BUTLER FARMS PUBLIC IMPROVEMENT DISTRICT
MAJOR IMPROVEMENT AREA PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE MASTER DEVELOPER

This Continuing Disclosure Agreement of the Master Developer dated as of January 1, 2022 (this “Disclosure Agreement”) is executed and delivered by and among 366 TX 29, Ltd. (the “Master Developer”), P3 Works, LLC (the “Administrator”), and Specialized Public Finance, Inc., acting solely in its capacity as dissemination agent (the “Dissemination Agent”) with respect to the “City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District Major Improvement Area Project)” (the “Bonds”). The Master Developer, the Administrator and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Master Developer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of January 1, 2022 relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean the Issuer or the person or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3 Works, LLC as the initial Administrator.

“Affiliates” shall mean an entity that owns property within the Major Improvement Area and is controlled by, controls, or is under common control of the Master Developer.

“Annual Collection Costs” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Annual Installment” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee or any national holiday observed by the Trustee.

“Certification Letter” shall mean a certification letter provided by the Master Developer or any Significant Homebuilder, pursuant to Section 3, in substantially the form attached as Exhibit D.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of Issuer dated as of January 1, 2022 executed and delivered by and among the Issuer, the Administrator and the Dissemination Agent.

“Dissemination Agent” shall mean Specialized Public Finance, Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Butler Farms Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System available on the internet at <http://emma.msrb.org>.

“Financial Advisor” shall mean Specialized Public Finance, Inc., and its successors.

“Homebuilder(s)” shall mean any merchant homebuilder who enters into a Lot Sale Agreement with the Master Developer subsequent to the date of issuance of the Bonds, and the successors and assigns of such homebuilder under such Lot Sale Agreement.

“Issuer” shall mean the City of Liberty Hill, Texas.

“Limited Offering Memorandum” shall mean the Limited Offering Memorandum for the Bonds, dated December 13, 2021.

“Listed Events” shall mean, collectively, Master Developer Listed Events, Pod Developer Listed Events, and Significant Homebuilder Listed Events.

“Lot Sale Agreement” shall mean, with respect to lots or land within the Major Improvement Area, any Lot Sale Agreement between a Homebuilder and the Master Developer to purchase lots or to purchase land.

“Major Improvement Area” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Major Improvement Area Assessments” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Major Improvement Area Projects” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Master Developer” shall mean 366 TX 29, Ltd., a Texas limited partnership and each other Person, through assignment, who assumes the obligations, requirements or covenants to construct one or more of the Major Improvement Area Projects subsequent to the date of issuance of the Bonds and their designated successors and assigns. The term Master Developer as used herein shall not include Meritage.

“Master Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Master Developer Quarterly Report” shall mean any Master Developer Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

“Meritage” shall mean Meritage Homes of Texas, LLC, an Arizona limited liability company, and its successors and assigns.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Person” shall mean any legal person, including any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government, or any agency or political subdivision thereof.

“Pod Developer” shall mean Meritage.

“Pod Developer Listed Events” shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

“Private Improvements” shall have the meaning assigned to such term in the Limited Offering Memorandum.

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning March 31, 2022.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being May 15, August 15, November 15, and February 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

“Reporting Party” shall mean the Master Developer and/or Significant Homebuilder, as applicable.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Significant Homebuilder” shall mean a Homebuilder (other than Meritage) that then owns five percent (5%)¹ or more of the single-family residential lots within the Major Improvement Area.

“Significant Homebuilder Listed Events” shall mean any of the events listed in Section 4(c) of this Disclosure Agreement.

“Trustee” shall mean BOKF, NA or any successor trustee pursuant to the Indenture.

Section 3. Quarterly Reports.

(a) The Master Developer and any Significant Homebuilder, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with March 31, 2022, the information required for the preparation of the Quarterly Report (with respect to each party, the “Quarterly Information”). The Master Developer and any Significant Homebuilder shall provide, or cause to be provided to the Administrator, such Quarterly Information until such party’s obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, if the Master Developer elects, the Master Developer may, but shall not be obligated to provide any Quarterly Information on behalf of any Significant Homebuilder. The Master Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time Master Developer shall have no further obligation or liability for Quarterly Report disclosures or other responsibilities under this Disclosure Agreement as to the property so transferred.

(b) The Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Master Developer and/or Significant Homebuilder pursuant to subsection (a) above and (ii) provide to the Master Developer and/or Significant Homebuilder, as applicable, each Quarterly Report for review no later than twenty (20) days after each Quarterly Ending Date. The Master Developer and/or any Significant Homebuilder, as applicable, shall review the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide to the Administrator the Certification Letter and authorize the Administrator to provide such Quarterly Report and Certification Letter to the Dissemination Agent pursuant to subsection (c) below. In all cases, the Master Developer and/or any Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in this

¹ At closing of the Bonds, based on the Service and Assessment Plan, five percent (5%) of the total single family residential lots within the Major Improvement Area is currently equal to approximately 27 lots.

Section 3 and the Certification Letter(s) provided by the Master Developer and/or any Significant Homebuilder, as applicable. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s) with the MSRB and provide a copy of such report to the Issuer, the Financial Advisor, and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report and the Certification Letter(s) must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that the Master Developer, any Significant Homebuilder or the Administrator does not provide the information required by subsection (a) or (b) of this Section, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, and is hereby directed to, file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information is provided by the Master Developer or any Significant Homebuilder to the Administrator, the Dissemination Agent shall not be responsible for any failure to submit a complete Quarterly Report to the MSRB in connection with such failure. If the Master Developer and/or any Significant Homebuilder timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the information to the Dissemination Agent, or the failure of the Dissemination Agent to provide such information to the parties required under this Section 3(c) in a timely manner, shall not be deemed a default by the Master Developer, or any Significant Homebuilder, as applicable, under this Disclosure Agreement.

(d) The Master Developer Quarterly Report shall be in a form similar to that as attached in Exhibit A hereof and shall include:

(i) In a form similar to Table 3(d)(i) in Exhibit A attached hereto, the composition of the property within the Major Improvement Area subject to the Major Improvement Area Assessments, as of the Quarterly Ending Date, including:

- A. The number of single-family residential parcels;
- B. The number of acres of single-family residential parcels;
- C. The number of platted single-family residential lots;
- D. The number of single-family residential lots identified in the original Service and Assessment Plan; and
- E. An explanation as to any change to the number of lots/parcels within the Major Improvement Area from the original Service and Assessment Plan;

(ii) In a form similar to Table 3(d)(ii) in Exhibit A attached hereto, the landowner composition of the Major Improvement Area, including:

- A. The number of single-family residential lots owned by each type of landowner (i.e., Master Developer, Homebuilders, end-user); and

B. The percentage of single-family residential lots relative to the total single-family residential lots for the Master Developer, each Homebuilder, and end-users (end-users reported collectively), as of the Quarterly Ending Date;

(iii) In a form similar to Table 3(d)(iii) in Exhibit A attached hereto, for each parcel designated as single-family residential, lot absorption statistics by lot type, on a quarter over quarter basis for the Major Improvement Area, including:

A. The number of single-family lots in the Major Improvement Area closed with a Homebuilder;

B. The number of single-family lots in the Major Improvement Area owned by the Master Developer and under contract (but not closed) with a Homebuilder; and

C. The number of single-family lots in the Major Improvement Area owned by the Master Developer and not closed or under contract with a Homebuilder;

(iv) In a form similar to Table 3(d)(iv) in Exhibit A attached hereto, for each parcel designated as single-family residential, for each Homebuilder, broken down by lot type and phase, on a quarter over quarter basis:

A. The number of homes under construction in the Major Improvement Area;

B. The number of completed homes not under contract with end-users in the Major Improvement Area;

C. The number of homes under contract with end-users in the Major Improvement Area;

D. The number of homes closed with end-users in the Major Improvement Area; and

E. The average sales price of homes closed with end-users.

(v) In a form similar to Table 3(d)(v) in Exhibit A attached hereto, materially adverse changes or determinations to permits/approvals for the development of the Major Improvement Area that necessitate changes to the land use plans of the Master Developer or Meritage;

(vi) In a form similar to Table 3(d)(vi) in Exhibit A attached hereto, the occurrence of any new or modified mortgage debt on the land owned by the Master Developer, including the amount, interest rate and terms of repayment; and

(vii) Until completion of the Major Improvement Area Projects, in a form similar to Table 3(d)(vii) in Exhibit A attached hereto, with respect to each category of Major Improvement Area Projects, as set forth in the Service and Assessment Plan, the Master Developer shall provide or cause to be provided the construction budget and timeline for the Major Improvement Area Projects to the Administrator for inclusion in each Quarterly Report, including:

- A. Total budgeted costs of all Major Improvement Area Projects;
- B. Total actual costs of the Major Improvement Area Projects drawn from each account of the Project Fund (as defined in the Indenture), as of the Quarterly Ending Date;
- C. Total actual costs of the Major Improvement Area Projects financed with other sources of funds (non-bond financed), as of the Quarterly Ending Date;
- D. Forecast completion date;
- E. Actual Issuer acceptance date; and
- F. Narrative update on construction milestones for the Major Improvement Area Projects since the date of the prior Quarterly Report.

(e) Each such Quarterly Report shall include, in a form similar to Table 3(e)(i) in Exhibit A attached hereto, with respect to any amenities or Private Improvements, the Master Developer shall provide or cause to be provided the following information to the Administrator for inclusion in each Quarterly Report:

- (i) Total expected construction budget;
- (ii) Total costs spent to date;
- (iii) Status of construction; and
- (iv) Expected or actual completion date.

Section 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Master Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or the Major Improvement Area Assessments levied within the Major Improvement Area on a parcel owned by the Master Developer; provided, however, that the exercise of any right of the Master Developer as a landowner within the Major Improvement Area to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Master Developer Listed Event under this Section 4(a) nor a breach or default of this Disclosure Agreement; provided that the Master Developer has complied with all legal requirements relating to the protest of such value, including the posting of a bond, if required;

(ii) Material damage to or destruction of any development or improvements of any the Major Improvement Area Projects;

(iii) Material default by the Master Developer or any of the Master Developer's Affiliates on any loan with respect to the acquisition, development or permanent financing of the

Major Improvement Area or the Major Improvement Area Projects undertaken by the Master Developer or any of the Master Developer's Affiliates;

(iv) Material default by the Master Developer or any of Master Developer's Affiliates on any loan secured by property within the Major Improvement Area owned by the Master Developer or any of the Master Developer's Affiliates;

(v) The bankruptcy, insolvency or similar filing of the Master Developer or any of the Master Developer's Affiliates or any determination that the Master Developer or any of the Master Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Master Developer, or the sale of all or substantially all of the assets of the Master Developer or any of the Master Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages, in excess of \$1,000,000 against the Master Developer or any of the Master Developer's Affiliates that may adversely affect the completion of development of the Major Improvement Area or litigation that may materially adversely affect the financial condition of the Master Developer or any of the Master Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer or controlling ownership of the Master Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 herein.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to Meritage is a Pod Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or the Major Improvement Area Assessments levied within the Major Improvement Area on a lot or parcel owned by a Pod Developer; provided, however, that the exercise of any right of such Pod Developer as a landowner within the Major Improvement Area to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Pod Developer Listed Event under this Section 4(b) nor a breach or default of this Disclosure Agreement;

(ii) Material default by the Pod Developer or any of Pod Developer's Affiliates on any loan secured by property within the Major Improvement Area owned by the Pod Developer or any of the Pod Developer's Affiliates;

(iii) The bankruptcy, insolvency or similar filing of such Pod Developer or any determination that such Pod Developer is unable to pay its debts as they become due;

(iv) The consummation of a merger, consolidation, or acquisition involving such Pod Developer or the sale of all or substantially all of the assets of the Pod Developer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(v) Any change in the type of legal entity, chief executive officer or controlling ownership of such Pod Developer, to the extent such information is not publicly reported in the Pod Developer's filings with the SEC to the extent that such Pod Developer is a reporting company; and

(vi) Early termination of or material default by such Pod Developer under a Lot Sale Agreement.

(c) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or the Major Improvement Area Assessments levied within the Major Improvement Area on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within the Major Improvement Area to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section 4(c) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Sale Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(d) Whenever the Master Developer obtains knowledge of the occurrence of a Master Developer Listed Event or a Pod Developer Listed Event, the Master Developer shall promptly notify the Administrator and the Dissemination Agent in writing and the Master Developer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter

described, and provide a copy of such notice to the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Master Developer becomes aware of the occurrence of such Master Developer Listed Event or Pod Developer Listed Event. If the Master Developer timely notifies the Dissemination Agent of the occurrence of a Master Developer Listed Event or a Pod Developer Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by the Master Developer under this Disclosure Agreement.

Whenever a Significant Homebuilder obtains knowledge of the occurrence of a Significant Homebuilder Listed Event, the applicable Significant Homebuilder shall promptly notify the Administrator and the Dissemination Agent in writing and such Significant Homebuilder shall direct the Dissemination Agent in writing to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Master Developer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Significant Homebuilder becomes aware of the occurrence of such Significant Homebuilder Listed Event. If the Significant Homebuilder timely notifies the Dissemination Agent of the occurrence of a Significant Homebuilder Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by the Significant Homebuilder under this Disclosure Agreement.

Any notice under the two (2) preceding paragraphs shall be accompanied with the text of the disclosure that the Master Developer or Significant Homebuilder, as applicable, desires to make, the written authorization of the Master Developer or the Significant Homebuilder, as applicable, for the Dissemination Agent to disseminate such information as provided herein, and the date the Master Developer or Significant Homebuilder, as applicable, desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the Master Developer or Significant Homebuilder, as applicable, becomes aware of the occurrence of the Master Developer Listed Event, Pod Developer Listed Event or Significant Homebuilder Listed Event, as applicable).

The Master Developer and each Significant Homebuilder, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless if such Person is providing Quarterly Information on behalf of any other Reporting Party. In all cases, the Master Developer or the Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the Master Developer or the Significant Homebuilder, as applicable, shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after the Master Developer or Significant Homebuilder, as applicable, becomes aware of the occurrence of the applicable Listed Event.

(e) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify the Master Developer and the Significant Homebuilder, if applicable, of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Master Developer or Significant Homebuilder, as applicable, to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Master Developer or Significant Homebuilder, as applicable, and not that of the Trustee or the

Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Master Developer and Significant Homebuilder, as applicable, as an accommodation to assist it in monitoring the occurrence of such event but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Master Developer, Significant Homebuilder, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(f) If the Dissemination Agent has been notified in writing by the Master Developer or Significant Homebuilder to report the occurrence of a Listed Event in accordance with subsections (d) or (e) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB within one (1) Business Day after its receipt of such written instructions from the Master Developer or Significant Homebuilder, as applicable; provided that all such notices must be filed no later than the date specified in subsection (d) of this Section 4 for such Listed Event. The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any Listed Event, notify the Master Developer of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Master Developer to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Master Developer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Master Developer as an accommodation to assist it in monitoring the occurrence of such event but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Master Developer or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

Section 5. Assumption of Reporting Obligations by Master Developers.

The Master Developer shall cause each Person, who, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Major Improvement Area Projects to assume and comply with the disclosure obligations of the Master Developer under this Disclosure Agreement. The Master Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement and assumption from each Person who assumes the obligations, requirements or covenants to construct one or more of the Major Improvement Area Projects, in substantially the form attached as Exhibit E (the “Master Developer Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Master Developer shall direct the Dissemination Agent to file a copy of each Master Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person’s delivery of written acknowledgement of assumption of Master Developer’s obligations under this Disclosure Agreement as to the property transferred, the Master Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Master Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure

obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Master Developer shall require that any Person comply with obligations of this Section 5 with respect to any subsequent transfers by such Person to any individual or entity meeting the definition of a “Master Developer” in the future.

Section 6. Assumption of Reporting Obligations by Significant Homebuilders.

If a Homebuilder acquires ownership of real property in the Major Improvement Area resulting in such Homebuilder becoming a Significant Homebuilder, the Master Developer shall cause such Significant Homebuilder to comply with the Master Developer’s disclosure obligations under Section 3(d)(iv) and 4(c) hereof, with respect to such acquired real property until such party’s disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement; provided, however, a Significant Homebuilder who is also a Master Developer shall be required to provide the disclosure information required by Sections 3 and 4(a), as applicable, pursuant to Section 5 above. The Master Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F (the “Significant Homebuilder Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Sections 4(a)(ix) and 4(c)(vi) above, the Master Developer or Significant Homebuilder, as applicable, shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(d) and 4(f) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder’s delivery of written acknowledgement of assumption of Master Developer’s obligations under this Disclosure Agreement as to the property transferred, the Master Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Master Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement.

Section 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Master Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding or (ii) the date when (A) all of the Major Improvement Area Projects are complete and (B) the Master Developer and Meritage collectively no longer own at least five percent (5%)² of the single family residential lots (proposed or actual) within the Major Improvement Area, as of the applicable Quarterly Ending Date.

(b) The reporting obligations of a Significant Homebuilder, if any, under this Disclosure Agreement shall terminate upon the earlier of when (i) none of the Bonds remain Outstanding, or (ii) the Significant Homebuilder no longer owns at least five percent (5%)³ of the single family residential lots within the Major Improvement Area, as of the applicable Quarterly Ending Date.

² At closing of the Bonds, based on the Service and Assessment Plan, five percent (5%) of the total single family residential lots (proposed or actual) within the Major Improvement Area is currently equal to approximately 27 lots.

³ At closing of the Bonds, based on the Service and Assessment Plan, five percent (5%) of the total single family residential lots within the Major Improvement Area is currently equal to approximately 27 lots.

(c) Notwithstanding anything contained herein, the reporting obligations of any Reporting Party with respect to any Future Improvement Area that is a part of the Major Improvement Area shall terminate with respect to such Future Improvement Area upon the filing of a notice by the Developer or Significant Homebuilder that Future Improvement Area Bonds for such Future Improvement Area have been issued, which notice shall contain the CUSIP number of the applicable Future Improvement Area Bonds and a copy of or link to any offering document prepared for such Future Improvement Area Bonds. For the avoidance of doubt, the reporting obligations of a Developer or Significant Homebuilder hereunder shall remain in force for all portions of the Major Improvement Area for which Future Improvement Area Bonds have not been issued.

(d) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) or (b) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby, terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(e) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) or (b) of this Section 7 and any Termination Notice required by subsection (d) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

Section 8. Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be Specialized Public Finance, Inc. The Issuer may, from time to time, appoint or engage a successor Dissemination Agent to assist the Master Developer, any Person that has executed a Master Developer Acknowledgement pursuant to Section 5 hereof or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with sixty (60) days' notice to the Issuer, the Master Developer and the Administrator; provided, further, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each of the Master Developer, any Person that has executed a Master Developer Acknowledgement pursuant to Section 5 hereof or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof of any change in the identity of the Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Master Developer, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold

its consent to any amendment so requested by the Master Developer or Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Master Developer or any Significant Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Master Developer. The Master Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Master Developer or any Significant Homebuilder from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Master Developer or Significant Homebuilder chooses to include any information in any Quarterly Report or notice of occurrence of a Master Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, the Master Developer or the Significant Homebuilder, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Master Developer Listed Event or Significant Homebuilder Listed Event.

Section 11. Content of Disclosures. In all cases, the Master Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 10 of this Disclosure Agreement.

Section 12. Default. In the event of a failure of the Master Developer, any Significant Homebuilder, the Dissemination Agent or the Administrator to comply with any provision of this Disclosure Agreement, any Owner or beneficial owner of the Bonds may, and the Trustee (at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Master Developer, Significant Homebuilder, Dissemination Agent and/or the Administrator to comply with its obligations under this Disclosure

Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Master Developer, Significant Homebuilder, Dissemination Agent or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by the Master Developer, or any Significant Homebuilder, as applicable, shall not be deemed a default under the Disclosure Agreement of Issuer, and a default under the Disclosure Agreement of Issuer shall not be deemed a default under this Disclosure Agreement by the Master Developer, any Significant Homebuilder or the Administrator. Additionally, a default by the Master Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Master Developer of the Master Developer's obligations under this Disclosure Agreement.

Section 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by the Master Developer, Significant Homebuilder and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Master Developer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's breach, negligence or willful misconduct. The obligations of the Master Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Master Developer agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of the Master Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be

construed to mean or to imply that the Administrator is an “obligated person” under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR OR THE MASTER DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

Section 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Master Developer, any Significant Homebuilder, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Master Developer, any Significant Homebuilder, the Administrator or Dissemination Agent in other than that person’s official capacity.

Section 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Master Developer, the Administrator, the Dissemination Agent, the Issuer, the Participating

Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

Section 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the Major Improvement Area for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

Section 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of the Major Improvement Area, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

Section 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

Section 20. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow.]

Specialized Public Finance, Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

366 TX 29, LTD.,
a Texas limited partnership
(as Master Developer)

By: MA Butler Farms, LLC
a Texas limited liability company, its
General Partner

By: _____
Name: _____
Title: _____

P3 WORKS, LLC
(as Administrator)

By: _____
Name: _____
Title: _____

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

EXHIBIT A

**CITY OF LIBERTY HILL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(BUTLER FARMS PUBLIC IMPROVEMENT DISTRICT
MAJOR IMPROVEMENT AREA PROJECT)**

MASTER DEVELOPER QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: Specialized Public Finance, Inc.

Address:

City:

Telephone: (____) - _____

Contact Person: Attn: _____

[Remainder of page intentionally left blank]

MAJOR IMPROVEMENT AREA QUARTERLY INFORMATION

TABLE 3(d)(i)

MAJOR IMPROVEMENT AREA OVERVIEW (as of <i>[Insert Quarterly Ending Date]</i>)					
NUMBER OF SINGLE-FAMILY PARCELS, ACREAGE OF SUCH PARCELS AND NUMBER OF PLATTED SINGLE-FAMILY LOTS IN THE MAJOR IMPROVEMENT AREA SUBJECT TO MAJOR IMPROVEMENT AREA ASSESSMENTS:					
	Major Improvement Area ¹⁾		Original Service and Assessment Plan ⁽²⁾		Explanation as to any change in Lots/Parcels from Original Service and Assessment Plan
Single-Family					
Total SF Parcels/Acres					
Lot Type:	-		-		
Lot Type 7					
Lot Type 8					
Lot Type 9					
Lot Type 10					
[Future SF]					
<i>Total SF Lots:</i>					

⁽¹⁾ Single-family lots represent the number of platted single-family lots in the Major Improvement Area, as of *[Insert Quarterly Ending Date]*.

⁽²⁾ Single-family lots represent the number of planned single-family lots included in Appendix D of the original Service and Assessment Plan.

[Remainder of page intentionally left blank]

TABLE 3(d)(ii)

LANDOWNER COMPOSITION (as of [Insert Quarterly Ending Date]) OF THE MAJOR IMPROVEMENT AREA		
Landowner Composition	Number of Actual Single-Family Residential Lots Owned	Percentage of Total Actual Single-Family Residential Lots
Master Developer Owned		
Lot Type 7		
Lot Type 8		
Lot Type 9		
Lot Type 10		
[Future SF]		
<i>Total Master Developer Owned SF Lots:</i>		
[Homebuilder] Owned⁽¹⁾		
Lot Type 7		
Lot Type 8		
Lot Type 9		
Lot Type 10		
[Future SF]		
<i>Total Homebuilder Owned SF Lots:</i>		
End-User Owned		
Lot Type 7		
Lot Type 8		
Lot Type 9		
Lot Type 10		
[Future SF]		
<i>Total End-User Owned SF Lots:</i>		
<i>Total Development:</i>		

⁽¹⁾ Add additional rows for each Homebuilder.

FOR EACH PARCEL DESIGNATED AS SINGLE-FAMILY RESIDENTIAL:
TABLE 3(d)(iii)

MASTER DEVELOPER ABSORPTION STATISTICS FOR SINGLE-FAMILY RESIDENTIAL IN THE MAJOR IMPROVEMENT AREA											
	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__
# of SF lots closed with Homebuilders: <ul style="list-style-type: none"> • [Homebuilder] <ul style="list-style-type: none"> ○ Lot Type 7 ○ Lot Type 8 ○ Lot Type 9 ○ Lot Type 10 Subtotal • [Homebuilder] <ul style="list-style-type: none"> ○ Lot Type 7 ○ Lot Type 8 ○ Lot Type 9 ○ Lot Type 10 TOTAL 											
# of SF lots under contract with Homebuilders: <ul style="list-style-type: none"> • [Homebuilder] <ul style="list-style-type: none"> ○ Lot Type 7 ○ Lot Type 8 ○ Lot Type 9 ○ Lot Type 10 Subtotal • [Homebuilder] <ul style="list-style-type: none"> ○ Lot Type 7 ○ Lot Type 8 ○ Lot Type 9 ○ Lot Type 10 TOTAL 											
# of SF lots not under contract with Homebuilders: <ul style="list-style-type: none"> • Lot Type 7 • Lot Type 8 • Lot Type 9 • Lot Type 10 TOTAL											

TABLE 3(d)(iv)

[Homebuilder] ABSORPTION STATISTICS FOR SINGLE-FAMILY RESIDENTIAL LOTS IN THE MAJOR IMPROVEMENT AREA ⁽¹⁾								
	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__
# of SF homes under construction: <ul style="list-style-type: none"> • Lot Type 7 • Lot Type 8 • Lot Type 9 • Lot Type 10 TOTAL								
# of completed SF homes NOT under contract with end-user: <ul style="list-style-type: none"> • Lot Type 7 • Lot Type 8 • Lot Type 9 • Lot Type 10 TOTAL								
# of SF homes under contract with end-user: <ul style="list-style-type: none"> • Lot Type 7 • Lot Type 8 • Lot Type 9 • Lot Type 10 TOTAL								
# of SF homes delivered to end-users: <ul style="list-style-type: none"> • Lot Type 7 • Lot Type 8 • Lot Type 9 • Lot Type 10 TOTAL								
Average home prices of homes delivered to end-users: <ul style="list-style-type: none"> • Lot Type 7 • Lot Type 8 • Lot Type 9 • Lot Type 10 • Average 								

⁽¹⁾ Additional tables to be added for each Homebuilder

[Remainder of page intentionally left blank]

STATUS OF DEVELOPMENT IN THE MAJOR IMPROVEMENT AREA:

TABLE 3(d)(v)

PERMITS/APPROVALS	
Change or Determination to Permit/Approval	Description of the Change to the Land Use Plan

TABLE 3(d)(vi)

OCCURRENCE OF ANY NEW OR MODIFIED MORTGAGE DEBT				
Borrower	Lender	Amount	Interest Rate	Terms of Repayment

STATUS OF MAJOR IMPROVEMENT AREA PROJECTS:

[Remainder of page intentionally left blank]

TABLES 3(d)(vii)(A)-(F)

MAJOR IMPROVEMENT AREA PROJECTS BUDGET AND TIMELINE OVERVIEW					
	Budgeted Costs	Actual Costs Drawn from the Project Fund as of [Insert Quarterly Ending Date]	Actual Costs financed with sources other than Bond proceeds as of [Insert Quarterly Ending Date]	Forecast Completion Date	Actual Issuer Acceptance Date
Total costs required to complete Major Improvement Area Projects: Major Improvement Area Projects: Onsite <ul style="list-style-type: none"> • Street • Wastewater • Drainage • Water • Water Quality and Detention Ponds • Highway 29 Improvements Offsite <ul style="list-style-type: none"> • Streets • Wastewater • Water District Formation Expenses					

Narrative update on construction milestones for Major Improvement Area Projects since last Quarterly Report:

[Remainder of page intentionally left blank]

STATUS OF PRIVATE IMPROVEMENTS:

TABLES 3(e)(i-iv)

PRIVATE IMPROVEMENTS BUDGET AND TIMELINE OVERVIEW			
Total Expected Construction Budget	Total Costs spent as of <i>[Insert Quarterly Ending Date]</i>	Status of Construction	Expected or Actual Completion Date
\$ _____	\$ _____	_____	_____
\$ _____	\$ _____	_____	_____

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: City of Liberty Hill, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022
(Butler Farms Public Improvement District Major Improvement Area Project) (the “Bonds”)
CUSIP Numbers: [insert CUSIP Numbers]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the [“Master Developer”][“Significant Homebuilder”]) has not provided the [Quarterly Information][Quarterly Report] for the period ending on [Insert Quarterly Ending Date] with respect to the Bonds as required by the Continuing Disclosure Agreement of the Master Developer dated as of January 1, 2022, by and among 366 TX 29, Ltd., a Texas limited partnership (the “Master Developer”), P3 Works, LLC, as the “Administrator” and Specialized Public Finance, Inc., as the “Dissemination Agent.” The [Master Developer] [“Significant Homebuilder”] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

Specialized Public Finance, Inc.
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Liberty Hill, Texas

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Liberty Hill, Texas
 Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022
 (Butler Farms Public Improvement District Major Improvement
 Area Project) (the “Bonds”)
 CUSIP Numbers. [insert CUSIP Numbers]
 Date of Delivery: _____, 20__

FMSbonds, Inc. 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034	Specialized Public Finance, Inc. 48 Addie Roy Road, Suite B-103 Austin, Texas 78746
--	--

City of Liberty Hill, Texas 926 Loop 332 Liberty Hill, Texas 78642	[MASTER DEVELOPER][SIGNIFICANT HOMEBUILDER]
--	--

NOTICE IS HEREBY GIVEN that that _____, a
 _____ (the [“Master Developer”][“Significant Homebuilder”]) is no longer
 responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the
 Bonds, thereby, terminating such party’s reporting obligations under the Continuing Disclosure
 Agreement of the Master Developer dated as of January 1, 2022 by and among 366 TX 29, Ltd., a
 Texas limited partnership (the “Master Developer”), P3 Works, LLC, as the “Administrator” and
 Specialized Public Finance, Inc., as the “Dissemination Agent.”

Dated: _____

P3 Works, LLC
 on behalf of the Master Developer
 (solely in its capacity as Administrator)

By: _____

Title: _____

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer: City of Liberty Hill, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022
(Butler Farms Public Improvement District Major Improvement
Area Project) (the “Bonds”)
CUSIP Numbers. [insert CUSIP Numbers]
Date of Delivery: _____, 20__

Re: Quarterly Report for Butler Farms Public Improvement District – Major Improvement Area
To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of the Master Developer dated as of January 1, 2022 by and among 366 TX 29, Ltd.¹ (the “Master Developer”), P3 Works, LLC, as the “Administrator”, and Specialized Public Finance, Inc., as the “Dissemination Agent,” this letter constitutes the certificate stating that the Quarterly Information, provided by [Master Developer][_____, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Master Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Master Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Master Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [Insert Quarterly Ending Date], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

[Signature page to follow]

¹ If applicable, replace with applicable successor(s)/assign(s).

366 TX 29, LTD.,
a Texas limited partnership
(as Master Developer)

By: MA Butler Farms, LLC
a Texas limited liability company, its
General Partner

By: _____
Name: _____
Title: _____

OR
[SIGNIFICANT HOMEBUILDER]
(as Significant Homebuilder)

By: _____
Title: _____

EXHIBIT E

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF MASTER DEVELOPER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Butler Farms Public Improvement District Major Improvement Area – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__, you have been assigned and have assumed the obligations, requirements or covenants to construct one or more of the Major Improvement Area Projects (as defined in the Master Developer Disclosure Agreement) within Improvements Area #1 of the Butler Farms Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of the Master Developer dated as of January 1, 2022 (the “Master Developer Disclosure Agreement”) by and among 366 TX 29, Ltd. (the “Initial Master Developer”), P3 Works, LLC (the “Administrator”), and Specialized Public Finance, Inc. (the “Dissemination Agent”) with respect to the “City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District Major Improvement Area Project),” any person that, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Major Improvement Area Projects within the Major Improvement Area of the District is defined as a Master Developer.

As a Master Developer, pursuant to Section 6 of the Master Developer Disclosure Agreement, you acknowledge and assume the reporting obligations of the Master Developer Disclosure Agreement for the property which is owned as detailed in the Master Developer Disclosure Agreement, which is included herewith.

Sincerely,

366 TX 29, LTD.,
a Texas limited partnership (as Master Developer)

By: _____

Name: _____

Title: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____

Title: _____

EXHIBIT F

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Butler Farms Public Improvement District Major Improvement Area – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ lots within the Major Improvement Area of the Butler Farms Public Improvement District (the “District”), which is equal to approximately ____% of the single-family residential lots within the Major Improvement Area of the District.

Pursuant to Section 2 of the Continuing Disclosure Agreement of the Master Developer dated as of January 1, 2022, (the “Master Developer Disclosure Agreement”) by and among 366 TX 29, Ltd. (the “Initial Master Developer”), P3 Works, LLC (the “Administrator”), and Specialized Public Finance, Inc. (the “Dissemination Agent”) with respect to the “City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District Major Improvement Area Project),” any person or entity that owns twenty-seven (27) or more of the single-family residential lots within the Major Improvement Area of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Master Developer Disclosure Agreement, you acknowledge and assume the reporting obligations under Sections 3(d)(iv) and 4(c) of the Master Developer Disclosure Agreement for the property which is owned as detailed in the Master Developer Disclosure Agreement, which is included herewith.

Sincerely,

[SIGNIFICANT HOMEBUILDER]

(as Significant Homebuilder)

By: _____

Title: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____

Title: _____

APPENDIX F

APPRAISAL OF PROPERTY WITHIN THE DISTRICT

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THE ÆGIS GROUP, INC.
REAL ESTATE APPRAISAL & CONSULTING

4926 Spicewood Springs Road, Suite 101, Austin, Texas 78759
(512) 346-9983
info@aegisgroupinc.com

December 1, 2021

Ms. Liz Branigan
Mayor
City of Liberty Hill
P.O. Box 1920
Liberty Hill, TX 78642

Mr. R.R. "Tripp" Davenport
Director
FMS Bonds, Inc.
100 Crescent Court
Dallas, TX 75201

RE: 366.4641 acres of land being developed as the Butler Farms Master Planned Community and located on the north side of State Highway 29, west of CR 277, Liberty Hill, Williamson County, Texas.

Dear Ms. Branigan and Mr. Tripp Davenport:

At your request, we inspected and appraised the above-referenced property. The following summary provides insight to the proposed master planned community and how we appraised the property:

Phase	No. of Lots	Lot Size	Owner	Major PID Improvements	Improvement Area	How Appraised
1	20	40', 45' & 50'	366 TX 29	Yes	1	Hypothetical Condition lots are complete
2	46	50'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
3	82	45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
4	70	40' & 45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
5	47	45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
6	114	45' & 50'	Meritage	Yes	No	Extraordinary assumption paper lots will be complete
7	87	45' & 50'	Meritage	Yes	2	Hypothetical Condition lots are complete
8	138	40'	Meritage	Yes	2	Hypothetical Condition lots are complete
9	151	40'	Meritage	Yes	2	Hypothetical Condition lots are complete
10	27	60'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
13	106	40' & 45'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
14	165	40' & 45'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
15	98	40' & 45'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
16	31	45' & 50'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
Total	1,182					

Ms. Liz Branigan and Mr. Tripp Davenport
December 1, 2021
Page 2

The purpose of our appraisal is to develop an opinion of market value of the subject using the Hypothetical Conditions and Extraordinary Assumptions discussed herein (see Contingent and Limiting Conditions (Page 13) for the definitions of these terms.

The intended use of the appraisal is to assist the clients, the City of Liberty Hill, a political subdivision of the State of Texas and FMSBonds, Inc. in contemplating financing public infrastructure through the issuance of Special Assessment Revenue Bonds for the Butler Farms Public Improvement District (the "PID") created on the proposed residential subdivision in Liberty Hill, Williamson County, Texas. Funds from the bonds will be issued in two phases and will fund portions of the Authorized Improvements. Funds from a non-reimbursable owner contribution will fund the remainder of the Authorized Improvements. The intended users of our appraisal are the City and FMSBonds, Inc. We acknowledge that this appraisal report will be utilized in a limited offering memorandum for bonds to be issued relating to the PID and we consent to such use.

Refer to the Scope of Work for the steps taken to complete this appraisal assignment.

For the purpose of this appraisal assignment, market value as used herein is defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and each acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

(Source: *The Appraisal of Real Estate*, 15th Edition, published by the Appraisal Institute, 2020.)

Considering the above definition of market value and based upon the data and analyses contained in our appraisal report, and the stated Extraordinary Assumptions and Hypothetical Conditions, it is our opinion that the market value of the subject's fee simple interest, as of October 18, 2021, is as follows:

Ms. Liz Branigan and Mr. Tripp Davenport
December 1, 2021
Page 3

Market Value Improvement Areas #1 & #2 (Phases 1, 2, 3, 4, 5, 7, 8, & 9)	Finished Lots	\$49,500,000
Market Value of Phases 6, 10, 13, 14, 15, & 16	Paper Lots	\$18,300,000
Total Market Value		\$67,800,000

Our appraisal uses the following Extraordinary Assumptions:

The proposed paper lots will not be in Improvement Area #1 or #2 but will have major PID improvements. The lot count for Phases 6, 10, and 13-16 are from the LandDev Consulting, LLC's Butler Lot Summary (see Addenda). There will be a total of 541 paper lots with the following mix of lot sizes and lots per phase:

Butler Farms Paper Lots		
Phase	No. of Lots	Lot Size
6	114	45' & 50'
10	27	60'
13	106	40' & 45'
14	165	40' & 45'
15	98	40' & 45'
16	31	45' & 50'
Total	541	

Phases 11 and 12 will be greenbelt and not have any residential lots.

Our appraisal assumes all work on the development will be completed in a workmanlike manner.

These Extraordinary Assumptions may affect the assignment results.

This appraisal is not for purposes of determining the amount of any assessments to be levied by the PID nor is it the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the PID.

Our appraisal is subject to the following Hypothetical Conditions as of October 18, 2021:

Improvement Area #1 will include 50.791 acres and Phases 1, 2, 3, 4, and 5. Improvement Area #2 will include 71.805 acres and Phases 7, 8, and 9. Our appraisal uses the Hypothetical Condition that the planned improvements for Improvement Areas #1 and #2 and the major improvements in the district (243.846 acres) are complete as of October 18, 2021. Per the subject's Preliminary Service and Assessment Plan (dated November 18, 2021), these planned improvements include the following:

- ***Street*** – Includes costs associated with subgrade stabilization, concrete and reinforcing steel for roadways, testing, sidewalks, accessibility ramps, earthwork, erosion control, retaining walls, intersections, signage, and re-vegetation of all disturbed areas within the right-of-way. The street improvements will provide street access to each Lot within Improvement Area #1 and Improvement Area #2.
- ***Wastewater*** – Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connection, testing, related earthwork, and erosion control all necessary appurtenances required to provide wastewater service. The wastewater improvements will provide wastewater service to each Lot within Improvement Area #1 and Improvement Area #2.
- ***Drainage*** – Includes earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage. The drainage improvements will provide drainage service to each Lot within Improvement Area #1 and Improvement Area #2.
- ***Water*** – Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, and erosion control all necessary appurtenances required to provide water service. The water improvements will provide water service to each Lot within Improvement Area #1 and Improvement Area #2.

Refer to the Addenda for Entitlements Summary of completed and outstanding entitlements and Development Costs for PID qualified infrastructure items. The Hypothetical Conditions include the outstanding entitlements and planned PID infrastructure are in place as of the date of appraisal.

All required PID identification and/or signage currently exists.

These Hypothetical Conditions may affect the assignment results.

The reader's attention is directed to the accompanying appraisal report that includes the data and analysis employed in arriving at our opinion of value.

Ms. Liz Branigan and Mr. Tripp Davenport
December 1, 2021
Page 5

Should you have any questions regarding the contents of this report, please contact our office.

Respectfully submitted,

THE AEGIS GROUP, INC.

Handwritten signature of Chad Goddard in black ink.

Chad Goddard, MAI
State Certified General Real Estate Appraiser
No. TX-1320546-G

Handwritten signature of Eldon Y. Rude in black ink.

Eldon Y. Rude, MAI
State Certified General Real Estate Appraiser
No. TX-1320841-G

366.4641 ACRES OF VACANT LAND PROPOSED TO BE DEVELOPED AS THE BUTLER FARMS MASTER PLANNED COMMUNITY AND LOCATED ON THE NORTH SIDE OF STATE HIGHWAY 29, WEST OF CR 277, LIBERTY HILL, WILLIAMSON COUNTY, TEXAS.

FOR

MS. LIZ BRANIGAN
MAYOR
CITY OF LIBERTY HILL
P.O. BOX 1920
LIBERTY HILL, TX 78642

MR. R.R. "TRIPP" DAVENPORT
DIRECTOR
FMS BONDS, INC.
100 CRESCENT COURT
DALLAS, TX 75201

BY

THE AEGIS GROUP, INC.
4926 SPICEWOOD SPRINGS ROAD
SUITE 101
AUSTIN, TEXAS 78759

AS

OF

OCTOBER 18, 2021

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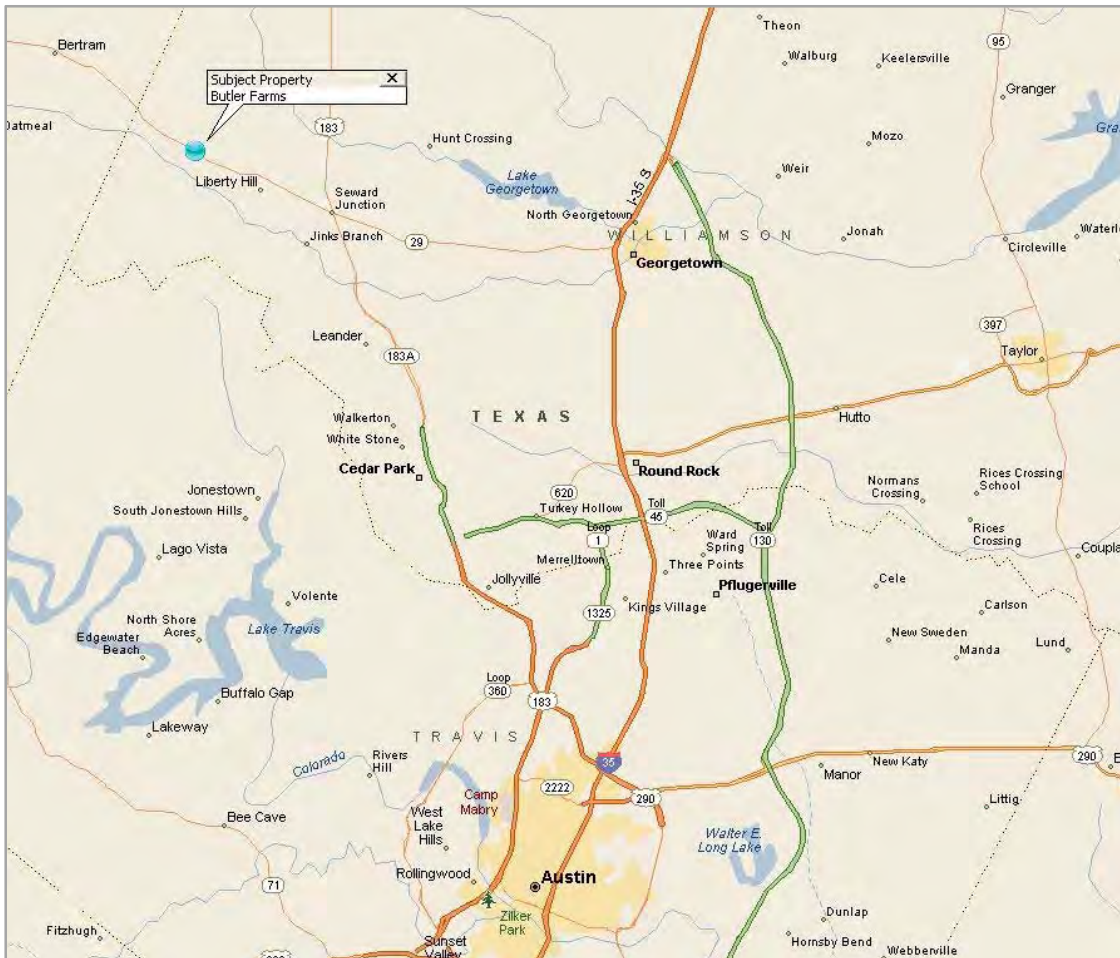
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ADDENDA

Butler Farms Public Improvement District Preliminary Service and Assessment Plan – November 18, 2021	
Letter of Intent For Phase 14	
Survey	
Butler Lot Summary	
Preliminary Plat – Phases 12-16	
Comparable Subdivisions	
Comparable Land Sales	

REGION MAP



SUBJECT PHOTOGRAPHS



State Highway 29 Looking West – Subject at Right



State Highway 29 Looking East – Subject at Left

SUBJECT PHOTOGRAPHS



Subject From State Highway 29



Trunk Road Under Construction

SUBJECT PHOTOGRAPHS



Area of Future Amenity Center and Pond

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Identification:	366.4641 acres of land being developed as the Butler Farms Master Planned Community and located on the north side of State Highway 29, west of CR 277, Liberty Hill, Williamson County, Texas.								
Interest Appraised:	Fee simple interest								
Date of Appraisal Report:	December 1, 2021								
Date of Inspection:	October 18, 2021								
Effective Date of Appraisal:	October 18, 2021								
Legal Description:	366.4641 acres out of the John B. Berry Survey, Abstract No. 56 in the City of Liberty Hill, Williamson County, Texas.								
Tax Parcel I.D. Numbers:	R021816, R613518, and R613519								
Ownership:	366 TX 29, Ltd., JNC Development Inc., and Meritage Homes of Texas LLC								
Land Size:	366.4641 acres (per Survey)								
Zoning:	High Density Residential District (SF3)								
Utilities:	The Hypothetical Conditions considers all utilities (water, sewer, and electricity) are connected to the subject tract and the 641 finished residential finished lots in Phases 1, 2, 3, 4, 5, 7, 8, and 9.								
Highest and Best Use:									
"As Vacant"	Single family residential subdivision with multiple phases of completed finished residential lots and completed paper lots.								
Opinion of Market Value:	<table><tr><td>Market Value Improvement Areas #1 & #2</td><td></td></tr><tr><td> (Phases 1, 2, 3, 4, 5, 7, 8, & 9)</td><td>\$49,500,000</td></tr><tr><td>Market Value of Phases 6, 10, 13, 14, 15, & 16</td><td>\$18,300,000</td></tr><tr><td>Total Market Value</td><td>\$67,800,000</td></tr></table>	Market Value Improvement Areas #1 & #2		(Phases 1, 2, 3, 4, 5, 7, 8, & 9)	\$49,500,000	Market Value of Phases 6, 10, 13, 14, 15, & 16	\$18,300,000	Total Market Value	\$67,800,000
Market Value Improvement Areas #1 & #2									
(Phases 1, 2, 3, 4, 5, 7, 8, & 9)	\$49,500,000								
Market Value of Phases 6, 10, 13, 14, 15, & 16	\$18,300,000								
Total Market Value	\$67,800,000								
Exposure Time:	We estimate that the subject would have sold within one year.								
Marketing Time:	We estimate the marketing time to be one year.								

CONTINGENT AND LIMITING CONDITIONS

This report is subject to the following limiting conditions:

The legal description furnished is assumed to be correct. The Ægis Group, Inc., assumes no responsibility for matters legal in character, nor renders any opinion as to the title, which is assumed to be good. The property is appraised having knowledgeable ownership and competent management.

The Ægis Group, Inc., has made no survey and assumes no responsibility in connection with such matters. The information identified in this report as being furnished by others is believed to be reliable, but no responsibility for its accuracy is assumed. The construction and condition of any improvements mentioned in the body of this report are based on observation and no engineering study has been made which would discover any latent defects. No certification as to any of the physical aspects could be given unless a proper engineering study was made.

The distribution of the total evaluation between land and improvements in this report, where applicable, applies only under the existing program of utilization. The separate estimates for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

We are not required to give testimony or attendance in court by reason of the appraisal with reference to the property in question unless arrangements have been made previously thereof. Possession of this report or a copy thereof does not carry with it the right of publication. It may not be used for any purpose by anyone other than the addressee without the previous written consent of the appraisers.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written approval and consent of the author, particularly as to valuation conclusions, the identity of the appraisers or firm with which they are connected or any reference to the Appraisal Institute, MAI, or AI-GRS designation.

To the best of the appraisers' knowledge, the subject property does not contain any toxic substances such as hazardous waste, asbestos or radon gas which would adversely impact the market value of the subject. Additionally, to the best of the appraisers' knowledge, there are no properties within the immediate area which contain these substances. This is not a guarantee that these substances do not occur in the subject property or within the immediate area.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraisers’ opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

Our appraisal uses the following Extraordinary Assumptions:

The proposed paper lots will not be in Improvement Area #1 or #2 but will have major PID improvements. The lot count for Phases 6, 10, and 13-16 are from the LandDev Consulting, LLC’s Butler Lot Summary (see Addenda). There will be a total of 541 paper lots with the following mix of lot sizes and lots per phase:

Butler Farms Paper Lots		
Phase	No. of Lots	Lot Size
6	114	45' & 50'
10	27	60'
13	106	40' & 45'
14	165	40' & 45'
15	98	40' & 45'
16	31	45' & 50'
Total	541	

Phases 11 and 12 will be greenbelt and not have any residential lots.

Our appraisal assumes all work on the development will be completed in a workmanlike manner.

These Extraordinary Assumptions may affect the assignment results.

This appraisal is not for purposes of determining the amount of any assessments to be levied by the PID nor is it the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the PID.

HYPOTHETICAL CONDITIONS

Hypothetical conditions deal with factors that are known to be false but are presumed to be true for the purposes of the appraisal.

Our appraisal is subject to the following Hypothetical Conditions as of October 18, 2021:

Improvement Area #1 will include 50.791 acres and Phases 1, 2, 3, 4, and 5. Improvement Area #2 will include 71.805 acres and Phases 7, 8, and 9. Our appraisal uses the Hypothetical Condition that the planned improvements for Improvement Areas #1 and #2 and the major improvements in the district (243.846 acres) are complete as of October 18,

2021. Per the subject's Preliminary Service and Assessment Plan (dated November 18, 2021), these planned improvements include the following:

- **Street** – Includes costs associated with subgrade stabilization, concrete and reinforcing steel for roadways, testing, sidewalks, accessibility ramps, earthwork, erosion control, retaining walls, intersections, signage, and re-vegetation of all disturbed areas within the right-of-way. The street improvements will provide street access to each Lot within Improvement Area #1 and Improvement Area #2.
- **Wastewater** – Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connection, testing, related earthwork, and erosion control all necessary appurtenances required to provide wastewater service. The wastewater improvements will provide wastewater service to each Lot within Improvement Area #1 and Improvement Area #2.
- **Drainage** – Includes earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage. The drainage improvements will provide drainage service to each Lot within Improvement Area #1 and Improvement Area #2.
- **Water** – Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, and erosion control all necessary appurtenances required to provide water service. The water improvements will provide water service to each Lot within Improvement Area #1 and Improvement Area #2.

Refer to the Addenda for Entitlements Summary of completed and outstanding entitlements and Development Costs for PID qualified infrastructure items. The Hypothetical Conditions include the outstanding entitlements and planned PID infrastructure are in place as of the date of appraisal.

All required PID identification and/or signage currently exists.

These Hypothetical Conditions may affect the assignment results.

INTRODUCTION

IDENTIFICATION OF SUBJECT

366.4641 acres of land being developed as the Butler Farms Master Planned Community and located on the north side of State Highway 29, west of CR 277, Liberty Hill, Williamson County, Texas.

LEGAL DESCRIPTION

366.4641 acres out of the John B. Berry Survey, Abstract No. 56 in the City of Liberty Hill, Williamson County, Texas.

PROPERTY USE AS OF EFFECTIVE DATE OF APPRAISAL

As of the effective date of appraisal, the subject consists of land being developed into a Masterplanned Residential Community.

SALES HISTORY

Until February 2021, the subject's owners was Butler Family Partnership Ltd. for more than three years. On February 12, 2021, 366 TX 29, Ltd. acquired the subject for an undisclosed price. On February 20, 2021, 366 TX 29 Ltd. sold 95.555 acres (will be Phases 6, 7, 8, and 9) to Meritage homes of Texas, LLC and 45.954 acres (will be Phases 2, 3, 4, and 5) to JNC Development Inc. We understand that these tracts were bought as paper lot tracts for a price per front foot of paper lot of \$400. These prices were negotiated in June 2020. This was well before construction of the development started. In our opinion, the current market value for paper lots in the subject is much greater than \$400 per front foot.

REAL PROPERTY INTEREST APPRAISED

Fee simple interest.

PURPOSE OF APPRAISAL

The purpose of this appraisal is to develop an opinion of market value of the subject's fee simple interest considering the Hypothetical Conditions and Extraordinary Assumptions discussed herein.

EFFECTIVE DATE OF APPRAISAL

The effective date of this appraisal is October 18, 2021.

DATE OF APPRAISAL REPORT

The date of our appraisal report is December 1, 2021.

TYPE OF APPRAISAL REPORT

This appraisal is being reported in an appraisal report format. This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice*.

IDENTITY OF CLIENT

The client is the City of Liberty Hill and FMS Bond, Inc.

INTENDED USERS OF APPRAISAL

The intended users of the appraisal are City of Liberty Hill and FMS Bonds, Inc.

INTENDED USE OF APPRAISAL

The intended use of our appraisal is to assist the City in financing public infrastructure through the issuance of Special Assessment Revenue Bonds for the PID. The bonds will be issued in one or more series and will fund portions of the Authorized Improvements. Funds from owners of the property within the PID will fund the remainder of the Authorized Improvements.

FEE SIMPLE ESTATE DEFINITION

According to *The Dictionary of Real Estate Appraisal*, Sixth Edition, published by the Appraisal Institute, the fee simple estate is "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

MARKET VALUE DEFINITION

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and each acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

(Source: *The Appraisal of Real Estate*, 15th Edition, published by the Appraisal Institute, 2020.)

EXTRAORDINARY ASSUMPTION DEFINITION

According to the 6th Edition of The Dictionary of Real Estate Appraisal, “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

HYPOTHETICAL CONDITION DEFINITION

According to the 6th Edition of The Dictionary of Real Estate Appraisal, a hypothetical condition is “A condition that is presumed to be true when it is known to be false. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

SCOPE OF WORK

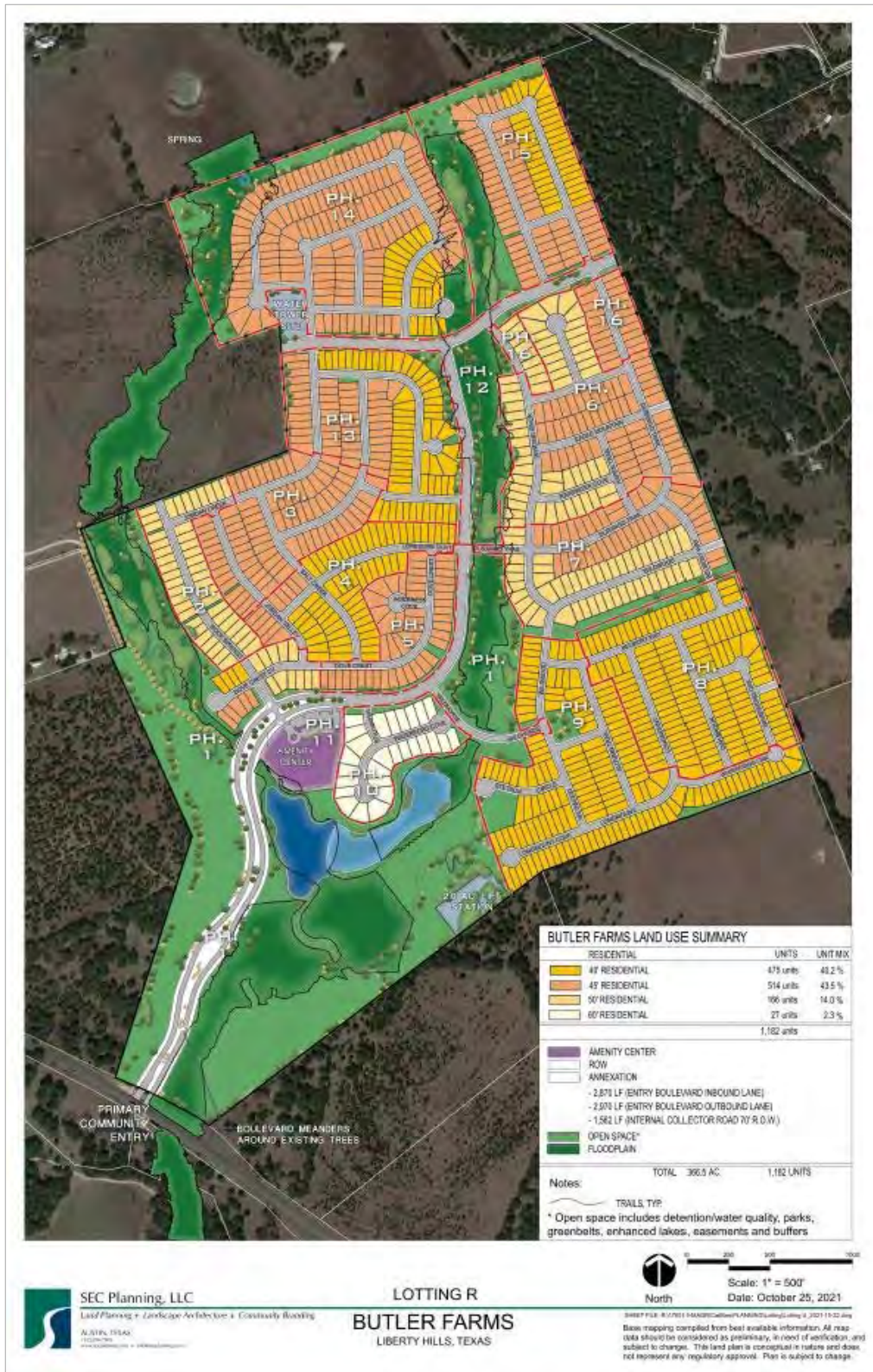
Description and Analyses Sections describing and relating data concerning the area/city, the neighborhood, and the site is undertaken to develop the pertinent market characteristics and factual data for further processing in the valuation process. The analysis of all these characteristics is developed to establish the highest and best use of the site “as vacant.”

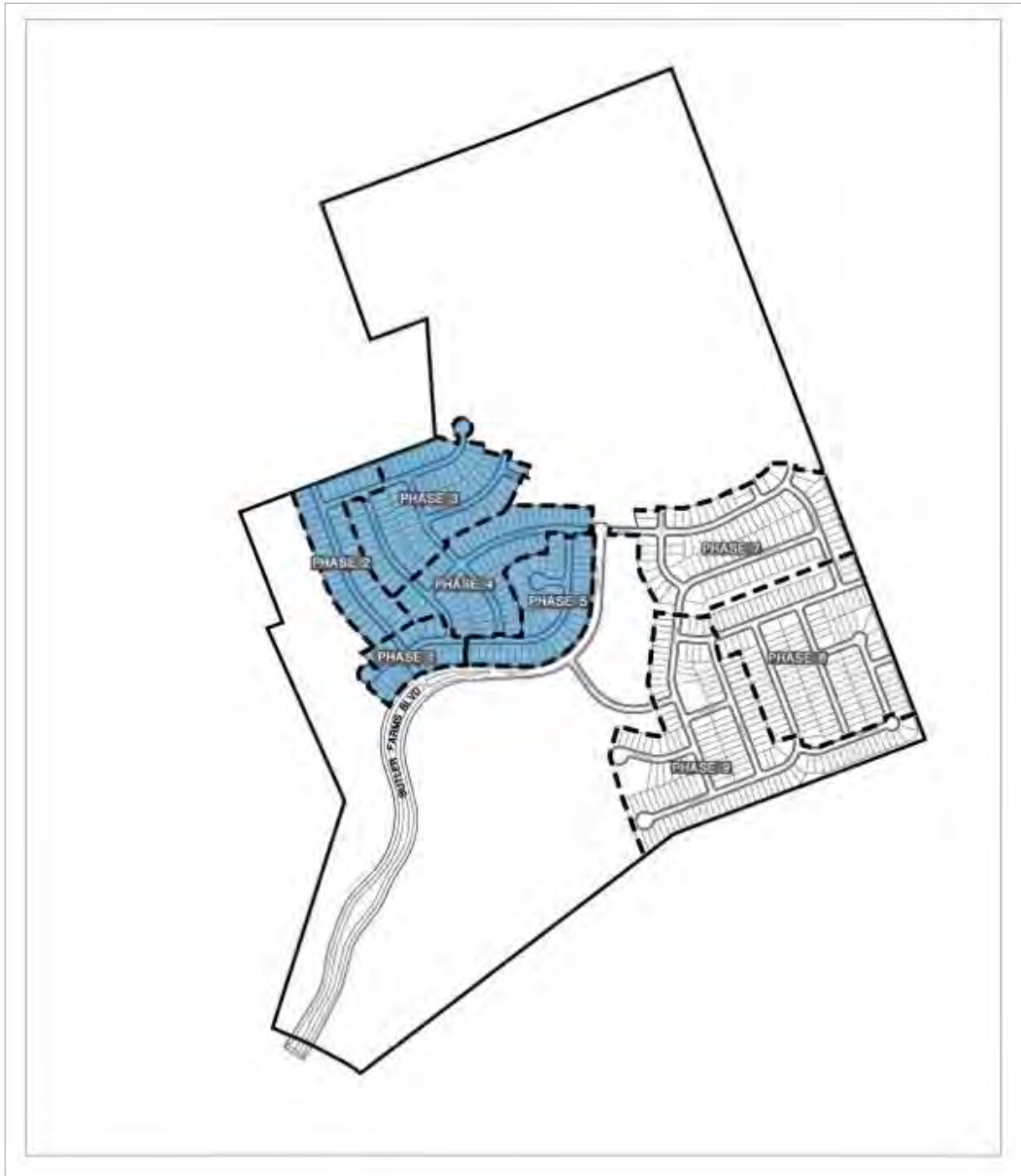
The subject will be a master planned community once developed. The following table summarizes the proposed phases, number of lots, lot sizes, property owner, if in Improvement Area #1, and how we appraised the phases.

Phase	No. of Lots	Lot Size	Owner	Major PID Improvements	Improvement Area	How Appraised
1	20	40', 45' & 50'	366 TX 29	Yes	1	Hypothetical Condition lots are complete
2	46	50'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
3	82	45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
4	70	40' & 45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
5	47	45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
6	114	45' & 50'	Meritage	Yes	No	Extraordinary assumption paper lots will be complete
7	87	45' & 50'	Meritage	Yes	2	Hypothetical Condition lots are complete
8	138	40'	Meritage	Yes	2	Hypothetical Condition lots are complete
9	151	40'	Meritage	Yes	2	Hypothetical Condition lots are complete
10	27	60'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
13	106	40' & 45'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
14	165	40' & 45'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
15	98	40' & 45'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
16	31	45' & 50'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
Total	1,182					

The next two exhibits provide an understanding of land uses of the subject and the location of Improvement Areas #1 and #2.

Butler Farms Public Improvement District





We appraised 641 lots (Phases 1, 2, 3, 4, 5, 7, 8, and 9) with the Hypothetical Condition that the lots along with all utilities, streets, and drainage are currently in place. We found bulk lot sales of similar lots. We employed the Sales Comparison Approach to develop an opinion of market value of these lots.

For the planned 541 paper lots, we used the Extraordinary Assumption that the Preliminary Plat in the Addenda is accurate. We employed the Sales Comparison Approach to develop an opinion of market value of these paper lots.

To reach an opinion of market value, we then summed our opinion of the market values of the two components using the Hypothetical Condition that the 641 lots in the Improvement Areas #1

and #2 currently exist and the market value of the planned paper lots using the Extraordinary Assumption that the Preliminary Plat in the Addenda is accurate.

In the valuation of large single family subdivisions similar to the subject with multiple phases and varying lot sizes, it is typical to use a discounted cash flow analysis to reflect the time and associated expenses with selling the lots to homebuilders. However, as will be documented later in this report, there is currently an historic level of demand for both completed lots and paper lots in the Austin region. This intense demand from builders is being driven by huge demand for housing in the region, as well as the limited supply of lots both in the region and in the subject market area. Based on this current market dynamic, as well as the finished and paper lot sales documented during the course of our research for this assignment, we did not consider it necessary to discount the estimated retail value of the subject's finished and paper lots. Rather, it was our opinion since most of the comparable sales were sold in bulk, that they indicated the current market value of the subject lots if sold in a bulk sale.

EXPOSURE TIME

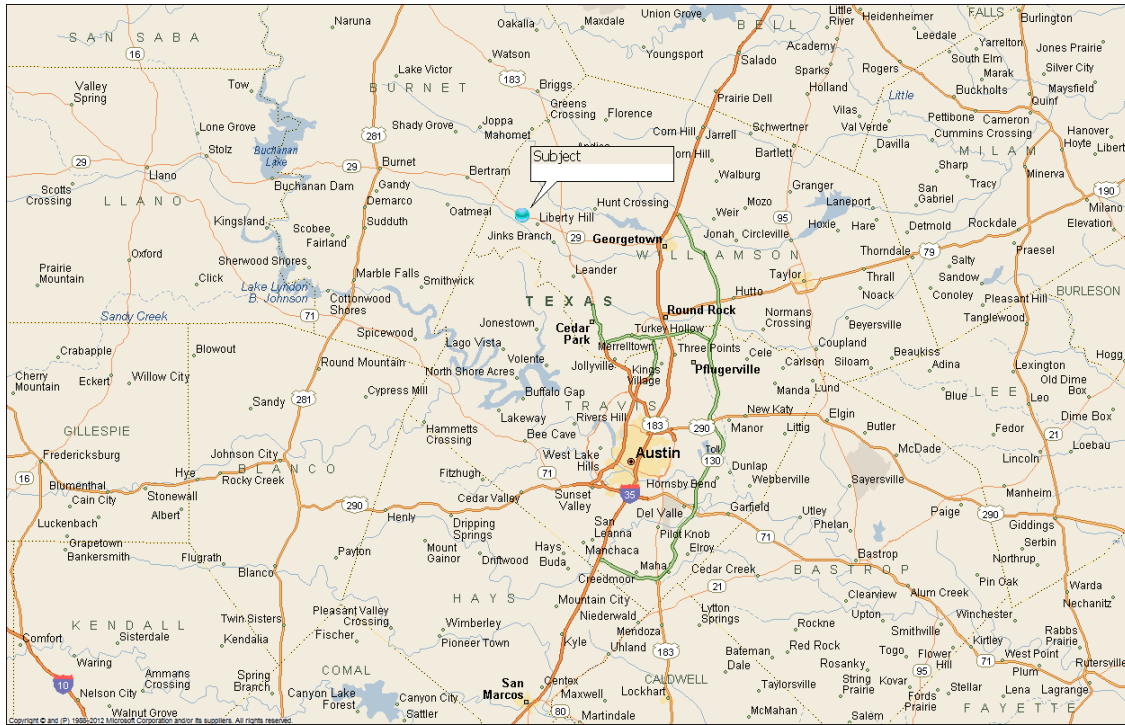
Exposure time represents the amount of time the subject property would have been anticipated to be on the market prior to the effective date of the appraisal at the appraised value. It is our opinion, given the data collected for this report, the exposure time would have been approximately one year.

MARKETING TIME

Per *The Dictionary of Real Estate Appraisal*, 6th Edition, marketing time is "An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal." We estimate the marketing time to be one year.

DESCRIPTION

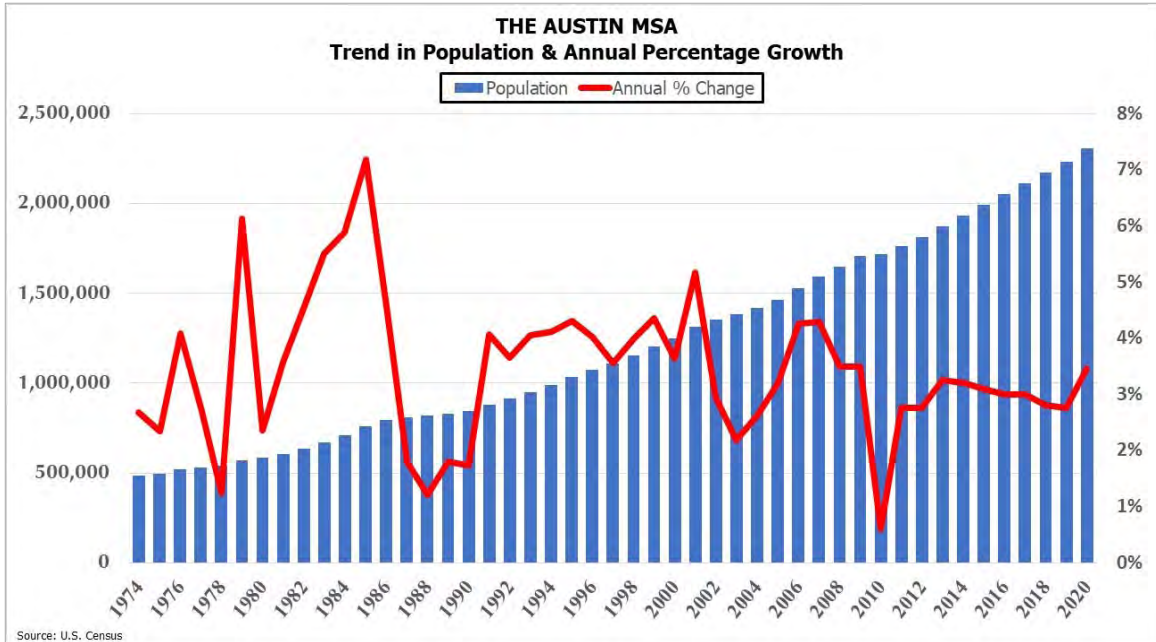
AUSTIN AREA ANALYSIS



Located in the south-central part of Texas, within the Interstate-35 Growth Corridor, the Austin-San Marcos MSA is approximately 200 miles south of Dallas-Fort Worth, 80 miles north of San Antonio, and 160 miles west of Houston. Austin is the capital of Texas and is the county seat of Travis County. The Metropolitan Statistical Area (MSA) includes Travis, Williamson, Bastrop, Hays, and Caldwell counties. On the following pages we will present an overview of the factors that influence property values in the greater Austin area.

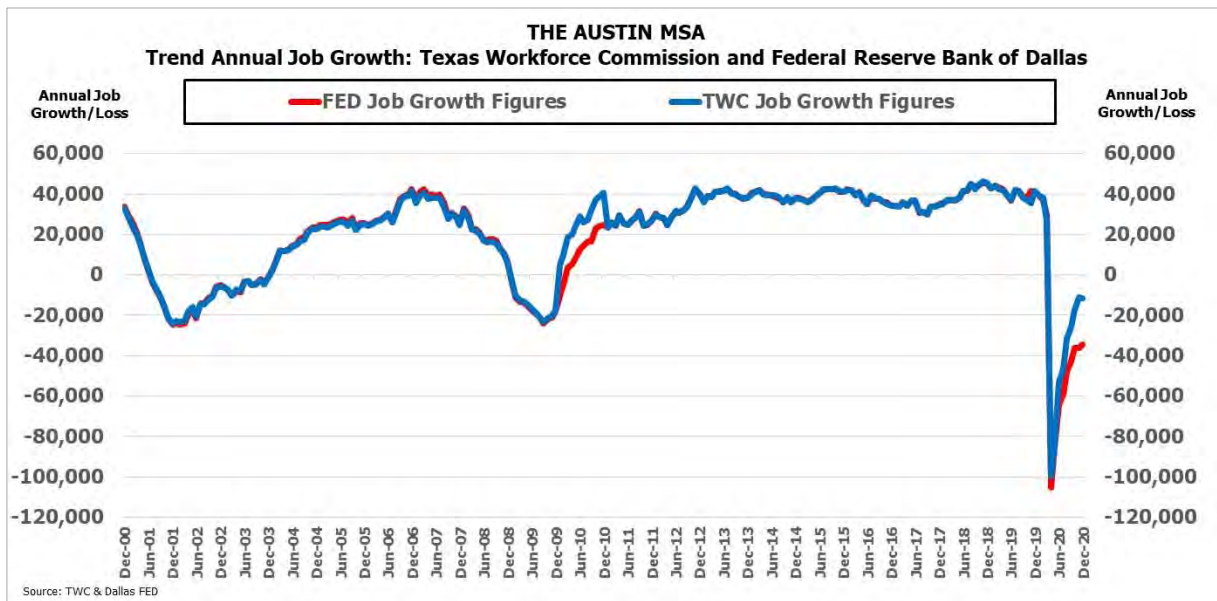
Austin MSA Population

The Austin MSA has been one of the fastest growing in the U.S. over the last several decades, exhibiting on average 3% annual population growth for over 20 years. The 2020 population estimate reflects population growth of 3.5% in the last year, which is consistent with the long-term historical averages for the region. Between 2021 and 2030 the MSA population is forecast to increase nearly 30% which translates into an annual population growth during this twelve-year period of 2.5%.



The Austin Economy

Prior to the COVID-19 Pandemic, the Austin MSA had one of the strongest economies in the U.S. Over 376,000 new jobs were created in the region from 2010 through 2019 (reflecting an average of 37,600 per year), increasing non-agricultural employment from 765,800 to over 1.1 million jobs. With the onset of the pandemic, Austin’s annual rate of job growth went from 41,000 new jobs created in the 12-months ending in December to 99,900 jobs lost in the 12-months ending in April. Like most major metropolitan areas in the U.S., the greatest percentage of jobs lost during the early months of the pandemic were in the Leisure & Hospitality and Education & Health Services categories.



Since May 2020, several key sectors of Austin’s economy have regained much of the momentum they had prior to the onset of the pandemic. The exhibit summarizes annual job growth figures through December as reported by the Texas Workforce Commission (TWC) as well as the Federal Reserve Bank of Dallas (Dallas FED). After losing 100,000 jobs during the first two months of the pandemic, many of the job losses have been erased. For the 12 months ending in December, the TWC reflects the region losing 11,500 jobs, while the Dallas FED shows the region losing 34,415 jobs. The December unemployment rate in Austin was 5.1%, down from 11.4% in May.

Although regional economists expect the Austin economy will continue to regain many of the jobs lost during the initial months of the pandemic, most forecast it will be several years before the economy regains all the jobs lost due to COVID. The most promising employment statistic included in the TWC’s December 2020 figures is the fact the annual rate of job growth in the Professional and Business Services category exceeded 10,000 jobs, a figure which is consistent with the growth this important category had been exhibiting during the most recent economic expansion in the region. Many of the area’s high-paying technology jobs are included in Professional and Business Services.

The primary catalyst for the strong employment growth in the region over the last two decades has been the technology sector, with companies such as Apple, Google, Facebook, Amazon, Oracle, Intel and Samsung growing their workforces in Austin. In turn, many of the high-paying technology jobs resulted in job gains in other service-oriented sectors.

TOP 10 PUBLIC & PRIVATE EMPLOYERS-THE AUSTIN REGION			
Rank	Company	2020 Employees	Business Type
1	State of Texas	63,900	Government
2	Univ of Tx at Austin	23,925	Higher Education
3	Dell	14,030	Information Technology
4	City of Austin	13,531	Government
5	Federal Government	13,199	Government
6	Austin ISD	11,101	Public Education
7	St. David's	10,665	Healthcare
8	Ascension Seton	10,513	Healthcare
9	Samsung	8,935	Semiconductor
10	Apple	7,000	Information Technology

Source: Austin Area Chamber of Commerce

The table summarizes the top 10 public and private employers in the Austin region, and reflects the significance the technology sector now plays in the regional economy. Austin is the seat of State government, as well as the home to the University of Texas at Austin.

Like most sun-belt cities, Austin’s major employment centers are concentrated in the downtown area as well as key suburban centers. The fact that Austin serves as the Capital of Texas and is the location of the flagship campus for the University of Texas at Austin, results in dense employment concentrations located just north of the central business district. As the exhibit on the following page suggests, Austin’s suburban employment is primarily located north, northwest, northeast and southwest of the downtown area. The primary arterials supporting

Butler Farms Public Improvement District

major employers and large concentrations of office and industrial space include IH 35, U.S. Highway 183, Ben White Boulevard, Mopac Expressway and Loop 360.

Based on historic growth patterns in the region, as well as the overall pro-growth mentality of Williamson County (located immediately north of Travis County), we expect employers and office development interests will continue to focus on this area for expansion in the coming decade. Although Hays County has not traditionally been looked to by major employers and developers to site large facilities, it will become more appealing as the drive times increase in north and northwest Austin. Now that SH 45 Southeast and SH 130 are complete, the transportation infrastructure in Hays County has been improved. Finally, Tesla's 2020 announcement they plan to employ up to 5,000 workers at their manufacturing facility in southeast Austin will result in increasing development interest in this sector which has traditionally not supported significant development activity.



Transportation Infrastructure

Although a number of new roadway projects have been built in the Austin region in the last decade, with the explosive population growth the area has experienced in recent years traffic congestion has only worsened. With limited local and state funds available to build new roads, most of the major roadway projects planned and built in recent years have been toll roads.

The six major roadway projects that have been built in the Austin region over the last decade (all of which are toll roads) include SH 130 which is located on the eastern edge of Austin and extends from Georgetown to Seguin, the 290 Toll Road that extends 6.2 miles from U.S. 183 to East Parmer Lane (immediately west of Manor), SH 45 North that extends from U.S. 183 to SH 130 in Pflugerville, SH 45 Southeast that extends from IH 35 in far south Austin to SH 130 south of Austin-Bergstrom International Airport, 45SW Toll which connects Loop 1 (Mopac Expressway) to FM 1626 in Hays County, and the 183A toll road extending from RM 620 to just south of SH 29 in Liberty Hill.



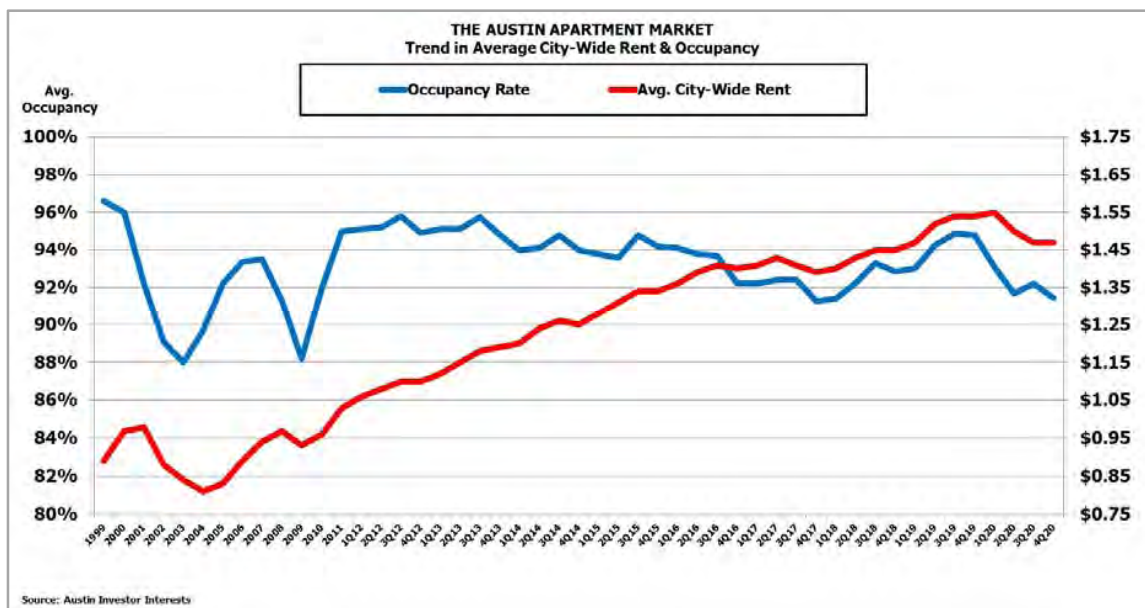
One of the most recent major roadway projects completed in the Austin region was the 11-mile Mopac Improvement Project which added two variably priced toll lanes (one northbound and one southbound) to the existing Mopac Expressway between Parmer Lane and Cesar Chavez Boulevard. Construction on this project commenced late in 2013, with the final sections of the project opening in September of 2017.

The toll road project currently under construction in the region is located in southeast Austin and is referred to as the 183 Toll Project. This \$743 million CTRMA project extends eight miles from U.S. 290 east to SH 71 just west of Bergstrom airport. The project will include the construction of three toll lanes in each direction, with non-tolled lanes in each direction as well. Construction of this project commenced in April 2016, with an estimated completion date of 2021.

THE AUSTIN METROPOLITAN STATISTICAL AREA-HOUSING

The Apartment Market

After nearly 10 years of increasing rents and strong occupancy levels, during the final three quarters of 2020 the Austin apartment market showed signs of softening. After increasing over 60% from 2010 to 2019, average market rents dropped from \$1.55 to \$1.47 per square foot from 1Q20 to 4Q20. During the same period, average occupancy dropped slightly from 93.1% to 91.5%. The two primary reasons for the slight softening in rents and occupancy levels over the last three quarters are both attributable to the pandemic. One is the fact that apartment renters, especially those living in urban apartments, have been fleeing density to purchase homes, and secondly is the fact that a higher percentage of people moving to Austin have elected to purchase a home first rather than rent.



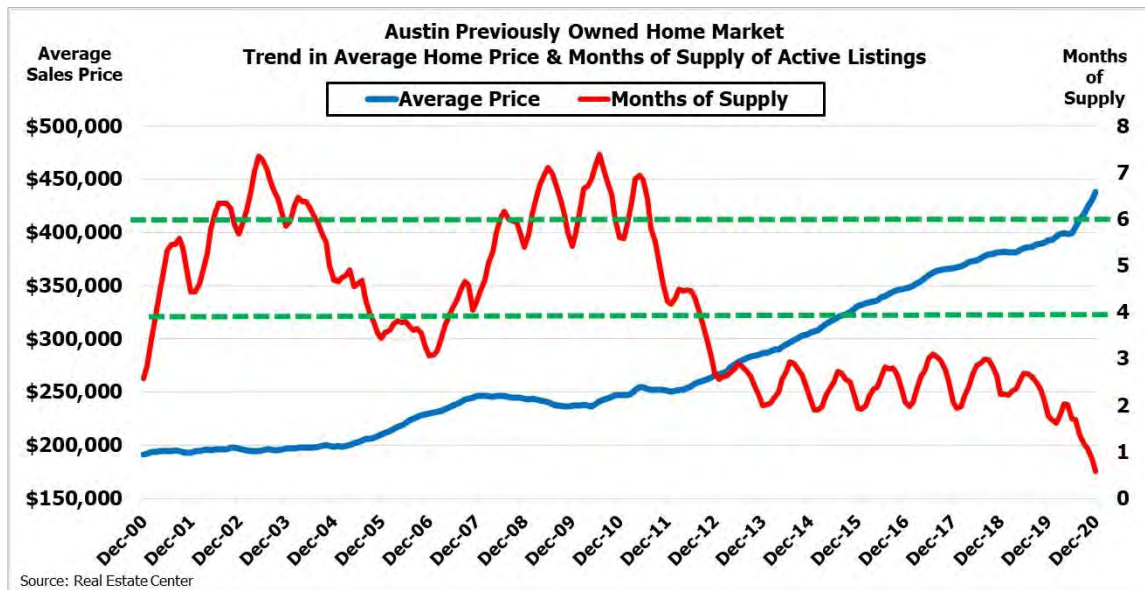
Austin Investor Interests reported in their Fourth Quarter Trends Report that average rents in Austin’s primary urban sub-markets (Central Business District, East Central, South Central and the University of Texas) all dropped in excess of 5% over the last 12 months, with almost all the drop occurring between 1Q20 and 3Q20. All four of these sub-markets also experienced drops in occupancy during the same period.

As a result of the region’s strong job and population growth over the last decade, developers added over 68,000 new units from 2013 to 2020. While strong demand resulted in most of the new units being absorbed, with the onset of the pandemic early last year absorption began to slow. Developers added over 9,300 new apartment units over the last four quarters, with only 2,212 of these new units absorbed over the same four quarters. As of 4Q20, Austin Investor Interests reported there were over 26,000 apartments under construction in the region.

Until the pandemic subsides, it is likely the Austin apartment market will remain bifurcated, with suburban sub-markets outperforming urban markets.

The Previously Owned Home Market

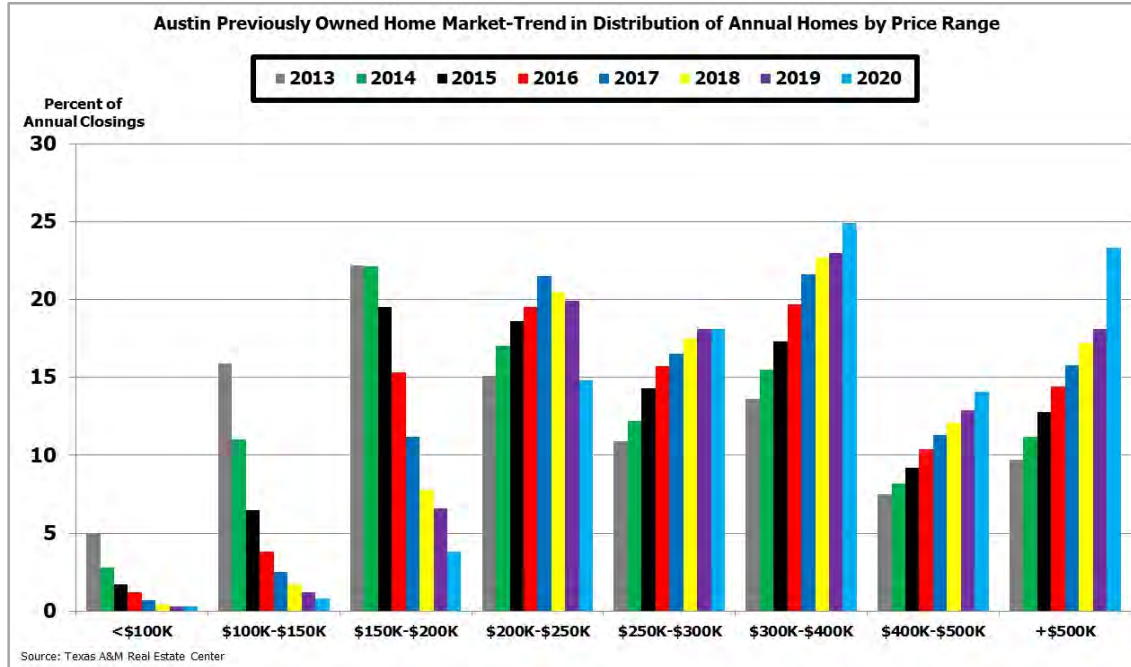
The market for previously owned homes in the Austin region has been strong for over nine years, and while sales slowed during the first few months of the pandemic, like many other markets across the U.S. the demand for homes has surged in recent months resulting in even tighter inventory levels and even more rapid increases in pricing than were documented in recent years. The sharp increase in home sales (both resale and new homes) in the Austin region in recent months has been the result of several factors, the most significant of which are strong in-migration from other parts of the U.S., the desire for more space (both indoor and outdoor), and historically low mortgage interest rates.



Equilibrium months of supply for resale inventory is generally four to six months, and as the exhibit suggests the Austin market has been below this level for many years, with this indicator dropping to new lows over the last few months. The result of this most recent drop in inventory relative to demand was not just increasing pricing, but a spike in home prices during the last half of 2020.

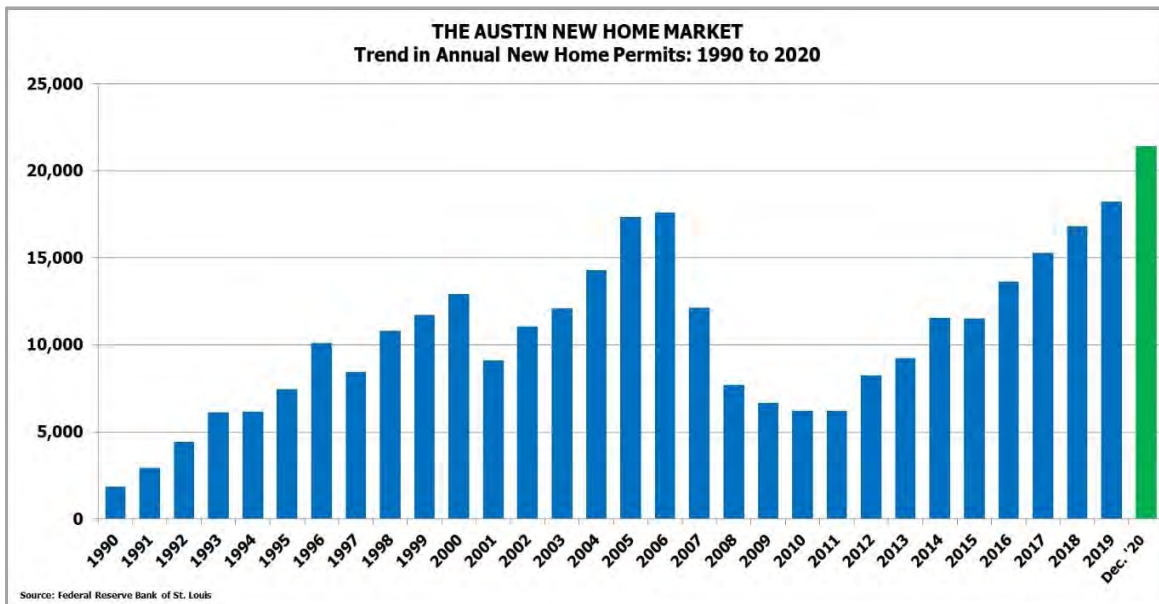
The average price of a previously owned home (SF, TH and Condo) in Austin increased over 11% in 2020 and now stands at \$438,200, while the median price of a single-family home was up nearly 16% in the last year to \$370,000. The average price is up 32% in the last five years, while the median price is up 37% in the last five years.

Based on year-end 2020 figures, the largest segment of the Austin resale market is represented by homes selling in the \$200,000 to \$300,000 price range (33%), followed by the \$300,000 to \$400,000 price range (25%). Ten years ago, over 35% of all resale homes in Austin sold at prices below \$150,000, while in 2020 this price segment represented just over 1% of all resales in the market. The primary explanations for the decrease in sales in the lower price ranges include the recent appreciation in overall pricing due to the extreme imbalance in the supply/demand for homes, as well as increased costs associated with land, entitlements, fees and construction costs (as all new home sales eventually enter the market as previously owned homes).



The New Home Market

Like the market for previously owned homes, new home sales dropped in March and April with the onset of the pandemic, with the pace of sales surging since early May. The most recent single-family permit statistics indicate there were 21,427 permits issued in the region in 2020, representing a record high as well as an 18% increase in permits issued compared to the previous year. Similar to the resale market, demand for new homes was driven by the desire for more space, renters fleeing apartments, low interest rates, as well as strong in-migration from other parts of the U.S.

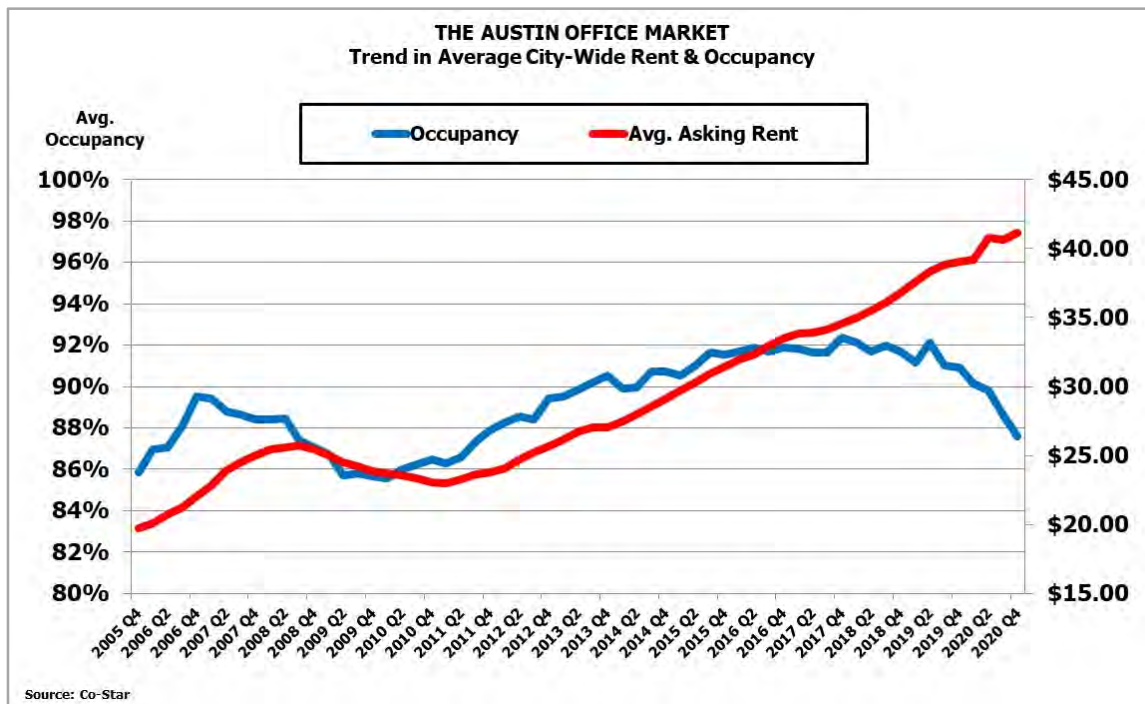


Although there continue to be pockets of new home construction within the City of Austin, new home activity is strongest in sub-markets outside the City. According to statistics from Zonda, the top five sub-markets for new home starts in 2020 were Cedar Park/Leander (2,902), Kyle/Buda (1,982), Pflugerville (1,928), Liberty Hill (1,878), and Del Valle (1,494). These five areas accounted for over 40% of all new home starts in the Austin region in the last year. New home pricing information from Zonda for 2020 indicated that just under 50% of all new home starts in 2020 were priced below \$300,000. Builders generally reported they could have sold more homes in 2020 but were held back by a lack of finished lots as well as production limitations.

AUSTIN’S COMMERCIAL REAL ESTATE SECTORS

The statistics referenced below for the Austin office, industrial and retail markets was provided by Co-Star which is an international real estate information company that conducts quarterly surveys of the commercial sectors in the Austin market. While all three of the primary commercial sectors exhibited strong fundamentals heading into the pandemic, their performance has been unequal in recent months with the office market showing the biggest changes.

The Office Market

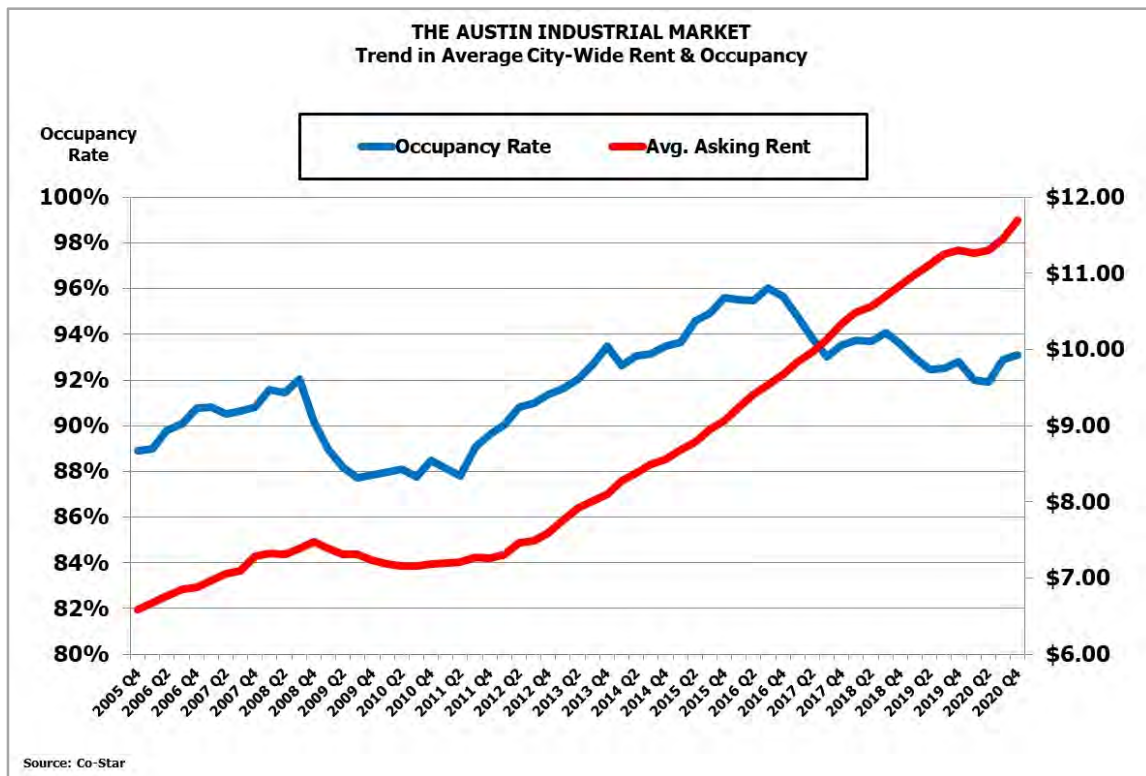


As the exhibit suggests, the dynamics in the Austin office market remained strong from the beginning of the most recent cycle until the onset of the pandemic, with stable occupancy rates and continued increases in overall rental rates resulting from more demand for office space than available supply. As of year-end 2020, the Austin market included nearly 115 million square feet of office space, with 8.8 million square feet now under construction (approximating 7.7% of total supply).

Overall average asking rents for office space were \$41.16 per square foot in 4Q20, up over \$2/SF from 4Q19. Conversely, overall occupancy rates were 87.6% in 4Q20, down from 90.9% in 4Q19. Average rents increased during the year as a result of new deliveries of Class “A” supply. Occupancy rates declined due to net absorption dropping from 1.5 million square feet in 2019 to (875,000) square feet in 2020, as well as sub-lease space increasing from 1.8 million square feet in 4Q19 to nearly 2.5 million square feet in 4Q20.

With many of the region’s major employers instituting work from home policies for their employees, as well as electing to pause hiring due to uncertainty associated with the pandemic, we anticipate there will be an increasing volume of sub-lease space available in the market in the quarters to come (due to a combination of fewer leases executed and companies deciding they do not yet need space they leased in yet unfinished buildings). The result of more sub-lease space and less leasing activity will be increasing vacancy rates and lower rents as we move through 2021.

The Industrial Market

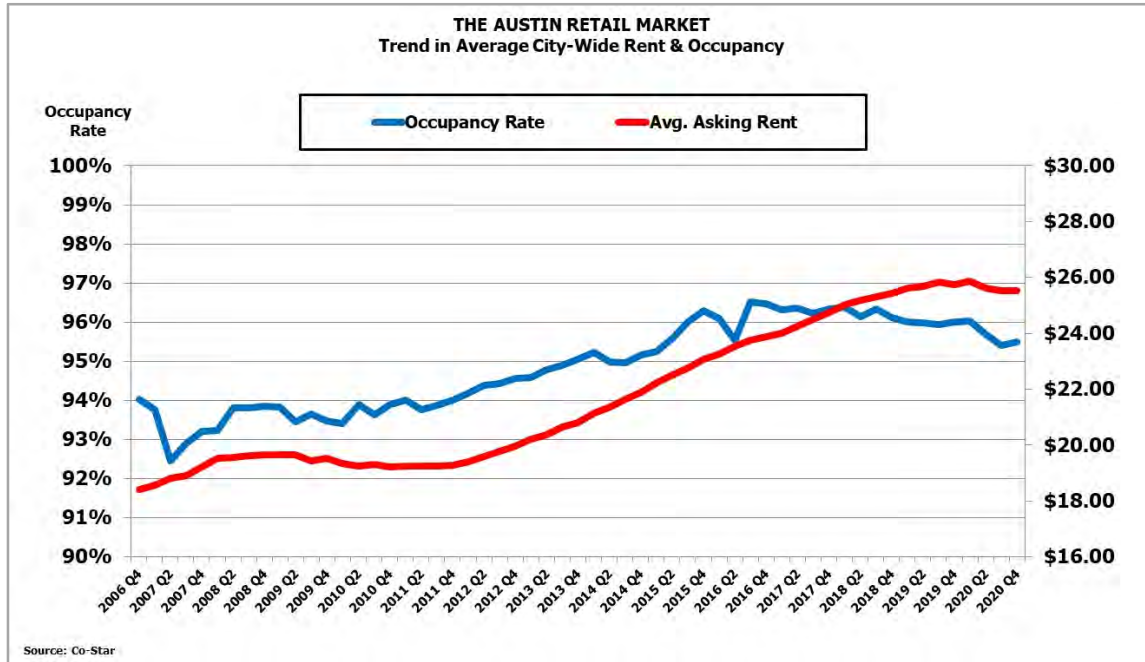


Like the office market, the industrial sector in Austin has been strong in recent years with significant increases in overall rents over the last approximately eight years. Co-Star reports indicate the total supply of industrial space in the Austin market is approximately 108 million square feet, with 11.5 million square feet currently under construction (representing 10% of total space in the market). Co-Star reported net absorption of 3.3 million square feet in 2020.

Since the onset of the pandemic, the industrial market has out-performed both the office and retail sectors. The two primary reasons for this include the explosion of e-commerce in recent

months which has led to logistics operations increasing their footprint of bulk space, as well the demand for more space from the construction sector, especially companies supplying the new home industry.

The Retail Market



While in recent years the retail sector has slowed in many metropolitan areas across the U.S., in Austin the strong job and population growth during the current economic expansion have helped keep the retail market strong in the region. Co-Star reports that overall market occupancy rates for retail space in the Austin market have remained above 95% for the last eight years, with average asking rents increasing during most of this period as well. What also sets Austin apart from many cities in the U.S. is the fact the region is still seeing new construction of retail space catering to its increasing population. Co-Star reported in their 4Q20 survey that just over one million square feet of retail space was under construction in the region. Annual absorption of retail space approximated 850,000 square feet in the twelve months ending in 4Q20.

Of the three major commercial real estate sectors, the pandemic will likely have the greatest impact on retail. Most retail businesses in the region were effectively closed from mid-March through early May, which undoubtedly strained the ability of many businesses to stay current on rent obligations. Compounding the challenge for retailers has been the acceleration in the shift from brick and mortar sales to on-line sales. It is too early to determine what long term impact the pandemic will have on the retail sector in Austin, but strong market conditions going in will certainly soften the blow of the pandemic on the retail market in the Austin area.

Summary

For decades the State of Texas and the University of Texas were primary drivers for the Austin economy. Over the last approximately 25 years the region’s economy transformed into one of the

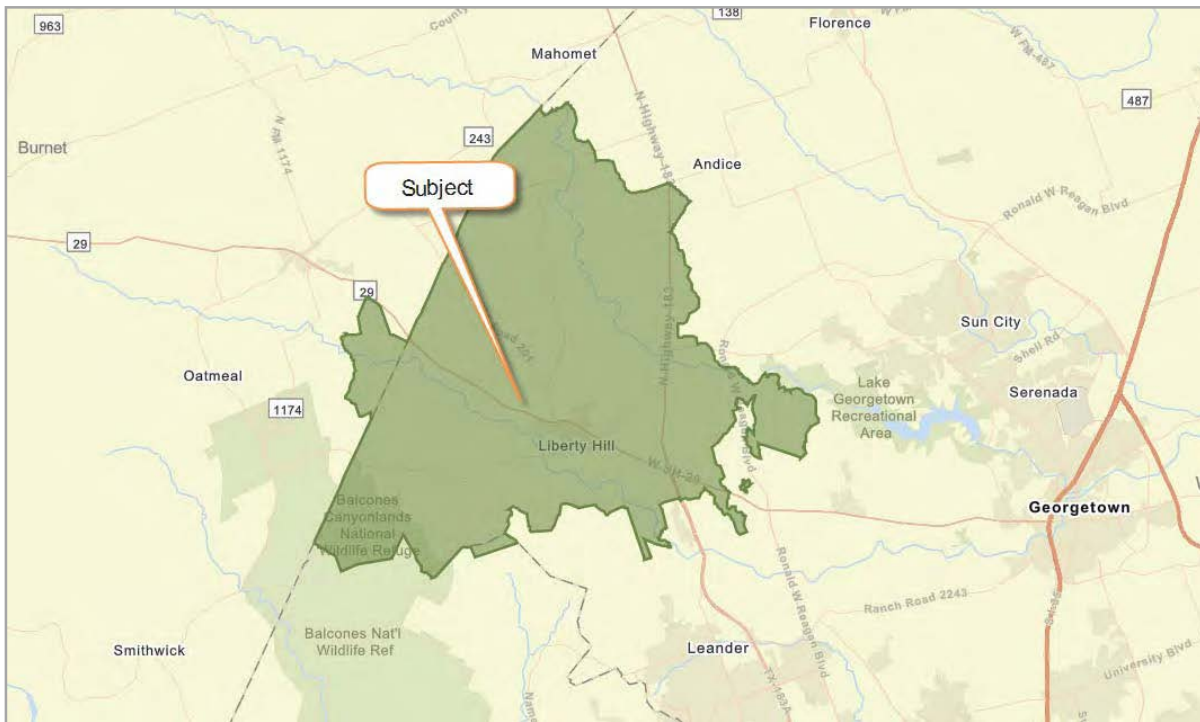
leading technology centers in the nation. What started as major chip manufactures (IBM, Motorola, 3M, TI, Applied Materials, Samsung and others) beginning to locate facilities in Austin, followed by the growth of Dell Computer in the late 1990s, morphed into significant growth in recent years by companies such as Apple, Facebook, Google, Amazon, Tesla, Oracle, and more. The result of this corporate expansion into the Austin region has been explosive job and population growth since the beginning of the most recent cycle, which led to strong market conditions for all commercial property types, as well as the residential sectors.

Although the shutdowns resulting from the pandemic had a sudden and negative impact on the local economy, especially in the Leisure & Hospitality and Retail Trade sectors, recent statistics from the Texas Workforce Commission suggest the local economy has rebounded sharply in recent months. From a real estate perspective, so far the impacts of the pandemic have not been consistent. While the market for single-family homes has accelerated in recent months, the demand for urban apartments has slowed. While market conditions for most forms of industrial space remain strong, the demand for office and retail space have moderated. Looking at long-term trends, it is looking increasingly likely the region's real estate markets will benefit from companies (as well as their employees) looking to relocate from dense environments on the east and west coasts to suburban markets such as Austin.

NEIGHBORHOOD ANALYSIS

A neighborhood can be considered as a part of a larger city or community wherein there is a tendency towards the grouping of land utilization. As defined in the 15th Edition of *The Appraisal of Real Estate*, 2020, “The boundaries of market areas, neighborhood, and districts identify the areas that influence a subject property’s value.” A neighborhood may be an urban or suburban development, which may include residential, commercial, industrial or other land uses that are generally characterized as being homogeneous in some respects and include a unified area with some definite boundaries.

The purpose of a neighborhood analysis is to provide a bridge between the study of general influences on all property values and the analysis of a particular subject. Neighborhood boundaries are identified by determining the area in which the four forces which effect value (social, economic, government and environmental) operate in the same way they effect the subject property.



For the neighborhood boundaries, we used ZIP code 78642. This ZIP code boundary is somewhat similar to the boundaries of Liberty Hill I.S.D.

Liberty Hill is northwest of Austin. Primary north-south access in the area is provided by U.S. Highway 183. This highway traverses the county from north to south and provides access to Austin. The nearest interstate highway, IH-35, is approximately 15 miles east of the city. State Highway 29 and FM 2243 (south of Liberty Hill) connect the area to IH-35 to the east.

Butler Farms Public Improvement District

The following table provides a summary of the neighborhood’s demographics in the Neighborhood Analysis (all demographic data from 2021 and 2026 projections is from Site To Do Business).

Summary	Census 2010	2021	2026
Population	9,361	15,018	17,960
Households	3,187	5,275	6,347
Families	2,637	4,296	5,150
Average Household Size	2.90	2.82	2.81
Owner Occupied Housing Units	2,799	4,780	5,791
Renter Occupied Housing Units	388	495	556
Median Age	38.7	39.9	39.8

Trends: 2020 - 2025 Annual Rate	Area	State	National
Population	3.64%	1.54%	0.71%
Households	3.77%	1.53%	0.71%
Families	3.69%	1.49%	0.64%
Owner HHs	3.91%	1.79%	0.91%
Median Household Income	1.23%	2.15%	2.41%

The area’s median age of 38.7 is older than the state’s median age of 35.3. This is primarily due to the subject’s neighborhood was once a rural ranching community in the Texas Hill Country. Growth in Williamson County and Travis County is helping Liberty Hill’s economy diversify. The neighborhood’s population is increasing at a faster rate than Texas and the country.

Households by Income	2021		2026	
	Number	Percent	Number	Percent
Household Income Base	5,275	100%	6,347	100%
<\$15,000	166	3.1%	159	2.5%
\$15,000-\$24,999	257	4.9%	254	4.0%
\$25,000-\$34,999	165	3.1%	166	2.6%
\$35,000-\$49,999	433	8.2%	447	7.0%
\$50,000-\$74,999	859	16.3%	960	15.1%
\$75,000-\$99,999	596	11.3%	707	11.1%
\$100,000-\$149,999	1,180	22.4%	1,534	24.2%
\$150,000-\$199,999	736	14.0%	1,032	16.3%
\$200,000+	883	16.7%	1,088	17.1%
Median Household Income	\$104,500		\$111,072	
Average Household Income	\$130,524		\$141,172	
Per Capita Income	\$45,858		\$49,900	

The area’s median household income (MHI) is 64.5% greater than the state’s MHI; average household income for the subject’s area compared to the State of Texas is 44.8% greater; and per capita income in the area is 43.3% greater than the state’s average.

Butler Farms Public Improvement District

Population by Age	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	557	6.0%	837	5.6%	1,032	5.7%
5 - 9	735	7.9%	967	6.4%	1,141	6.4%
10 - 14	954	10.2%	1,180	7.9%	1,337	7.4%
15 - 19	730	7.8%	1,074	7.2%	1,205	6.7%
20 - 24	305	3.3%	798	5.3%	772	4.3%
25 - 34	904	9.7%	1,718	11.4%	2,381	13.3%
35 - 44	1,485	15.9%	1,933	12.9%	2,359	13.1%
45 - 54	1,594	17.0%	2,113	14.1%	2,221	12.4%
55 - 64	1,125	12.0%	2,135	14.2%	2,374	13.2%
65 - 74	650	6.9%	1,426	9.5%	1,872	10.4%
75 - 84	255	2.7%	687	4.6%	1,046	5.8%
85+	67	0.7%	150	1.0%	220	1.2%

Housing Units by Occupancy Status and Tenure	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	3,432	100.0%	5,405	100.0%	6,468	100.0%
Occupied	3,187	92.9%	5,275	97.6%	6,347	98.1%
Owner	2,799	81.6%	4,780	88.4%	5,791	89.5%
Renter	388	11.3%	495	9.2%	556	8.6%
Vacant	245	7.1%	130	2.4%	121	1.9%

The area has a small percentage of vacant homes. A significant percentage of the area's homes are occupied by owners.

Owner Occupied Housing Units by Value	2021		2026	
	Number	Percent	Number	Percent
Total	4,780	100.0%	5,791	100.0%
<\$50,000	67	1.4%	16	0.3%
\$50,000-\$99,999	83	1.7%	22	0.4%
\$100,000-\$149,999	82	1.7%	35	0.6%
\$150,000-\$199,999	239	5.0%	136	2.3%
\$200,000-\$249,999	525	11.0%	455	7.9%
\$250,000-\$299,999	427	8.9%	509	8.8%
\$300,000-\$399,999	1,133	23.7%	1,510	26.1%
\$400,000-\$499,999	1,240	25.9%	1,836	31.7%
\$500,000-\$749,999	830	17.4%	1,119	19.3%
\$750,000-\$999,999	97	2.0%	99	1.7%
\$1,000,000-\$1,499,999	26	0.5%	25	0.4%
\$1,500,000-\$1,999,999	27	0.6%	24	0.4%
\$2,000,000+	4	0.1%	5	0.1%
Median Value	\$385,349		\$411,574	
Average Value	\$406,370		\$431,320	

Butler Farms Public Improvement District

The subject neighborhood is a bedroom community (i.e., most people living in the area commute to work). According to CensusReport.org, the mean drive time to work for the neighborhood is 34.6 minutes. This drive time is 28% longer than the mean drive time for the Austin-Round Rock Metro Area.

The data in the following table is from Texas Education Agency (TEA) from 2020 (most recent available).

Texas Education Agency School District Performance Comparison -- 2020							
School District	Total Student Enrollment	Annual Dropout Rate (9-12)	4 Year Graduation Rate (9-12)	Avg. SAT Score	Avg. ACT Score	Avg. Teacher Salary	Avg. Annual Teacher Turnover
Georgetown	12,128	0.50%	95.5%	1,021	23	\$53,028	17.40%
Jarrell	2,105	0.00%	96.8%	1,009	20	\$51,783	18.50%
Florence	1,099	2.20%	92.5%	929	19.5	\$53,007	23.20%
Round Rock	50,748	0.30%	96.7%	1,125	25.7	\$55,688	14.10%
Hutto	8,119	0.70%	96.3%	1,076	21.3	\$53,203	19.70%
Pflugerville	263,535	0.30%	97.9%	1,088	18.5	\$55,162	18.00%
Liberty Hill	4,869	0.50%	97.2%	1,143	23.6	\$51,546	14.60%
Leander	41,277	0.10%	98.9%	1,167	23.5	\$55,830	15.10%
Austin	80,718	0.80%	94.5%	1,126	23.5	\$54,707	17.50%
State of Texas	N/A	1.90%	90.0%	1,027	20.6	\$57,091	16.80%

Source: Texas Education Agency

Liberty Hill ISD is one of the smallest school districts in the Austin-Round Rock metro area. The district’s annual dropout rate, graduation rate, average SAT score, and average ACT score are generally similar with averages from the metro area and better than statewide numbers. Average teacher salary is less than the metro’s average and the statewide average. Liberty Hill’s average annual turnover rate is less than the averages in the metro area and statewide.

The next table shows the education attainment for persons 25 and older.

2021 Population 25+ by Educational Attainment	
Total	10,162
Less than 9th Grade	3.1%
9th - 12th Grade, No Diploma	3.9%
High School Graduate	21.7%
GED/Alternative Credential	4.7%
Some College, No Degree	23.9%
Associate Degree	8.5%
Bachelor's Degree	24.1%
Graduate/Professional Degree	10.1%

Source: Site To Do Business

The subject neighborhood’s population has 35.2% to attain a bachelor or graduate degree. The Austin-Round Rock attainment of bachelor or graduate degree is 46.0%.

The next table shows the neighborhood’s percentages of population employed by occupation:

2021 Employed Population 16+ by Occupation	
Total	7,395
White Collar	66.8%
Management/Business/Financial	20.4%
Professional	22.4%
Sales	10.7%
Administrative Support	13.3%
Services	13.5%
Blue Collar	19.7%
Farming/Forestry/Fishing	0.0%
Construction/Extraction	6.2%
Installation/Maintenance/Repair	3.0%
Production	3.9%
Transportation/Material Moving	6.6%

Source: Site To Do Business

The neighborhood’s percentage of white collar, services, and blue collar employment percentages are somewhat similar to the metro area’s percentages (71.2%, 12.7%, and 16.1%), respectively.

Residential Market

Home prices in the local market have been increasing significantly in recent years. The following tables show the mean and median prices and year over year percentage changes for the Austin-Round Rock MSA and Williamson County.

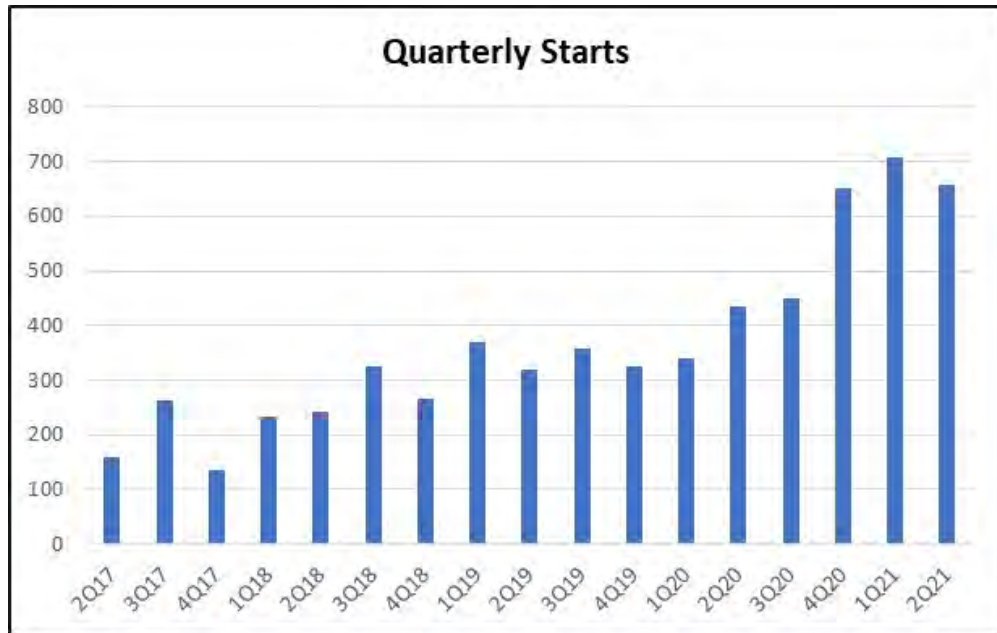
Austin-Round Rock MSA

Period	Average Price	% Change	Median Price	% Change
Sep-19	\$396,237	--	\$316,619	--
Sep-20	\$452,165	14.1%	\$350,318	10.6%
Sep-21	\$564,484	24.8%	\$450,000	28.5%

Williamson County

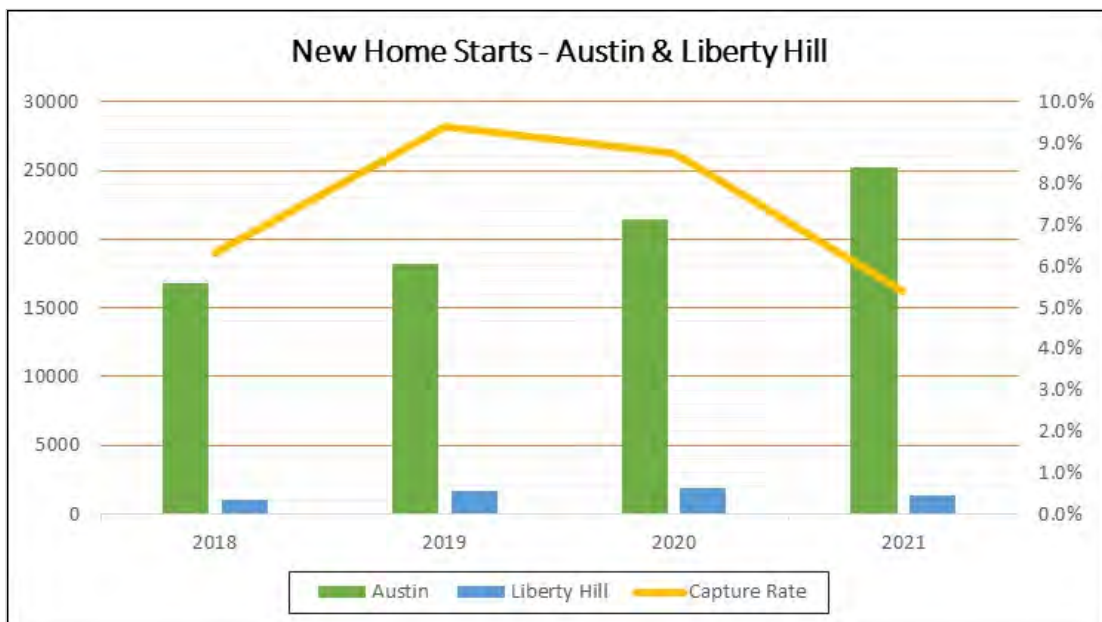
Period	Average Price	% Change	Median Price	% Change
Sep-19	\$317,911	--	\$291,302	--
Sep-20	\$350,157	10.1%	\$316,284	8.6%
Sep-21	\$479,372	36.9%	\$435,000	37.5%

The following graph (Source: Zonda Home) shows the trend of new home starts in Liberty Hill (5-mile radius from SH 29 and FM 1869).



Between Second Quarter 2017 and First Quarter 2020, the number of quarterly starts ranged from 134 to 370 with an average of 278 starts. Since Second Quarter 2020, the number of starts has been 436 to 707; the average has been 580 starts.

The following chart shows new home starts in Austin and Liberty Hill, along with Liberty Hill's capture rate. The source of this data is the Texas A&M Real Estate Center and Zonda Home.



Butler Farms Public Improvement District

The next table shows the subdivisions with the greatest monthly absorption in the area.

Subdivision	Builders	Minimum Price (\$1000)	Maximum Price (\$1000)	Lot Sizes	Monthly Absorption	No. of Recent Quarters Active
Larkspur	DR Horton/Gehan/MileStone Community Builders	\$220	\$562	40'-70'	30.3	9
Santa Rita Ranch/South	CastleRock/Coventry/Pulte/Westin	\$180	\$680	40'-60'	16.7	9
Liberty Parke	LGI	\$271	\$329	45'	14	9
Santa Rita Ranch/Tierra Rosa	Empire Communities/Highland/Lennar/Perry/Scott Felder/Sitterle	\$200	\$950	40'-105'	13.2	9
Wildleaf	DR Horton	\$305	\$397	45'	9.9	7
Summerlyn	Centex	\$277	\$398	40'-50'	8.9	6
Orchard Ridge	Ashton Woods/CastleRock/Dream Finders/GFO Home/Lennar/Pacesetter	\$240	\$680	40'-70'	8.7	9
Stonewall Ranch	Taylor Morrison	\$227	\$454	40'-50'	7	9
Mockingbird Park	Ashton Woods	\$267	\$433	40'-50'	5.7	4
Deerbrooke	Century Communities/Chesmar/Gehan/GFO/JC Thompson/Meritage/Monticello/Perry/Sitterle	\$230	\$628	40'-70'	5.5	9

Source: Zonda Home

According to data from Zonda Home, the top five submarkets for new home starts in 2020 were as follows:

Submarket	Starts
Cedar Park/Leander	2,902
Kyle/Buda	1,982
Pflugerville	1,928
Liberty Hill	1,878
Del Valle	1,494

The next table shows a portion of the future lot supply in the area (subdivisions with 200 or more lots).

Subdivision Name	Lot Sizes	Future No. of Lots
Santa Rita Ranch/Futures	50'-60'	4,038
Butler Farms	40'-60'	1,700
Northgate Ranch/SF	45'-80'	1,521
Santa Rita Ranch/Regency	N/A	1,079
Larkspur	40'-70'	402
Deerbrooke	40'-70'	230
Total		8,970

Source: Zonda Home

Zonda Home reports the subject's future number of lots as 1,700. This number appears to be incorrect.

Conclusion

The subject neighborhood is a bedroom community surrounding Liberty Hill. Until recently, the neighborhood was considered primarily a rural community. The area has strong MHI (27.4% greater than the Austin-Round Rock Metro Area). The area's population is small, but the projected growth rate is strong. It appears that affordable housing is the driving force of the population increase. With most areas closer to Austin, including Leander, Cedar Park, and Round Rock moving toward built-out, persons searching for affordable housing need to search farther from the center of Austin. We expect this trend to continue into the future.

Butler Farms Public Improvement District

Exposure/Visibility: Good.

Topography/Drainage: Undulating

Utility Status: The Hypothetical Conditions considers all utilities (water, sewer, and electricity) are connected to the subject tract and the 641 finished residential finished lots in Phases 1, 2, 3, 4, 5, 7, 8, and 9.

Easements/Encumbrances: Typical PUEs

Environmental Concerns: Horizon Environmental Services, Inc. completed a Phase 1 ESA of the subject. Horizon concluded that the property has no evidence of recognized environmental conditions.

Surrounding Property Uses: Rural land, single family residential, some commercial and industrial, and Liberty Hill High School.

Existing Improvements: None of value.

Planned Development: Plans are to put the subject in a newly created Public Improvement District (PID). The subject is subject to a development agreement and a zoning ordinance (18-O-115). The PID does not govern planned development. The masterplan of the development within the PID will include:

Phase	No. of Lots	Lot Size	Owner	Major PID Improvements	Improvement Area	How Appraised
1	20	40', 45' & 50'	366 TX 29	Yes	1	Hypothetical Condition lots are complete
2	46	50'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
3	82	45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
4	70	40' & 45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
5	47	45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
6	114	45' & 50'	Meritage	Yes	No	Extraordinary assumption paper lots will be complete
7	87	45' & 50'	Meritage	Yes	2	Hypothetical Condition lots are complete
8	138	40'	Meritage	Yes	2	Hypothetical Condition lots are complete
9	151	40'	Meritage	Yes	2	Hypothetical Condition lots are complete
10	27	60'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
13	106	40' & 45'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
14	165	40' & 45'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
15	98	40' & 45'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
16	31	45' & 50'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
Total	1,182					

PIDs are economic tools to fund public improvements benefiting the area within the PID.

The construction budget for the horizontal development costs are in the Addenda.

APPRAISED VALUE AND REAL ESTATE TAXES

The Williamson Central Appraisal District (WCAD) appraises the real property for each of the following taxing jurisdictions. The following chart illustrates the 2021 tax rates per \$100 for each of the taxing entities.

Taxing Authority	2021 Tax Rate
City of Liberty Hill	\$0.45456
Liberty Hills ISD	\$1.36200
Williamson County	\$0.40085
Williamson County - FM/RD	\$0.04000
Williamson County ESD #4	\$0.08316
Total	\$2.37127

The subject's 2021 appraised market value (i.e., excludes ag use reduction) is \$7,944,276 (\$21,678 per acre). The 2021 assessed value considering the ag use reduction is \$4,764. The subject's 2020 appraised value was \$4,367,319 (\$11,917/acre). The 2020 assessed value considering the ag use reduction was \$11,360.

There are no delinquent taxes on the subject.

ANALYSES

HIGHEST AND BEST USE ANALYSIS

The term highest and best use, as used in this appraisal report and defined by *The Appraisal of Real Estate*, 15th Edition, Appraisal Institute, 2020, is:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value."

A distinction is made between the highest and best use of the land or site as though vacant and the highest and best use of the property as improved.

Highest and best use of the land as though vacant: Among all reasonable, alternative uses, the use that yields the highest present land value after payments are made for labor, capital, and entrepreneurial coordination.

Highest and best use of property as improved: The use of a property, as improved, that will maximize its value.

There are two types of highest and best use. The first type is highest and best use of land or a site as though vacant. The second is highest and best use of a property as improved. Each type requires a separate analysis. Moreover, in each case, the existing use may or may not be different from the site's highest and best use. When a site contains improvements, the highest and best use may be determined to be different from the existing use. Analysis of the highest and the best use of a property as improved implies that a property as improved may be continuation of the existing use, renovation or rehabilitation, expansion, adaptation, or conversion to another use, partial or total demolition, or some combination of these alternatives.

Highest and Best Use - As Vacant

Physically Possible

The subject property is a vacant tract of land located on the north side of State Highway 29, west of CR 277 in Liberty Hill. The area of the tract is 366.4641 acres. As previously discussed, our appraisal uses the following Hypothetical Conditions:

- PID infrastructure currently exists.
- Entitlements for the planned development currently exists.
- 641 residential lots in eight phases currently exists and are ready for vertical construction, as well as water quality ponds, amenity center, and greenbelt.

We use an Extraordinary Assumption that 541 planned lots are preliminary platted (i.e., paper lots) and the lot count is accurate (see Addend).

The subject phases as subdivided include the following number of lots and areas:

Butler Farms Public Improvement District

Phase	No. of Lots	Lot Size	Owner	Major PID Improvements	Improvement Area	How Appraised
1	20	40', 45' & 50'	366 TX 29	Yes	1	Hypothetical Condition lots are complete
2	46	50'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
3	82	45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
4	70	40' & 45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
5	47	45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
6	114	45' & 50'	Meritage	Yes	No	Extraordinary assumption paper lots will be complete
7	87	45' & 50'	Meritage	Yes	2	Hypothetical Condition lots are complete
8	138	40'	Meritage	Yes	2	Hypothetical Condition lots are complete
9	151	40'	Meritage	Yes	2	Hypothetical Condition lots are complete
10	27	60'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
13	106	40' & 45'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
14	165	40' & 45'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
15	98	40' & 45'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
16	31	45' & 50'	366 TX 29	Yes	No	Extraordinary assumption paper lots will be complete
Total	1,182					

Utilities include water and wastewater provided by the City of Liberty Hill, electrical service from Pedernales Electric Cooperative, as well as gas and fiber optics from providers to be determined. Entrance to the subject from State highway 29 has been coordinated with the Liberty Hill and TXDOT.

Phase 1 includes water quality ponds, amenity center, greenbelt, and some residential lots.

Based upon the above physical characteristics, and considering the constraints imposed by visibility, size and location, we considered single family residential use of the existing and paper lots (using the discussed Hypothetical Condition) to be physically possible uses.

Legally Permissible

As mentioned in the *Site Description*, the subject is located within the municipal jurisdiction of the City of Liberty Hill. As such, development of the subject must comply with the zoning regulations. The subject’s zoning is High Density Residential (SF3); this district is intended to provide for various types of residential development, including conventional single and two-family residences and higher density residences, such as triplexes, townhomes, garden homes, condominiums, and apartments. The purpose of this district is to provide for development of quality multiple-family living in a moderately dense setting, at a density not to exceed 10 units per acre. This district is further intended to encourage efficient utilization of land, affordable housing opportunities, open space preservation, and traditional neighborhood development, through pedestrian-friendly, suitable residential neighborhoods, protected from incompatible uses and with necessary facilities and services. Context-sensitive design standards and landscaping are required to ensure a quality and enjoyable living environment.

An additional factor in determining a legally permissible use is the appraisal principal of conformity. According to the 15th Edition of *The Appraisal of Real Estate*, 2020, “Conformity holds that real property value is created and sustained when the characteristics of a property conform to the demands of its market.” Therefore, surrounding use becomes an important

consideration in any Highest and Best Use Analysis. Land use near the subject includes rural land, single family residential, commercial, industrial, and a high school.

Based upon the subject's physical and legal constraints using the discussed Hypothetical Conditions, as well as surrounding property uses, it is reasonable that single family residential subdivision development is both physically possible and legally permissible.

Financially Feasible and Maximally Productive

The definition of highest and best use states that the highest and best use must result "in the highest present land value." In regard to the subject property, we interpret this portion of the definition to mean that the subject's land use plan must maximize density but remain within the range of supportable intensities of developments in the competing market. In other words, development on the subject site should be homogeneous with development that will occur in the competing market to be financially feasible.

For a use to meet the test of financial feasibility, the benefits of ownership in the form of rents and tax advantages must exceed the costs associated with acquiring the site, developing the improvements, and operating the property. For a property use to be financially feasible, the forces of supply and demand must be in balance and the property developed must provide sufficient income to return profit to the land.

The subject's zoning, physical attributes, and surrounding uses indicate single family residential subdivision development. Multiple types of land uses represent a financially feasible and maximally productive use of the site.

Highest and Best Use As Vacant - Conclusion

Based upon the preceding discussion of the physically possible and legally permissible use for the subject, it appears that single family residential subdivision development is the highest and best use for the subject sites. Land uses for the subject will be single family residential. Trunk roads, platting, permitting, utilities, water quality ponds, etc. make the subject parcels more attractive.

The appraisal assignment is for vacant finished residential lots with the Hypothetical Conditions that 641 lots currently exist and 541 paper lots that are preliminary platted (i.e., complete).

Highest and Best use – As Improved

Given the Hypothetical Condition that 641 lots are on the ground this would be the "as improved" scenario. Given these lots are all presold combined with the previous analysis "as vacant," the subject as improved represents the highest and best use.

SALES COMPARISON APPROACH

The Sales Comparison Approach is defined as: “The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.” (The *Dictionary of Real Estate Appraisal*, 6th Edition, published by the Appraisal Institute, 2015.)

A **systematic procedure** for applying the sales comparison approach includes the following steps:

1. Research the competitive market for information on properties that are similar to the property being appraised and that have been sold recently, or were listed for sale, or are under contract.
2. Verifying the information by confirming that the data obtained is factually accurate and that the transactions reflect arm’s-length market considerations.
3. Select the most relevant units of comparison used by participants in the market and develop a comparative analysis for each unit.
4. Look for differences between the comparables being considered and the subject property using all appropriate elements of comparison.
5. Reconcile the various value indications produced from the analysis of comparables into a value indication from the sales comparison approach.

(*The Appraisal of Real Estate*, 15th Edition, published by the Appraisal Institute, 2020.)

When valuing real estate via the Sales Comparison Approach, the subject and comparables must be broken down into units of comparison. There are several units of comparison available to the analyst in the application of the Sales Comparison Approach. For finished lots and paper lots, we used the price per front foot (FF). We will first appraise the 641 residential lots in Phases 1, 2, 3, 4, 5, 7, 8, and 9 with the Hypothetical Condition that the lots and infrastructure exists as of the date of appraisal. We will appraised the future paper lots after we conclude with a market value of these phases.

Finished Residential Lot Analysis

The 641 single family residential lots that hypothetically currently exist have a mix of lots as follows:

Butler Farms Public Improvement District

Butler Farms -- Finished Lots						
Phase	No. of Lots	Lot Size	Owner	Major PID Improvements	Improvement Area	How Appraised
1	20	40', 45' & 50'	366 TX 29	Yes	1	Hypothetical Condition lots are complete
2	46	50'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
3	82	45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
4	70	40' & 45'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
5	47	50'	JNC (Saratoga)	Yes	1	Hypothetical Condition lots are complete
7	87	45' & 50'	Meritage	Yes	2	Hypothetical Condition lots are complete
8	138	40'	Meritage	Yes	2	Hypothetical Condition lots are complete
9	151	40'	Meritage	Yes	2	Hypothetical Condition lots are complete
Totals/Average	641					

Lot Price Comparison

The Sales Comparison Approach involves a comparison of the subject property to actual transactions of similar properties in order to arrive at an estimate of the subject's market value. One of the primary appraisal principles basic to this approach is the principle of substitution. The principle of substitution “holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time.” (The *Appraisal of Real Estate*, 15th Edition, published by the Appraisal Institute, 2020.)

In our analysis, we used the lot price per front foot. Other than frontage, all lots are similar and premiums for other factors do not appear to exist.

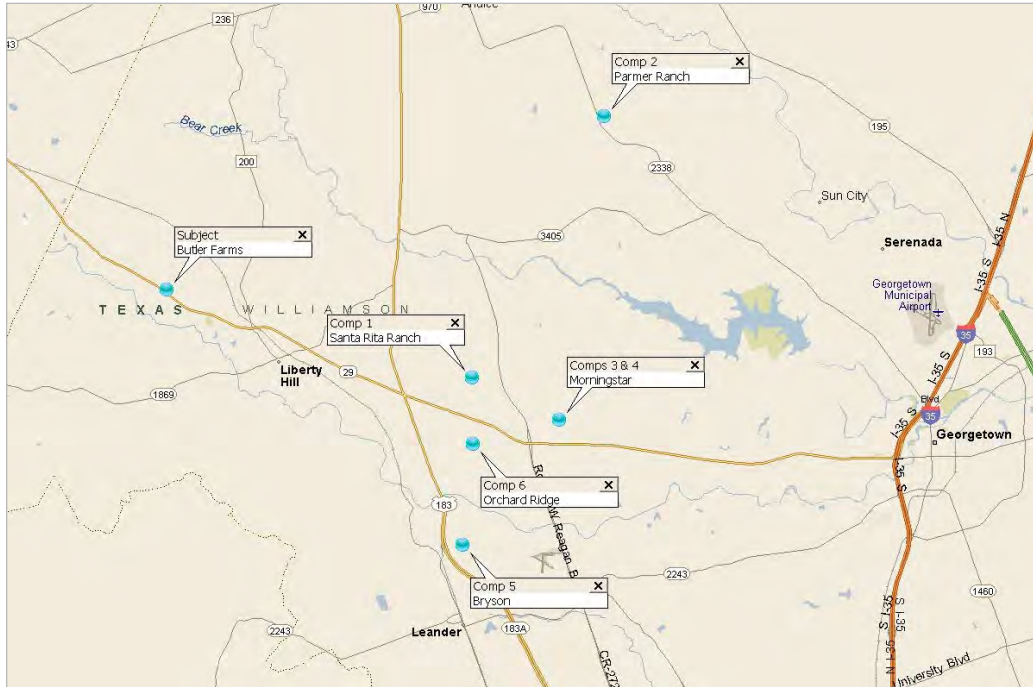
According to the Texas Real Estate Research Center at Texas A&M University, the number of annual home sales in the Austin-Round Rock MSA in 2020 was 40,323, an increase from 2019 of 8.8%. Through nine months in 2021, the number of home sales has been 31,468. At this pace, the number of sales in 2021 will surpass the number of sales in 2020.

As previously discussed, the average and median home prices in the Austin-Round Rock MSA increased between September 2020 and September 2021 24.8% and 28.5%, respectively. In Williamson County, the average and median home prices in the same time frame increased 36.9% and 37.5%, respectively.

The number of sales and significant price increases speak to the very strong demand for housing in the area and the rapidly changing market. In our appraisal, we report transaction prices as of a given date. However, that price may have been negotiated several months or a year ago and market conditions changed in between these points in time. It is difficult to quantify these changes in many cases.

We identified five subdivisions in the Liberty Hill area that provide excellent indications of current lot prices in the subject' market area. Data sheets of these comparable subdivisions are in the Addenda.

Butler Farms Public Improvement District



Pricing information was as follows:

Sale	Development	No. of Lots	Bulk Purchase	Lot Size	Price/FF	Comments
1	Santa Rita Ranch South	28	Yes	40' & 45'	\$1,750	Lot prices equate to \$70,000 & \$78,750; lots closed in 9/21
2	Parmer Ranch	44	Yes	40' & 50'	\$1,500	Lot prices equate to \$60,000 & \$75,000; lots closed in 9/21
3	Morningstar	292	Yes	40'	\$1,315	Lot prices equate to \$52,600; lots sold in 10/20
4	Morningstar	124	Yes	45'	\$1,315	Lot prices equate to \$59,175; lots sold in 10/20
5	Bryson	Unknown	Yes	50'	\$1,700-1,800	Lot prices will be \$85,000-\$90,000; will close in 2022
6	Orchard Ridge	28	No	50'	\$1,600	Lot price is \$80,000; part of a takedown contract in October 2020

The price per front foot of bulk purchases range from \$1,315 to \$1,800.

In September 2021, Sale One was the sale of 28 lots in Santa Rita Ranch South. Although this transactions includes only 28 lots, it is not a takedown contract option. The number of lots in this transaction is a reflection of available finished lots in the community. The buyer reported that they would buy more lots at this price if they were available. The price per front foot for these lots was \$1,750.

In September 2021 (negotiated eight months ago), Sale Two includes 44 lots out of Parmer Ranch located approximately 10 miles northeast of the subject, near Ronald Reagan Boulevard and FM 2338. The price paid per front foot for these lots was \$1,500.

Comparables Three and Four took place in October 2020. These bulk transactions include 286 and 124 lots, respectively. All of these lots are in the Morningstar Community located near the intersection of Ronald Reagan Boulevard and SH 29. The price per front foot of both comparables was \$1,315. Between September 2020 and September 2021, the average and median home prices in Williamson County increased 36.9% and 37.5%, respectively. Applying these increase to the price per front foot paid in October 2020 gives a range of current prices of \$1,800 to \$1,808.

Sale Five is a pending purchase of an unknown number of lots in Bryson in Leander for \$1,700 to \$1,800 per front foot.

Sale Six is part of a takedown contract for lots in Orchard Ridge. The October 2020 price per front foot was \$1,600. Applying the percentage changes mentioned for Sales Three and Four to this price per front foot gives a price range of \$2,190 to \$2,200. Because of this transaction being part of a takedown contract, it stands to reason that these indicated prices would be greater than other indications.

The subject is located farther west than any of the comparables, approximately one mile west of Liberty Hill High School. The subject is approximately five and one-half miles west of U.S. Highway 183. Being closer to U.S. Highway 183 or Ronald Reagan Boulevard is generally considered a better location. However, residents that drive high school students to school will have a longer commute time as they will need to drive west, then back east to one of the major north-south roadways.

After adjusting Comparables Three and Four for changes in market condition, most of the sales show a tight range in price per front foot of \$1,700 to \$1,808. In our opinion, the subject's value per front foot is reasonably toward the upper end of this range. We concluded with a market per front foot of the subject lots of \$1,775.

The lot size in some of the phases will be a mix. The average lot widths of these phases are as follows:

Phase	Average Lot Size	Rounded Lot Size
1	46.8	47
4	40.71	41
7	47.8	48

Our opinion of the subject's bulk values with the Hypothetical Conditions discussed herein are as follows:

Butler Farms Public Improvement District

Butler Farms -- Finished Lots						
Phase	No. of Lots	Lot Size	Owner	Value per FF	Value per Lot	Value per Phase
1	20	40', 45' & 50'	366 TX 29	\$1,775	\$83,425	\$1,668,500
2	46	50'	JNC (Saratoga)	\$1,775	\$88,750	\$4,082,500
3	82	45'	JNC (Saratoga)	\$1,775	\$79,875	\$6,549,750
4	70	40' & 45'	JNC (Saratoga)	\$1,775	\$72,775	\$5,094,250
5	47	45'	JNC (Saratoga)	\$1,775	\$88,750	\$4,171,250
7	87	45' & 50'	Meritage	\$1,775	\$85,200	\$7,412,400
8	138	40'	Meritage	\$1,775	\$71,000	\$9,798,000
9	151	40'	Meritage	\$1,775	\$71,000	\$10,721,000
Totals/Average	641			\$1,775	\$77,219	\$49,497,650

Sales One and Two only have 28 and 44 lots. However, this is because of lack of supply. Sales Three and Four have 286 and 124 lots, respectively (410 total). After adjusting the prices per front foot for market conditions, their indications are at the upper end of the range of prices per front foot. This tells us that the prices for Sales One and Two are not impacted because of the number of lots.

Our opinion of market value of the subject lots considers the Hypothetical Condition that the lots currently exist and were purchased in a bulk transaction is \$49,500,000.

Residential Paper Lot Analysis

The subject will have the following paper lot phases not in improvement area to be developed at later dates.

Butler Farms Paper Lots				
Phase	No. of Lots	Lot Size	Owner	How Appraised
6	114	45' & 50'	366 TX 29	Extraordinary assumption paper lots will be complete
10	27	60'	366 TX 29	Extraordinary assumption paper lots will be complete
13	106	40' & 45'	366 TX 29	Extraordinary assumption paper lots will be complete
14	165	40' & 45'	366 TX 29	Extraordinary assumption paper lots will be complete
15	98	40' & 45'	366 TX 29	Extraordinary assumption paper lots will be complete
16	31	45' & 50'	366 TX 29	Extraordinary assumption paper lots will be complete
Total	541			

Ashton Wood and MI have an LOI showing price per front foot for paper lots in Phase 14 of \$800. Phase 14 will have 25 40' lots and 140 45' lots. The weighted average price per paper lot is \$35,394.

We found limited comparable paper lot sales near the subject. However, the sales we did find are most recent (September 2021). We found the following paper lot comparables to develop an opinion of market value of the subject's paper lots.

Butler Farms Public Improvement District

Comparable	No. of Lots	Lot Size	Price/FF	Comments
1	193	40'/45'/50'/60'	\$650	Closed 9/21; located near the end of CR 214
2	441	40'/45'/50'/60'	\$650	Closed 9/21; located near the end of CR 214
3	429	40'/45'/50'/60'	\$650	Closed 9/21; located near the end of CR 214



Comparables One, Two, and Three are out of the planned Lariat Masterplanned Community at the end of CR 214, north of SH 29. These paper lots were purchased by three home builders in September 2021. The total acreage purchase by the builders is 248.33 acres and the total number of residential paper lots is 1,063. The price paid per front foot was \$650.

These are the only recent paper lot sales that we found for our appraisal. The seller is the same for each of the comparables. However, there are three different buyers. Cumulatively, the buyers purchased 1,063 paper lots.

Although the comparables and the subject are both located in the Liberty Hill submarket, it is our opinion that the subject’s location is slightly better than these comparables. The subject is on SH 29, west of the center of Liberty Hill. The comparables are north of the center of Liberty Hill, but their access is via CR 214 – a two-lane county road. Because of the subject’s SH 29 location, we feel its location is better. As such, the subject’s paper lots value per front foot is slightly more than \$650.

LOIs are not binding. However, information within LOIs is often the basis for contracts and purchases. The LOI for paper lots in Phase 14 of Butler Farms states a price per front foot of \$800. This price is 23% greater than the prices paid for the paper lot comparables. In our opinion, the value per front foot of the subject’s paper lots is between \$650 and \$800.

The prices of the comparables were likely negotiated several months ago. If negotiated today, the price per front foot would likely be greater than the prices shown. Based on these indications, we concluded with an opinion of market value for the subject’s paper lots of \$750 per front foot.

Butler Farms Public Improvement District

The following shows our opinions of the current values for each of the subject's paper lot phases.

Butler Farms Paper Lots

Phase	No. of Lots	Lot Size	Owner	Major PID Improvements	Improvement Area #1 or #2	Value per Lot	Value per Phase
6	114	45' & 50'	Meritage	Yes	No	\$35,475	\$4,044,150
10	27	60'	366 TX 29	Yes	No	\$45,000	\$1,215,000
13	106	40' & 45'	366 TX 29	Yes	No	\$31,650	\$3,354,900
14	165	40' & 45'	366 TX 29	Yes	No	\$33,150	\$5,469,750
15	98	40' & 45'	366 TX 29	Yes	No	\$32,325	\$3,167,850
16	31	45' & 50'	366 TX 29	Yes	No	\$34,875	\$1,081,125
Total	541					\$33,887	\$18,332,775

Our opinion of market value of the subject's paper lots is **\$18,300,000**.

The seller of the comparables is the same for each transactions; the buyers/ builders are different. The seller sold 1,063 paper lots. Two of the buyers bought 429 and 441 paper lots. The subject has 541 paper lots, which is relatively similar to these two purchases. As such, our opinion of value is for a bulk purchase.

CONCLUSION

Our opinion of market value of the subject, considering the Hypothetical Conditions, are as follows:

Market Value Improvement Areas #1 & #2 (Phases 1, 2, 3, 4, 5, 7, 8, & 9)	Finished Lots	\$49,500,000
Market Value of Phases 6, 10, 13, 14, 15, & 16	Paper Lots	\$18,300,000
Total Market Value		\$67,800,000

CERTIFICATION

We certify, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. We have performed services, as appraisers, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Previously, we developed an opinion of market value as of September 15, 2020.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusion were developed and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. Chad Goddard, MAI and Eldon Y. Rude, MAI have made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the persons signing this certification.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

13. As of the date of this report, Chad Goddard, MAI and Eldon Y. Rude, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.



Chad Goddard, MAI
State Certified General Real Estate Appraiser
No. TX-1320546-G



Eldon Y. Rude, MAI
State Certified General Real Estate Appraiser
No. TX-1320841-G

QUALIFICATIONS OF CHAD GODDARD, MAI

Association Memberships

Member Appraisal Institute (MAI), Appraisal Institute - Certificate No. 11,771
State of Texas Certified General Real Estate Appraiser, Certificate No. TX-1320546-G
State of Texas Broker, License No. 0373990

Educational Background

Graduated from the University of Texas at San Antonio in May 1985, with a B.A. Degree in Economics.

Successfully completed the following courses or respective exam equivalent sponsored by the American Institute of Real Estate Appraisers.

Real Estate Appraisal Principals -- 1A-1
Basic Valuation Procedures -- 1A-2
Capitalization Theory and Techniques, Part A -- 1B-A
Capitalization Theory and Techniques, Part B -- 1B-B
Case Studies in Real Estate Valuation -- 2-1
Report Writing & Valuation Analysis -- 2-2
Standards of Professional Practice -- 2-3
Separating Real and Personal Property Intangible Business Assets — 800

Experience

Senior Appraiser, 12/95 to present, The Aegis Group, Inc., 4926 Spicewood Springs Road, Suite 101, Austin, Texas 78759

Appraiser/owner, 10/93 to 12/95, of Goddard Realty Analysts, The Scarbrough Building, 101 West Sixth Street, Suite 507, Austin, Texas 78701

Staff appraiser, 7/92 to 6/93, Southwest Property Consultants, 9171 Capital of Texas Highway North, Suite B-250, Austin, Texas 78759

Staff appraiser, 8/87 to 7/92, Joseph N. Woller & Company, 714 Milam Building, San Antonio, Texas 78205

Staff appraiser, 6/85 to 8/87, Binford, Woller & Associates, 610 Milam Building, San Antonio, Texas 78205

Qualified as appraisal expert witness in State Court and County Court.

QUALIFICATIONS OF ELDON Y. RUDE, MAI

Eldon Y. Rude, MAI is the principal of The Aegis Group, Inc., a commercial real estate appraisal and consulting firm founded in 1987. Eldon is also the principal of 360° Real Estate Analytics, a research based real estate consulting firm he founded in 2013. He has worked in real estate in Texas for over 30 years, starting his career in commercial real estate appraisal where he gained an understanding of the factors which impact the supply and demand for commercial property types including office, industrial and retail, as well as single and multi-family housing.

Since 1996, Eldon's primary focus has been the new home sector where he provides market analysis and advisory services to home builders, land developers, banks, and equity investors. Over the last 23 years Eldon aided area builders and developers in their acquisition process for thousands of single-family lots which now serve as homes for new residents of central Texas.

Formal Education

University of Texas at Austin - Bachelor of Business Administration in Finance

Appraisal Education

Mr. Rude completed and passed all the courses, examinations and other requirements necessary to earn the MAI designation.

Professional Experience

The Aegis Group, Inc - Principal	August 2019 - Present
360° Real Estate Analytics – Principal	August 2013 - Present
Metrostudy - Director, Central Texas Region	July 1996 - January 2013
The Aegis Group, Inc. - Partner, Commercial Appraiser	1987 - 1996
R. Robinson & Associates - Commercial Appraiser	1985 - 1987

Professional Designations/Licenses

Appraisal Institute (Member) MAI Certificate No. 8479
Texas State Certified General Real Estate Appraiser-Certificate No. TX-1320841-G

Industry Organizations & Activities

Urban Land Institute Austin - member; previously chaired Membership and Programs Committee Advisory Board
Home Builders Association of Greater Austin - member; currently serving on the Finance Committee

Keynote Speaker / Moderator

Appraisal Institute Austin Chapter
Austin Commercial Real Estate Society
Austin Mortgage Bankers Association
Austin Risk Management Association
Commercial Real Estate Women of Austin
Home Builders Association of Greater Austin Annual Economic & Housing Forecast (17 Years)
New Braunfels Builders Association
Real Estate Council of Austin
Round Rock Chamber of Commerce
Texas Association of Builders
Urban Land Institute Austin
Other local and state industry organizations and conferences

ADDENDA

**BUTLER FARMS PUBLIC IMPROVEMENT DISTRICT
PRELIMINARY SERVICE AND
ASSESSMENT PLAN – NOVEMBER 18, 2021**

Butler Farms Public Improvement District

PRELIMINARY SERVICE AND ASSESSMENT PLAN
NOVEMBER 18, 2021



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INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section” or an “Exhibit” shall be a reference to a Section of this Service and Assessment Plan or an Exhibit attached to and made a part of this Service and Assessment Plan for all purposes.

On December 10, 2018 the City passed and approved Resolution No. 18-R-118 authorizing the creation of the District in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act. The purpose of the District is to finance the Actual Costs of the Authorized Improvements for the benefit of property within the District. The District contains approximately 366.455 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**.

The PID Act requires a service plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements. The Service Plan is contained in **Section IV**.

The PID Act requires that the Service Plan include an assessment plan that assesses the Actual Costs of the Authorized Improvements against Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City. The Assessment against each Assessed Property must be sufficient to pay the share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized Improvements. The Improvement Area #1 Assessment Roll is contained in **Exhibit F**. The Improvement Area #2 Assessment Roll is contained in **Exhibit H**. The Major Improvement Area Assessment Roll is contained in **Exhibit J**.

SECTION I: DEFINITIONS

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner of the District: (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities. Actual Costs shall not include general contractor’s fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to 4% of the costs incurred. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

“Additional Interest” means the amount collected by application of the Additional Interest Rate.

“Additional Interest Rate” means the 0.50% additional interest charged on the Assessments that secure PID Bonds pursuant to Section 372.018 of the PID Act.

“Administrator” means the City or the person or independent firm designated by the City who shall have the responsibility provided in this Service and Assessment Plan, the Indenture, or any other agreement or document approved by the City related to the duties and responsibility of the administration of the District.

“Annual Collection Costs” means the actual or budgeted costs and expenses related to the creation and operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the PID Act with respect to the administration of a reimbursement agreement and the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not

expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable.

“Annual Service Plan Update” means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

“Assessed Property” means any Parcel within the District against which an Assessment is levied.

“Assessment” means an assessment levied against a Parcel and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Assessment Ordinance” means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment.

“Assessment Plan” means the methodology employed to assess the Actual Costs of the Authorized Improvements against Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements, more specifically described in **Section V**.

“Assessment Roll” means the assessment roll for the Assessed Property within the District and included in this Service and Assessment Plan as **Exhibit F** for Improvement Area #1, **Exhibit H** for Improvement Area #2 and **Exhibit J** for the Major Improvement Area, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Authorized Improvements” mean improvements authorized by Section 372.003 of the PID Act, including Improvement Area #1 Improvements, Improvement Area #2 Improvements, Major Improvements, Future Improvement Area Improvements, if any, and District Formation Expenses and Bond Issuance Costs as more specifically described in **Section III**.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, underwriter’s

discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

“Captured Appraised Value” means the total taxable value of the District located within the boundary of the TIRZ for a given year less the total taxable value of the District located within the boundary of the TIRZ for the year in which the TIRZ was created.

“City” means the City of Liberty Hill, Texas.

“City Council” means the governing body of the City.

“County” means Williamson County, Texas.

“Delinquent Collection Costs” means, for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan, including costs and expenses to foreclose liens.

“Developer” means 366 TX 29, Ltd.

“District” means the approximately 366.455 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**.

“District Formation Expenses” means any cost or expense directly associated with the establishment of the District.

“Estimated Buildout Value” means the estimated value of an Assessed Property after completion of the vertical improvements (e.g. house, office building, etc.), and shall be determined by the Administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, information provided by the Owners, reports from third party consultants, or any other information that may impact value.

“Future Improvement Area” means a distinct portion of the Major Improvement Area described by metes and bounds and developed as an individual improvement area after Improvement Area #1 and Improvement Area #2, with such area(s) to be described and designated in future Annual Service Plan Updates.

“Future Improvement Area Assessed Property” means any and all Parcels within the Future Improvement Area other than Non-Benefitted Property.

“Future Improvement Area Assessment” means an Assessment levied on Future Improvement Area Assessed Property for the purpose of (i) financing Future Improvement Area Improvements and (ii) paying District Formation Expenses and Bond Issuance Costs, as applicable, of the Future Improvement Area Bonds. The Future Improvement Area Assessments, if any, while separately levied, are on parity with the Major Improvement Area Assessments.

“Future Improvement Area Bonds” mean PID Bonds issued to finance Future Improvement Area Improvements and District Formation Expenses and Bond Issuance Costs, as applicable, related to such Future Improvement Area Bonds. If issued, Future Improvement Area Bonds will be secured by and paid from only the Future Improvement Area Assessments levied on Parcels located within the Future Improvement Area benefitting from the Future Improvement Area Improvements and District Formation Expenses and Bond Issuance Costs being financed.

“Future Improvement Area Improvements” mean Authorized Improvements which only benefit the Assessed Property within the applicable Future Improvement Area.

“Improvement Area #1” means approximately 50.791 acres located within the District, as shown on **Exhibit B-2** and more specifically described in **Exhibit A-2**.

“Improvement Area #1-2 Bonds” mean those certain “City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District, Improvement Area #1-2 Project)”, that are secured by Improvement Area #1 Assessments and Improvement Area #2 Assessments.

“Improvement Area #1 Annual Installment” means the annual installment payment of the Improvement Area #1 Assessment after application of the TIRZ Annual Credit Amount, if any, as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

“Improvement Area #1 Assessed Property” means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

“Improvement Area #1 Assessment” means an Assessment levied against a Parcel within Improvement Area #1 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #1 Assessment Roll” means the assessment roll for the Improvement Area #1 Assessed Property and included in this Service and Assessment Plan as **Exhibit F**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and

in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Improvement Area #1 Improvements” mean those Authorized Improvements that only benefit Improvement Area #1, more specifically described in **Section III.B** and in the Engineer’s Report attached as **Appendix A**.

“Improvement Area #1 Initial Parcel” means all of the area within Improvement Area #1, other than Non-Benefited Property, as generally described by metes and bounds in **Exhibit A-2** and shown on the map on **Exhibit B-2**, consisting of approximately 50.791 acres. Until a plat has been recorded on a property ID within Improvement Area #1, the Improvement Area #1 Annual Installment will be allocated to each property ID within the Improvement Area #1 Initial Parcel based on the Williamson Central Appraisal District acreage for billing purposes only.

“Improvement Area #1 Projects” means the Improvement Area #1 Improvements and Improvement Area #1’s allocable share of the Major Improvements.

“Improvement Area #2” means approximately 71.805 acres located within the District, as shown on **Exhibit B-3** and more specifically described in **Exhibit A-3**.

“Improvement Area #2 Annual Installment” means the annual installment payment of the Improvement Area #2 Assessment after application of the TIRZ Annual Credit Amount, if any, as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

“Improvement Area #2 Assessed Property” means any Parcel within Improvement Area #2 against which an Improvement Area #2 Assessment is levied.

“Improvement Area #2 Assessment” means an Assessment levied against a Parcel within Improvement Area #2 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #2 Assessment Roll” means the Assessment Roll for the Improvement Area #2 Assessed Property and included in this Service and Assessment Plan as **Exhibit H**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Improvement Area #2 Improvements” mean those Authorized Improvements that only benefit Improvement Area #2, and more specifically described in **Section III.B** and in the Engineer’s Report attached as **Appendix A**.

“Improvement Area #2 Initial Parcel” means all of the area within Improvement Area #2, other than Non-Benefited Property, as generally described by metes and bounds in **Exhibit A-3** and shown on the map on **Exhibit B-3**, consisting of approximately 71.805 acres. Until a plat has been recorded on a property ID within Improvement Area #2, the Improvement Area #2 Annual Installment will be allocated to each property ID within the Improvement Area #2 Initial Parcel based on the Williamson Central Appraisal District acreage for billing purposes only.

“Improvement Area #2 Projects” mean Improvement Area #2 Improvements and Improvement Area #2’s allocable share of the Major Improvements.

“Indenture” means an Indenture of Trust entered into in connection with the issuance of PID Bonds, as amended, supplemented, or modified from time to time, between the City and the Trustee setting forth terms and conditions related to the PID Bonds.

“Landowner Certificate” means a Landowner Certificate executed by an Owner as described in Section V. C. hereof.

“Lot” means (1) for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat, and (2) for any portion of the District for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multi-family, single-family residential, etc.), as determined by the Administrator and confirmed and approved by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the estimated buildout value of the Lot as determined by the Administrator and confirmed and approved by the City Council.

“Lot Type 1” means a residential Lot within Improvement Area #1 designated as a 40’ Lot by the Developer.

“Lot Type 2” means a residential Lot within Improvement Area #1 designated as a 45’ Lot by the Developer.

“Lot Type 3” means a residential Lot within Improvement Area #1 designated as a 50’ Lot by the Developer.

“Lot Type 4” means a residential Lot within Improvement Area #2 designated as a 40’ Lot by the Developer.

“Lot Type 5” means a residential Lot within Improvement Area #2 designated as a 45’ Lot by the Developer.

“Lot Type 6” means a residential Lot within Improvement Area #2 designated as a 50’ Lot by the Developer.

“Lot Type 7” means a residential Lot within the Major Improvement Area designated as a 40’ Lot by the Developer.

“Lot Type 8” means a residential Lot within the Major Improvement Area designated as a 45’ Lot by the Developer.

“Lot Type 9” means a residential Lot within the Major Improvement Area designated as a 50’ Lot by the Developer.

“Lot Type 10” means a residential Lot within the Major Improvement Area designated as a 60’ Lot by the Developer.

“Major Improvement Area” means approximately 243.846 acres located within the District, as shown on **Exhibit B-4** and more specifically described in **Exhibit A-4**.

“Major Improvement Area Annual Installment” means the annual installment payment of the Major Improvement Area Assessment after application of the TIRZ Annual Credit Amount, if any, as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

“Major Improvement Area Assessed Property” means any Parcel within the Major Improvement Area against which a Major Improvement Area Assessment is levied.

“Major Improvement Area Assessment” means an Assessment levied against a Parcel within Major Improvement Area and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Major Improvement Area Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Major Improvement Area Assessment Roll” means the assessment roll for the Major Improvement Area Assessed Property within the District and included in this Service and

Assessment Plan as **Exhibit J**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Major Improvement Area Bonds” mean those certain “City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2022 (Butler Farms Public Improvement District, Major Improvement Area Project)”, that are secured by Major Improvement Area Assessments.

“Major Improvement Area Initial Parcel” means all of the area within Major Improvement Area, other than Non-Benefited Property, as generally described by metes and bounds in **Exhibit A-4** and shown on the map on **Exhibit B-4**, consisting of approximately 243.846 acres. Until a plat has been recorded on a property ID within Major Improvement Area, the Major Improvement Area Annual Installment will be allocated to each property ID within the Major Improvement Area Initial Parcel based on the Williamson Central Appraisal District acreage for billing purposes only.

“Major Improvement Area Projects” mean the Major Improvement Area’s allocable share of the Major Improvements.

“Major Improvements” mean the Authorized Improvements that benefit the entire District and are allocated pro rata to Improvement Area #1, Improvement Area #2 and the Major Improvement Area based on Estimated Buildout Value and depicted in the Engineer’s Report attached as **Appendix A**.

“Maximum Assessment” means for each Lot Type, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) the amount that produces an average Annual Installment resulting in the Maximum Equivalent Tax Rate. The Maximum Assessment for each Lot Type within Improvement Area #1 and Improvement Area #2 is shown on **Exhibit O**.

“Maximum Equivalent Tax Rate” means, for each Lot Type, \$0.75 per \$100 of Estimated Buildout Value at the time the City Council approves the Assessment Ordinance, as shown on **Exhibit L**.

“Meritage” means Meritage Homes of Texas, LLC.

“Non-Benefited Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements. Property is identified as Non-Benefited Property at the time the Assessments (1) are levied or (2) are reallocated pursuant to a subdivision of a Parcel that receives no benefit.

“Owner” means collectively Saratoga, Meritage and the Developer.

“Parcel(s)” means a property, within the boundaries of the District, identified by either a tax map identification number assigned by the Williamson Central Appraisal District for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means as determined by the City.

“PID Act” means Chapter 372, Texas Local Government Code, as amended.

“PID Bonds” mean bonds issued by the City that are secured by Assessments levied on Assessed Property within the District including the Improvement Area #1-2 Bonds and the Major Improvement Area Bonds.

“Prepayment” means the payment of all or a portion of an Assessment before the due date of an Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of Assessment are not to be considered a Prepayment, but rather are to be treated as a payment of the regularly scheduled Assessment.

“Prepayment Costs” mean interest, Annual Collection Costs, and Additional Interest, if applicable, incurred up to the date of Prepayment.

“Saratoga” means JNC Development Inc.

“Service and Assessment Plan” and means this Service and Assessment Plan, as it may be modified and updated from time to time.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

“Tax Year” means a 12-month period beginning January 1 of a given year, when assessed values are determined and taxes are levied on property, with the taxes becoming delinquent if not paid by the January 31st of the following year (e.g. Tax Year 2021 taxes are delinquent if not paid by January 31st, 2022).

“TIRZ” means Tax Increment Reinvestment Zone Number 3, Butler Farms TIRZ.

“TIRZ Agreement” means the *TIRZ Agreement (Butler Farms)*, effective as of [December 15], 2021.

“TIRZ Annual Credit Amount” will be calculated pursuant to **Section V.F.** of this Service and Assessment Plan and applied as described in **Section V.F.** and the TIRZ Agreement, which amount

shall be applied as a credit against the Improvement Area #1 Assessments, the Improvement Area #2 Assessments, and the Major Improvement Area Assessments, and shall not exceed the TIRZ Maximum Annual Credit Amount. There will not be a TIRZ Annual Credit Amount for any Future Improvement Area Assessments.

“TIRZ Creation Ordinance” means Ordinance No. 18-O-116 adopted by the City Council on December 10, 2018, creating the TIRZ and the TIRZ Fund, as amended by Ordinance No. 10-13-01.

“TIRZ Fund” means the tax increment fund created pursuant to the TIRZ Creation Ordinance.

“TIRZ Increment Receipts” mean, for each Tax Year, an amount equal to 30% of the ad valorem taxes (based on the City’s 2021 tax rate, which is equal to \$0.454559 (i.e., approximately \$0.1363677) collected and received by the City on the Captured Appraised Value of the District minus administration costs which are deposited in the TIRZ Fund to be used to reduce the Improvement Area #1 Assessments, the Improvement Area #2 Assessments, and the Major Improvement Area Assessments pursuant to the TIRZ Plan Ordinance, as described in the TIRZ Plan, and the TIRZ Agreement.

“TIRZ Maximum Annual Credit Amount” means for each Lot Type, the amount shown on **Exhibit N**.

“TIRZ Plan” means the Tax Increment Reinvestment Zone Number 3 Butler Farms TIRZ Project and Financing Plan, dated _____, as the same may be amended from time to time.

“TIRZ Plan Ordinance” means Ordinance No. _____ adopted by the City Council on _____, approving the TIRZ Plan and authorizing the use of TIRZ Increment Receipts for project costs related to certain public improvements under the Chapter 311, Texas Tax Code as amended, as provided for in the TIRZ Plan, as amended.

“Trustee” means the trustee (or successor trustee) under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 366.455 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**. Development of the District is anticipated to include 1,182 single-family homes.

The District is comprised of three distinct areas. Improvement Area #1 includes approximately 50.791 acres and is anticipated to contain 265 single family homes. Improvement Area #2 includes approximately 71.805 acres and is anticipated to contain 376 single family homes. The Major Improvement Area includes approximately 243.846 acres and is anticipated to contain 541 single family homes.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, determined that the Authorized Improvements confer a special benefit on the Assessed Property. The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit C**. A map of the Major Improvements, Improvement Area #1 Improvements, and Improvement Area #2 Improvements, is contained within the Engineer's Report attached as **Appendix A**. This Service and Assessment Plan will be updated to include a list of the Future Improvement Area Improvements as Future Improvement Areas are developed within the Major Improvement Area.

A. Major Improvements

Onsite

▪ *Streets*

Includes flexible base and subgrade stabilization (including lime treatment and compaction on high PI street sections), hot mix asphaltic concrete for the boulevard, testing, metal beam guard fences, concrete valley gutters (including concrete and reinforcing steel), concrete and reinforcing steel for curbs and gutters, ADA ramps, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, irrigation, and re-vegetation of all disturbed areas within the right-of-way are included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Wastewater*
 Includes costs associated with trench excavation and embedment, trench safety, PVC piping, steel encasement piping, manholes, clean outs, testing, related earthwork, and erosion control all necessary appurtenances required to provide wastewater service. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Drainage*
 Includes earthen channels, swales, curb, grate, and area inlets, piping and culvert boxes, manholes, junction boxes, headwalls, rock rip rap, inlets and outfalls, and testing as well as all related earthwork, excavation, erosion control, and all necessary appurtenances. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Water*
 Includes costs associated with trench excavation and embedment, trench safety, PVC and ductile iron piping, fire hydrant assemblies, combination air and vacuum release valves, irrigation meters, automatic flushing valves, testing, related earthwork, and erosion control all necessary appurtenances required to provide water service. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Water Quality and Detention Ponds*
 Includes clearing, pond excavation and embankment, soil testing, retaining walls, erosion control, clay lining, concrete access drives, concrete trickle channel, slope stabilization, vertical sediment markers, piping of inbound and outbound drainage lines, concrete and rock riprap, loose riprap walls, construction of overflow and outfall structures. Hardscape and landscape improvements including trails, wet basin planting, and re-vegetation are also included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Highway 29 Improvements*
 Includes widening HWY 29 and construction of left and right turn lane with subgrade stabilization, soil testing, guard rail, and signal light. All related earthwork, excavation, erosion control, retaining walls, intersection, signage, drainage infrastructure, and re-vegetation of all disturbed areas within the right-of-way are included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

Offsite

- *Street*

Includes demolition and replacement of existing pavement and driveway, with flex base and subgrade stabilization, concrete and reinforcing steel, hot mix asphaltic concrete, and gravel for driveways, concrete and reinforcing steel for curbs and gutters. All related earthwork, excavation, erosion control, drainage infrastructure, and re-vegetation of all disturbed areas are included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Wastewater*

Including trench excavation and embedment, trench safety, piping, PVC pipes, steel encasement, bore pit, carrier pipes, spacers, and end caps, two way clean out, swing check valve, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide wastewater service to all lots. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Water*

Including trench excavation and embedment, trench safety, piping, ductile iron and PVC pipes, steel encasement, bore pit, carrier pipes, spacers, and end caps, gate valves, pressure relief valves and vault, fire hydrant assemblies, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all lots. Design, permitting and construction to oversize the City water facilities from a 16-inch main to a 24-inch main is also included. The difference in cost between the 16-inch main and the 24-inch main will not be reimbursable through the District.

- *District Formation Expenses*

Including any cost or expense directly associated with the establishment of the District.

B. Improvement Area #1 Improvements

- *Street*

Includes flexible base and subgrade stabilization (including lime treatment and compaction on high PI street sections), hot mix asphaltic concrete for the boulevard, testing, metal beam guard fences, concrete valley gutters (including concrete and reinforcing steel), concrete and reinforcing steel for curbs and gutters, ADA ramps, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, irrigation, and re-vegetation

of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within Improvement Area #1. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Wastewater*

Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connection, testing, related earthwork, and erosion control all necessary appurtenances required to provide wastewater service. The wastewater improvements will provide wastewater service to each Lot within Improvement Area #1. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Drainage*

Includes earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage. The drainage improvements will provide drainage service to each Lot within Improvement Area #1. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Water*

Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, and erosion control all necessary appurtenances required to provide water service. The water improvements will provide water service to each Lot within Improvement Area #1. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

C. Improvement Area #2 Improvements

- *Street*

Includes flexible base and subgrade stabilization (including lime treatment and compaction on high PI street sections), hot mix asphaltic concrete for the boulevard, testing, metal beam guard fences, concrete valley gutters (including concrete and reinforcing steel), concrete and reinforcing steel for curbs and gutters, ADA ramps, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, irrigation, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within Improvement Area #2. Costs also include

construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Wastewater*

Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connection, testing, related earthwork, and erosion control all necessary appurtenances required to provide wastewater service. The wastewater improvements will provide wastewater service to each Lot within Improvement Area #2. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Drainage*

Includes earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage. The drainage improvements will provide drainage service to each Lot within Improvement Area #2. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Water*

Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, and erosion control all necessary appurtenances required to provide water service. The water improvements will provide water service to each Lot within Improvement Area #2. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

- *Water Quality and Detention Ponds*

Includes clearing, pond excavation and embankment, soil testing, erosion control, concrete access drives, vertical sediment markers, piping of inbound and outbound drainage lines, concrete and rock riprap, construction of overflow and outfall structures. Landscape improvements including re-vegetation are also included. Costs also include construction management of 4%, engineering, planning, design, testing, licenses, permits, inspections, and other soft costs.

C. Bond Issuance Costs

- *Debt Service Reserve Requirement*

Equals the amount required to fund a reserve under an applicable Indenture.

- *Capitalized Interest*

Equals the amount of capitalized interest available for payment of interest on PID Bonds as reflected in an applicable Indenture.

- *Underwriter's Discount*
Equals a percentage of the par amount of a particular series of PID Bonds, including an amount to be paid as a fee for underwriter's counsel.
- *Cost of Issuance*
Costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

D. 1st year Annual Collection Costs

Estimated cost of the 1st year Annual Collection Costs.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan shall be updated in each Annual Service Plan Update. **Exhibit D** summarizes the Service Plan for the District.

Exhibit E summarizes the sources and uses of funds required to construct certain Authorized Improvements benefitting Improvement Area #1, Improvement Area #2 and the Major Improvement Area. **Exhibit E** will be updated to show the amount required to fund the required reserves and issue the PID Bonds at the time the PID Bonds are issued. The sources and uses of funds shown on **Exhibit E** shall be updated in each Annual Service Plan Update. Additionally, this Service and Assessment Plan will be updated to include the sources and uses of funds required to construct the Future Improvement Area Improvements as Future Improvement Areas are developed within the Major Improvement Area.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City that results in imposing equal shares of such costs on property similarly benefited. The PID Act further

provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners and developers of the Assessed Property.

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Authorized Improvements shall be allocated as follows:

- Costs of the Major Improvements and 1st year Annual Collection Costs shall be allocated to each Assessed Property in the District pro rata based on Estimated Buildout Value of all Assessed Property. The allocation of the Major Improvements between the Major Improvement Area, Improvement Area #1 and Improvement Area #2 is shown on **Exhibit L**.
- The Improvement Area #1 Improvements are allocated entirely to the Improvement Area #1 Initial Parcel.
- The Improvement Area #2 Improvements are allocated entirely to the Improvement Area #2 Initial Parcel.
- Bond Issuance Costs related to the Major Improvement Area Bond shall be allocated entirely to Major Improvement Area Assessed Property.
- Bond Issuance Costs related to the Improvement Area #1 – 2 Bonds shall be allocated to each Assessed Property in Improvement Area #1 pro rata based on the Improvement Area #1 Assessments levied on each Assessed Property and Improvement Area #2 pro rata based on the amount of Improvement Area #2 Assessments levied on each Assessed Property.

Improvement Area #1 Assessments will be levied on the Improvement Area #1 Initial Parcel as shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit G**, subject to revisions made during any Annual Service Plan Update.

Improvement Area #2 Assessments will be levied on the Improvement Area #2 Initial Parcel as shown on the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit H**. The projected Improvement Area #2 Annual Installments are shown on **Exhibit I**, subject to revisions made during any Annual Service Plan Update.

Major Improvement Area Assessments will be levied on the Major Improvement Area Initial Parcel according to the Major Improvement Area Assessment Roll, attached hereto as **Exhibit J**. The projected Major Improvement Area Annual Installments are shown on **Exhibit K**, subject to revisions made during any Annual Service Plan Update.

Future Improvement Area Assessments may be levied for the purposes of (i) financing Future Improvement Area Improvements and (ii) paying the applicable District Formation Expenses and Bond Issuance Costs. Any Future Improvement Area Assessments will be levied entirely on the applicable Future Improvement Area Assessed Property.

B. Findings of Special Benefit

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

- *Improvement Area #1*
 1. The costs of Improvement Area #1 Projects plus the applicable 1st year Annual Collection Costs and Bond Issuance Costs equal \$14,056,965 as shown on **Exhibit C**; and
 2. The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs equal to or greater than the Actual Costs of the Improvement Area #1 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs; and
 3. The Improvement Area #1 Initial Parcel will be allocated 100% of the Improvement Area #1 Assessment levied on the Improvement Area #1 Initial Parcel for the Improvement Area #1 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs, which equal \$10,588,645 as shown on the Improvement Area #1 Assessment Roll, attached as **Exhibit F**; and
 4. The special benefit (\geq \$14,056,965) received by the Improvement Area #1 Initial Parcel from the Improvement Area #1 Projects and applicable 1st Year Annual Collection Costs and Bond Issuance Costs is greater than the amount of Improvement Area #1 Assessments (\$10,588,645) levied on the Improvement Area #1 Initial Parcel for the Improvement Area #1 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs.

5. At the time the City Council approved the Assessment Ordinance, Saratoga and the Developer owned 100% of the Improvement Area #1 Initial Parcel. In a Landowner Certificate, Saratoga and the Developer acknowledged that the Improvement Area #1 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs confer a special benefit on the Improvement Area #1 Initial Parcel and consented to the imposition of the Improvement Area #1 Assessments to pay for the Actual Costs associated therewith. Saratoga and the Developer ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property.
- *Improvement Area #2*
 1. The costs of Improvement Area #2 Projects plus the applicable 1st year Annual Collection Costs and Bond Issuance Costs equal \$18,374,639 as shown on **Exhibit C**; and
 2. The Improvement Area #2 Assessed Property receives special benefit from the Improvement Area #2 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs equal to or greater than the Actual Costs of the Improvement Area #2 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs; and
 3. The Improvement Area #2 Initial Parcel will be allocated 100% of the Improvement Area #2 Assessments levied for the Improvement Area #2 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs, which equal \$14,161,355 as shown on the Improvement Area #2 Assessment Roll, attached as **Exhibit H**; and
 4. The special benefit (\geq \$18,374,639) received by the Improvement Area #2 Initial Parcel from the Improvement Area #2 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs is greater than the amount of Improvement Area #2 Assessments (\$14,161,355) levied on the Improvement Area #2 Initial Parcel for the Improvement Area #2 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs.
 5. At the time the City Council approved the Assessment Ordinance, Meritage owned 100% of the Improvement Area #2 Initial Parcel. In a Landowner Certificate, Meritage acknowledged that the Improvement Area #2 Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs confer a special benefit on the Improvement Area #2 Initial Parcel and consented to the imposition of the Improvement Area #2 Assessments to pay for the Actual Costs associated therewith. Meritage ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by

the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Improvement Area #2 Assessments on the Improvement Area #2 Assessed Property.

- *Major Improvement Area*

1. The costs of the Major Improvement Area Projects plus the applicable 1st year Annual Collection Costs and Bond Issuance Costs equal \$9,552,495 as shown on **Exhibit C**; and
2. The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs equal to or greater than the Actual Costs of the Major Improvement Area Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs; and
3. The Major Improvement Area Initial Parcel will be allocated 100% of the Major Improvement Area Assessments levied for the Major Improvement Area Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs, which equal \$9,150,000 as shown on the Major Improvement Area Assessment Roll, attached as **Exhibit J**; and
4. The special benefit (\geq \$9,552,495) received by the Major Improvement Area Initial Parcel from the Major Improvement Area Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs is equal to the amount of Major Improvement Area Assessments (\$9,150,000) levied on the Major Improvement Area Initial Parcel.
5. At the time the City Council approved the Assessment Ordinance, the Developer and Meritage owned 100% of the Major Improvement Area Initial Parcel. In the Landowner Certificate, the Developer and Meritage, respectively, acknowledged that the Major Improvement Area Projects and applicable 1st year Annual Collection Costs and Bond Issuance Costs confers a special benefit on the Major Improvement Area Initial Parcel and consented to the imposition of the Major Improvement Area Assessments to pay for the Actual Costs associated therewith. The Developer and Meritage, respectively, ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Major Improvement Area Assessments on the Major Improvement Area Assessed Property.

C. Annual Collection Costs

The Annual Collection Costs shall be paid for on a pro rata basis by each Assessed Property based on the amount of outstanding Assessment remaining on the Assessed Property. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

D. Interest

The interest rate on Assessments securing PID Bonds may exceed the interest rate on the PID Bonds by the Additional Interest Rate. Interest at the rate of the PID Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

E. TIRZ Annual Credit Amount

In accordance with the TIRZ Plan Ordinance and the TIRZ Agreement, the City Council has agreed to use a portion of TIRZ Increment Receipts generated from each of the Improvement Area #1 Assessed Property, Improvement Area #2 Assessed Property, and the Major Improvement Area Assessed Property to offset a portion of the Improvement Area #1 Assessments, Improvement Area #2 Assessments, and the Major Improvement Area Assessments relating to the Major Improvements by the TIRZ Annual Credit Amount.

- The TIRZ Annual Credit Amount for each applicable Assessed Property is calculated as follows:

1. *For Assessed Property that have not been assigned a Lot Type*

Each Assessed Property that has not been assigned a Lot Type in this Service and Assessment Plan or an Annual Service Plan Update shall receive a TIRZ Annual Credit Amount equal to the TIRZ Increment Receipts generated by such Parcel for the previous Tax Year (i.e. TIRZ Increment Receipts collected from the Parcel for Tax Year 2022 shall be applied as the TIRZ Annual Credit Amount applicable to the Parcel's principal and interest to be collected in Tax Year 2023).

2. *For Assessed Property that have been assigned a Lot Type*

Each Assessed Property that has been assigned a Lot Type in this Service and Assessment Plan or an Annual Service Plan Update shall receive an TIRZ Annual Credit Amount equal to the lesser of:

- a. the TIRZ Increment Receipts generated by the Lot for the previous Tax Year (i.e. TIRZ Increment Receipts collected from the Lot for Tax Year 2022 shall be applied as the

TIRZ Annual Credit Amount applicable to the Lot's principal and interest to be collected in Tax Year 2023), or

- b. the TIRZ Maximum Annual Credit Amount. In the event the TIRZ Increment Receipts generated by any Lot that has been assigned a Lot Type are greater than the TIRZ Maximum Annual Credit Amount, the amount the applicable TIRZ Increment Receipts exceed the TIRZ Maximum Credit Amount will be transferred from the TIRZ Fund to the City each year and shall not be available to offset the principal and interest related to such Lot. The TIRZ Maximum Credit Amount for each Lot Type within Improvement Area #1, Improvement Area #2, and the Major Improvement Area is shown on **Exhibit N**.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. *Upon Division Prior to Recording of Subdivision Plat*

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and update to this Service and approved by the City Council.

2. *Upon Subdivision by a Recorded Subdivision Plat*

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the

subdivision among the new subdivided Lots based on buildout value according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

- A = the Assessment for the newly subdivided Lot
- B = the Assessment for the Parcel prior to subdivision
- C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type
- D = the sum of the Estimated Buildout Value for all the newly subdivided Lots excluding Non-Benefitted Property
- E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the applicable Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Estimated Buildout Value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the applicable Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and approved by the City Council.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update.

B. True-up of Assessments if Maximum Assessment Exceeded

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the landowner shall partially prepay the Assessment for each Assessed Property that exceeds the applicable

Maximum Assessment for such Lot Type in an amount sufficient to reduce the Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefitted Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefitted Property shall pay to the City or the Administrator on behalf of the City the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, a homeowner association, any other governmental entity or utility provider for use as internal roads, utilities, parks, drainage and detention facilities, and other similar improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs, or (ii) in the event that PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the Project Fund relating to the PID Bonds that are not expected to be used for purposes of the Project Fund, to redeem outstanding PID Bonds, in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds related to such Assessments.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Interest costs from the date of prepayment to the date of

redemption of the applicable PID Bonds, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment is paid in full, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; (4) the Assessed Property is no longer eligible to receive the TIRZ Annual Credit Amount; and (5) the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached hereto as **Exhibit M**.

If an Assessment is paid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised, accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced to the extent of the prepayment made.

F. Prepayment as a result of Eminent Domain Proceeding or Taking

If any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a "**Taking**"), the portion of the Assessed Property that was taken or transferred (the "**Taken Property**") shall be reclassified as Non-Benefitted Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property), (the "**Remaining Property**") following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner will remain liable to pay in Annual Installments, or payable as otherwise provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Annual Installments applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not

exceed the Maximum Assessment, in which case the Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial Prepayment.

In all instances the Assessment remaining on the Remaining Property shall not exceed the Maximum Assessment.

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres of Remaining Property shall be subject to the \$100 Assessment, (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment on the Remaining Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be \$90 and the Annual Installments adjusted accordingly.

Notwithstanding the previous paragraphs in this subsection (F), if the owner notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection (F), the Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

G. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit G** shows the projected Annual Installments for Improvement Area #1, **Exhibit I** shows the projected Annual Installments for Improvement Area #2 and **Exhibit K** shows the projected Annual Installments for the Major Improvement Area. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated equally among Parcels for which the Assessments remain unpaid. Annual Installments shall be reduced by any applicable TIRZ Annual Credit Amount and any credits applied under an applicable Indenture, such as capitalized

interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay the Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Improvement Area #1 Assessments, Improvement Area #2 Assessments and Major Improvement Area Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2023.

H. Allocating Annual Installments if Assessed Property is Sold

If Assessed Property is sold, the Annual Installment shall be allocated between the buyer and seller in the same methodology as property taxes.

SECTION VII: ASSESSMENT ROLL

The Improvement Area #1 Assessment Roll is attached as **Exhibit F**. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel within the Improvement Area #1 Assessed Property as part of each Annual Service Plan Update.

The Improvement Area #2 Assessment Roll is attached as **Exhibit H**. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments for each Parcel within the Improvement Area #2 Assessed Property as part of each Annual Service Plan Update.

The Major Improvement Area Assessment Roll is attached as **Exhibit J**. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Major Improvement Area Assessment Roll and Major Improvement Area Annual Installments for each Parcel within the Major Improvement Area Assessed Property as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a City Council meeting, and within 30 days after closing such meeting, the City Council shall make a final determination as to whether or not an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the Bond Order, or the Trust Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the PID for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and

shall be appealable to the City Council by owners or developers adversely affected by the interpretation. Appeals shall be decided at a meeting of the City Council at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

D. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

LIST OF EXHIBITS

- Exhibit A-1** District Legal Description
- Exhibit A-2** Improvement Area #1 Legal Description
- Exhibit A-3** Improvement Area #2 Legal Description
- Exhibit A-4** Major Improvement Area Legal Description
- Exhibit B-1** District Boundary Map
- Exhibit B-2** Improvement Area #1 Boundary Map
- Exhibit B-3** Improvement Area #2 Boundary Map
- Exhibit B-4** Major Improvement Area Boundary Map
- Exhibit C** Authorized Improvements
- Exhibit D** Service Plan
- Exhibit E** Sources and Uses
- Exhibit F** Improvement Area #1 Assessment Roll
- Exhibit G** Improvement Area #1 Annual Installments
- Exhibit H** Improvement Area #2 Assessment Roll
- Exhibit I** Improvement Area #2 Annual Installments
- Exhibit J** Major Improvement Area Assessment Roll
- Exhibit K** Major Improvement Area Annual Installments
- Exhibit L** Allocation of Estimated Buildout Value per Lot Size
- Exhibit M** Notice of PID Assessment Termination
- Exhibit N** TIRZ Maximum Annual Credit Amount
- Exhibit O** Maximum Assessment
- Exhibit P** Major Improvement Area Bond Debt Service Schedule
- Exhibit Q** Improvement Area #1-2 Bond Debt Service Schedule
- Exhibit R** Improvement Area #1 Annual Installment Used to Fund Major Improvements

Exhibit S	Improvement Area #2 Annual Installment Used to Fund Major Improvements
Exhibit T	Lot Type 1 Disclosure
Exhibit U	Lot Type 2 Disclosure
Exhibit V	Lot Type 3 Disclosure
Exhibit W	Lot Type 4 Disclosure
Exhibit X	Lot Type 5 Disclosure
Exhibit Y	Lot Type 6 Disclosure
Exhibit Z	Improvement Area #1 Initial Parcel Disclosure
Exhibit AA	Improvement Area #1 Initial Parcel Disclosure
Exhibit BB	Major Improvement Area Initial Parcel Disclosure
Appendix A	Engineer's Report

EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

Steven Warner Womack, RPLS, PLS, NCEES

National Council of Examiners for Engineering and Surveying #1928
Texas Registered Professional Land Surveyor #5026
North Carolina Professional Land Surveyor #L-5043
E-Mail: SWRPLS@Gmail.com
(612) 638-0220

METES AND BOUNDS DESCRIPTION

366.458 ACRES OF LAND, MORE OR LESS, OUT OF THE JOHN B. BERRY SURVEY, ABSTRACT NO. 66 IN WILLIAMSON COUNTY, TEXAS, AND BEING THE REMAINDER OF THE TRACT OF LAND CONVEYED TO THE BUTLER FAMILY PARTNERSHIP, LTD. BY INSTRUMENT RECORDED IN DOCUMENT NO. 2010087926, save and except THE FOLLOWING TRACTS: 10.00 ACRES DESCRIBED IN DOCUMENT NO. 2016102000, 48.00 ACRES DESCRIBED IN DOCUMENT NO. 2015108887, 45.00 ACRES DESCRIBED IN DOCUMENT NO. 2015109892 AND 80.00 ACRES DESCRIBED IN DOCUMENT NO. 2016028473 IN THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS AND AS SHOWN ON THE ATTACHED SKETCH:

Beginning at an iron rod found on the north right-of-way of Hwy 29 at the southeast corner of an 80.00 acre tract described in Document No. 2016028473, for the Point of Beginning and southwest corner of the herein described tract;

Thence N 17 deg 41 min 20sec E a distance of 1332.01 feet to an iron rod found at the most easterly corner of the said 80.00 acre tract, for an interior ell corner of the herein described tract;

Thence N 24 deg 12 min 19 sec W a distance of 1219.52 feet to an iron rod found at the northeast corner of the said 80.00 acre tract, being also on the south line of a 16.747 acre tract conveyed to Mark Rummert by instrument of record in Document No. 9611531, for a westerly corner of the herein described tract;

Thence N 70 deg 08 min 21 sec E a distance of 55.28 feet to an iron rod found at the southwest corner of a 50 foot wide access easement recorded in Document No. 9706653, being also the southeast corner of the said 16.747 acre tract and the southmost southwest corner of a 132.225 acre tract conveyed to Dinah Brothers by instrument of record in Document No. 2008063553;

Thence N 69 deg 38 min 20 sec E a distance of 49.87 feet to an iron rod found at the southeast corner of the said easement and the southmost southeast corner of the said 132.225 acre tract, for an interior ell corner of the herein described tract;

Thence N 21 deg 08 min 02 sec W a distance of 701.41 feet to an iron rod found at the northeast corner of the said easement, for a point on the westerly line of the herein described tract;

Thence N 20 deg 56 min 40 sec W a distance of 60.67 feet to an iron rod found at an interior ell corner of the said 132.225 acre tract, for a westerly corner of the herein described tract;

Thence with the common line between the said 132.225 acre tract and the herein described tract the following courses and distances;

N 69 deg 25 min 31 sec E a distance of 1345.10 feet to an iron rod found;

N 04 deg 02 min 05 sec W a distance of 774.14 feet to an iron rod found;

S 69 deg 32 min 49 sec W a distance of 388.38 feet to a steel pipe fence corner post found;

N 19 deg 44 min 41 sec W a distance of 935.24 feet to an iron rod found on the south line of a 250.0 acre tract conveyed to Stacy Browning Estate by instrument of record in Document No. 2006073171, being also the northeast corner of the said 132.225 acre tract, for the northwest corner of the herein described tract;

Page 1 of 2

EW\back\PROJECTS\07-125 330-946 ac Parks Tract\698 Acres Tract\Final\State.docx

The Texas Board of Professional Land Surveying regulates all Registered Professional Land Surveyors in the State of Texas.

They may be contacted at Building A, Suite 156, 12160 Park 35 Circle, Austin, Texas 78753, (512) 339-5261.

Thence with the common line between the said 250.0 acre tract and the herein described tract the following courses and distances;

N 69 deg 40 min 00 sec E a distance of 954.84 feet to an iron rod found;

N 69 deg 41 min 03 sec E a distance of 380.64 feet to an iron rod found;

N 67 deg 53 min 27 sec E a distance of 681.43 feet to an iron rod found;

N 68 deg 45 min 12 sec E a distance of 401.39 feet to an iron rod found at the northwest corner of a 22.0 acre tract conveyed to Robert Harris by instrument of record in Volume 1062, Page 562, for the northeast corner of the herein described tract;

Thence S 20 deg 45 min 01 sec E a distance of 4616.96 feet to a cedar post fence corner found at the northeast corner of a 99.0 acre tract conveyed to Lasey Hall Revocable Living Trust by instrument of record in Document No. 9819014, for the southeast corner of the herein described tract;

Thence S 69 deg 23 min 00 sec W a distance of 1733.68 feet to a cedar post fence corner found at the northwest corner of the said 99.0 acre tract and the northernmost corner of a 45.0 acre tract, for an interior ell corner of the herein described tract;

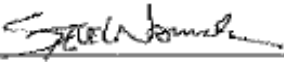
Thence S 52 deg 39 min 58 sec W a distance of 2538.30 feet to an iron rod found on the said north right-of-way of Hwy 29 at the southwest corner of the said 45.00 acre tract and the southernmost corner of the herein described tract;

Thence with the said right-of-way line the following courses and distances:

With a curve to the left whose radius=1005.40 feet, Tangents=105.19 feet, Arc=209.63 feet and whose Chord bears N 58 deg 45 min 44 sec W a distance of 209.25 feet to an iron rod found;

With a curve to the right whose radius=2249.81 feet, Tangents=180.28 feet, Arc=359.79 feet and whose Chord bears N 64 deg 36 min 43 sec W a distance of 359.41 to an iron rod found;

N 64 deg 36 min 50 sec W a distance of 70.53 feet to the Point of Beginning and containing 366.455 acres of land, more or less.


Steven W. Womack
Registered Professional Land Surveyor
No. 5025, State of Texas

25 April 2017
Date



EXHIBIT A-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

Williamson County, Texas
John B. Berry Survey, Abstract No. 56

50.791 Acres
Page 1 of 9

FIELD NOTES DESCRIPTION

DESCRIPTION OF 50.791 ACRES OF LAND IN THE JOHN B. BERRY SURVEY, ABSTRACT NO. 56, WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A CERTAIN CALLED 366.4641 ACRE TRACT DESCRIBED IN THE WARRANTY DEED TO 366 TX 29, LTD. OF RECORD IN DOCUMENT NO. 2021021762, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND BEING A PORTION OF A CERTAIN CALLED 45.954 ACRE TRACT DESCRIBED IN THE SPECIAL WARRANTY DEED TO INC DEVELOPMENT, INC. OF RECORD IN DOCUMENT NO. 2021022152, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 366.4641 ACRE TRACT AND SAID 45.954 ACRE TRACT, BEING A PORTION OF A CERTAIN CALLED 546.33 ACRE TRACT OF LAND DESCRIBED IN THE ADMINISTRATOR'S SPECIAL WARRANTY DEED TO BUTLER FAMILY PARTNERSHIP, LTD. OF RECORD IN DOCUMENT NO. 2010087926, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND A PORTION OF A CERTAIN CALLED 366.455 ACRES DESCRIBED IN THE DEED OF TRUST RECORDED IN DOCUMENT NO. 2020023667, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 50.791 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, AND SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a ½-inch iron rod with a plastic cap stamped "RPLS 5025" found in the northeast right-of-way line of State Highway 29, a variable-width right-of-way, in the southwest line of the said 546.33 acre tract, at a west corner of the said 366.455 acre tract and the said 366.4641 acre tract, same being the southeast corner of a certain called 80.00 acre tract described in the deed to 3AM Ventures, LLC of record in Document No. 2016028473, Official Public Records of Williamson County, Texas;

THENCE N 17°41'29" E, leaving the northeast right-of-way line of said State Highway 29, crossing the said 546.33 acre tract, with a west line of the said 366.455 acre tract and the said 366.4641 acre tract, with the east line of the said 80.00 acre tract, a distance of 1,532.18 feet to a ½-inch iron rod with a plastic cap stamped "RPLS 5025" found at an angle point of the said 80.00 acre tract and the said 366.455 acre tract and the said 366.4641 acre tract;

THENCE N 25°11'02" E, leaving the east line of the said 80.00 acre tract, continuing across the said 546.33 acre tract, crossing the said 366.455 acre tract and the said 366.4641 acre tract, a distance of 674.41 feet to a calculated point for the southwest corner and **POINT OF BEGINNING** of the tract described herein;

THENCE, crossing the said 546.33 acre tract, the said 366.455 acre tract, and the said 366.4641 acre tract, with the west line of the tract described herein, the following seven (7) courses and distances:

1. N 47°59'55" W, a distance of 180.27 feet to a calculated point for an angle point,
2. N 02°59'55" W, a distance of 24.88 feet to a calculated point for a point of non-tangent curvature,
3. With the arc of a curve to the right, having a radius of 60.00 feet, an arc distance of 233.71 feet, and a chord which bears N 18°36'53" E, a distance of 111.58 feet to a calculated point for a point of reverse curvature,
4. With the arc of a curve to the left, having a radius of 15.00 feet, an arc distance of 11.70 feet, and a chord which bears S 72°08'28" E, a distance of 11.40 feet to a calculated point for a point of non-tangency,
5. N 42°24'03" W, a distance of 128.79 feet to a calculated point for an angle point,
6. N 65°16'49" E, a distance of 30.40 feet to a calculated point for an angle point, and
7. N 58°30'07" E, a distance of 53.27 feet to a calculated point for the westerly southwest corner of the said 45.954 acre tract, for an angle point in the west line of the tract described herein;

THENCE, continuing across the said 546.33 acre tract, the said 366.455 acre tract, and the said 366.4641 acre tract, with the west line of the said 45.954 acre tract, with the west line of the tract described herein, the following four (4) courses and distances:

1. N 44°05'01" W, a distance of 257.32 feet to a calculated point for an angle point,
2. N 34°41'44" W, a distance of 113.90 feet to a calculated point for an angle point,
3. N 28°17'28" W, a distance of 113.82 feet to a calculated point for an angle point, and
4. N 20°21'04" W, a distance of 653.69 feet to a calculated point in a north line of the said 546.33 acre tract, in a north line of the said 366.455 acre tract and the said 366.4641 acre tract, in a south line of a certain called 132.225 acre tract described in the General Warranty Deed to Butler Family Partnership, LTD. of record in Document No. 2021038920,

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6690
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

Official Public Records of Williamson County, Texas, for the northwest corner of the said 45.954 acre tract, for the northwest corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "RPLS 5025" found at a northwest corner of the said 546.33 acre tract, and the said 366.455 acre tract and 366.4641 acre tract, at a re-entrant corner of the said 132.225 acre tract bears S 69°25'22" W, a distance of 357.99 feet;

THENCE, with a north and a west line of the said 546.33 acre tract, the said 366.455 acre tract, the said 366.4641 acre tract, and the said 45.954 acre tract, with a south and an east line of the said 132.225 acre tract, with a north and west line of the tract described herein, the following two (2) courses and distances:

1. N 69°25'22" E, a distance of 987.23 feet to a 1/2-inch iron rod found at a re-entrant corner of the said 546.33 acre tract and the said 366.455 acre tract, same being the most easterly southeast corner of the said 132.225 acre tract, for a re-entrant corner of the tract described herein, and
2. N 04°01'23" W, a distance of 17.40 feet to a calculated point for a northwest corner of the said 45.954 acre tract, for a northwest corner of the tract described herein, from which a 1/2-inch iron rod found at a re-entrant corner of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, same being a northeast corner of the said 132.225 acre tract bears N 04°01'23" W, a distance of 756.57 feet;

THENCE, leaving the east line of the said 132.225 acre tract, crossing the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, with the north, east and south lines of the said 45.954 acre tract and the tract described herein, the following thirty (30) courses and distances:

1. S 71°50'45" E, a distance of 154.16 feet to a calculated point for a point of non-tangent curvature,
2. With the arc of a curve to the left, having a radius of 155.00 feet, an arc distance of 29.51 feet, and a chord which bears N 12°41'59" E, a distance of 29.47 feet to a calculated point for a point of compound curvature,
3. With the arc of a curve to the left, having a radius of 25.00 feet, an arc distance of 27.22 feet, and a chord which bears N 23°56'36" W, a distance of 25.89 feet to a calculated point for a point of reverse curvature,
4. With the arc of a curve to the right, having a radius of 60.00 feet, an arc distance of 300.96 feet, and a chord which bears N 88°33'52" E, a distance of 71.05 feet to a calculated point for a point of reverse curvature,
5. With the arc of a curve to the left, having a radius of 25.00 feet, an arc distance of 21.29 feet, and a chord which bears S 27°51'35" W, a distance of 20.66 feet to a calculated point for a point of reverse curvature,
6. With the arc of a curve to the right, having a radius of 205.00 feet, an arc distance of 23.50 feet, and a chord which bears S 06°44'31" W, a distance of 23.48 feet to a calculated point for a point of non-tangency,
7. S 79°58'28" E, a distance of 123.05 feet to a calculated point for an angle point,
8. S 14°15'49" W, a distance of 40.50 feet to a calculated point for an angle point,
9. S 75°44'11" E, a distance of 122.93 feet to a calculated point for a point of non-tangent curvature,
10. With the arc of a curve to the left, having a radius of 445.00 feet, an arc distance of 29.16 feet, and a chord which bears N 12°23'11" E, a distance of 29.16 feet to a calculated point for a point of non-tangency,
11. S 79°29'28" E, a distance of 50.00 feet to a calculated point for a point of non-tangent curvature,
12. With the arc of a curve to the right, having a radius of 495.00 feet, an arc distance of 47.93 feet, and a chord which bears S 13°16'58" W, a distance of 47.91 feet to a calculated point for a point of non-tangency,
13. S 73°56'37" E, a distance of 136.98 feet to a calculated point for an angle point,
14. S 07°57'35" W, a distance of 73.38 feet to a calculated point for a point of non-tangent curvature,
15. With the arc of a curve to the right, having a radius of 225.00 feet, an arc distance of 33.13 feet, and a chord which bears N 71°02'57" W, a distance of 33.10 feet to a calculated point for a point of non-tangency,
16. S 23°10'10" W, a distance of 50.00 feet to a calculated point for an angle point,

17. S 25°47'59" W, a distance of 163.75 feet to a calculated point for an angle point,
18. S 89°43'56" E, a distance of 296.94 feet to a calculated point for an angle point,
19. S 87°11'41" E, a distance of 244.29 feet to a calculated point for an angle point,
20. S 02°48'19" W, a distance of 120.54 feet to a calculated point for an angle point,
21. S 86°52'35" E, a distance of 8.47 feet to a calculated point for an angle point,
22. S 01°05'14" W, a distance of 50.02 feet to a calculated point for an angle point,
23. With the arc of a curve to the right, having a radius of 13.50 feet an arc distance of 21.21 feet, and a chord which bears S 42°11'41" E, a distance of 19.09 feet to a calculated point-of-tangency,
24. S 02°48'19" W, a distance of 428.64 feet to a calculated point-of-curvature,
25. With the arc of a curve to the right, having a radius of 435.00 feet, an arc distance of 653.70 feet, and a chord which bears S 45°51'22" W, a distance of 593.90 feet to a calculated point of compound-curvature,
26. With the arc of a curve to the left, having a radius of 187.00 feet, an arc distance of 11.47 feet, and a chord which bears N 89°20'10" W, a distance of 11.47 feet to a calculated point-of-tangency,
27. N 87°34'45" W, a distance of 224.16 feet to a calculated angle point,
28. N 78°12'05" W, a distance of 18.41 feet to a calculated point-of-curvature,
29. With the arc of a curve to the left, having a radius of 216.00 feet, an arc distance of 9.86 feet, and a chord which bears N 88°53'10" W, a distance of 9.85 feet to a calculated point-of-tangency, and
30. S 89°48'24" W, a distance of 123.91 feet to a calculated point for the southerly southwest corner of the said 45.954 acre tract, for a point in the south line of the tract described herein;

THENCE, leaving the southerly southwest corner of the said 45.954 acre tract, continuing across the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, with the south line of the tract described herein, the following six (6) courses and distances:

1. S 89°48'24" W, a distance of 40.54 feet to a calculated point for a point of curvature,
2. With the arc of a curve to the left, having a radius of 498.50 feet, an arc distance of 223.75 feet, and a chord which bears S 76°56'53" W, a distance of 221.88 feet to a calculated point for a point of reverse curvature,
3. With the arc of a curve to the right, having a radius of 15.00 feet, an arc distance of 22.16 feet, and a chord which bears N 73°42'15" W, a distance of 20.15 feet to a calculated point for a point of non-tangency,
4. S 67°04'19" W, a distance of 70.79 feet to a calculated point for a point of non-tangent curvature,
5. With the arc of a curve to the right, having a radius of 15.00 feet, an arc distance of 22.13 feet, and a chord which bears S 10°45'51" W, a distance of 20.18 feet to a calculated point for a point of reverse curvature, and
6. With the arc of a curve to the left, having a radius of 509.00 feet, an arc distance of 228.88 feet, and a chord which bears S 40°08'40" W, a distance of 226.96 feet to the **POINT OF BEGINNING** and containing 50.791 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS

That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the months of August, 2019 through June, 2021.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 17th day of October 2021 A.D.

LANDDEV CONSULTING, LLC
5508 Highway 290 W, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 – State of Texas



LAND DEV

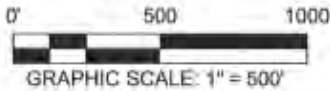
CONSULTING, L.L.C.
 5308 HIGHWAY 290 WEST, SUITE 150
 AUSTIN, TX 78735
 OFFICE: 512.872.0056
 TOLL-FREE: 800.1019410

(132.225 ACRES)
 BUTLER FAMILY PARTNERSHIP, LTD.
 GENERAL WARRANTY DEED
 DOC. #2021038520
 O.P.R.W.C.TX.

N 20°59'06" W 60.63'
 (N 21°03'25" E 60.23')
 *SCRIVENER'S ERROR
 SHOULD BE N 21°03'26" W
 (S 19°20'25" E 60.36')

CALLLED 16.02 ACRES
 (TRACT 1)
 RACHAEL ELIZABETH OSTERLOH
 SPECIAL WARRANTY DEED
 DOC. # 2018054469
 O.P.R.W.C.TX.

CALLLED 80.00 ACRES
 3AM VENTURES, LLC
 SPECIAL WARRANTY DEED
 DOC. # 2018028473
 O.P.R.W.C.TX.



(S 71°01'31" W 1345.16')
 (N 69°23'55" E 1345.17')
 N 69°25'22" E 1345.22'

(N 04°00'08" W 773.887')
 (N 04°02'05" W 774.147')
 (S 03°22'25" E 774.097')
 (N 04°01'23" W 773.877')
 756.57'

(366.4641 AC.
 SAVE AND EXCEPT 45.954 &
 95.555 ACRES)
 WARRANTY DEED
 366 TX 29, LTD.
 DOC. # 2021021762
 O.P.R.W.C.TX.

(45.954 ACRES)
 SPECIAL WARRANTY DEED
 JNC DEVELOPMENT, INC.
 DOC. # 2021022152
 O.P.R.W.C.TX.

50,791 ACRES

PAGE 6 OF 9

PAGE 7 OF 9

PORTION OF
 (366.4641 AC.
 SAVE AND EXCEPT 45.954 &
 95.555 ACRES)
 WARRANTY DEED
 366 TX 29, LTD.
 DOC. # 2021021762
 O.P.R.W.C.TX.

POINT OF BEGINNING
 N 25°11'02" E
 674.41'

(366.4641 AC.
 SAVE AND EXCEPT 45.954 &
 95.555 ACRES)
 WARRANTY DEED
 366 TX 29, LTD.
 DOC. # 2021021762
 O.P.R.W.C.TX.

(95.555 ACRES)
 SPECIAL WARRANTY DEED
 MERITAGE HOMES
 OF TEXAS, LLC
 DOC. # 2021022160
 O.P.R.W.C.TX.

POINT OF COMMENCEMENT
 GRID COORDINATES
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 E: 3,035,316.64'

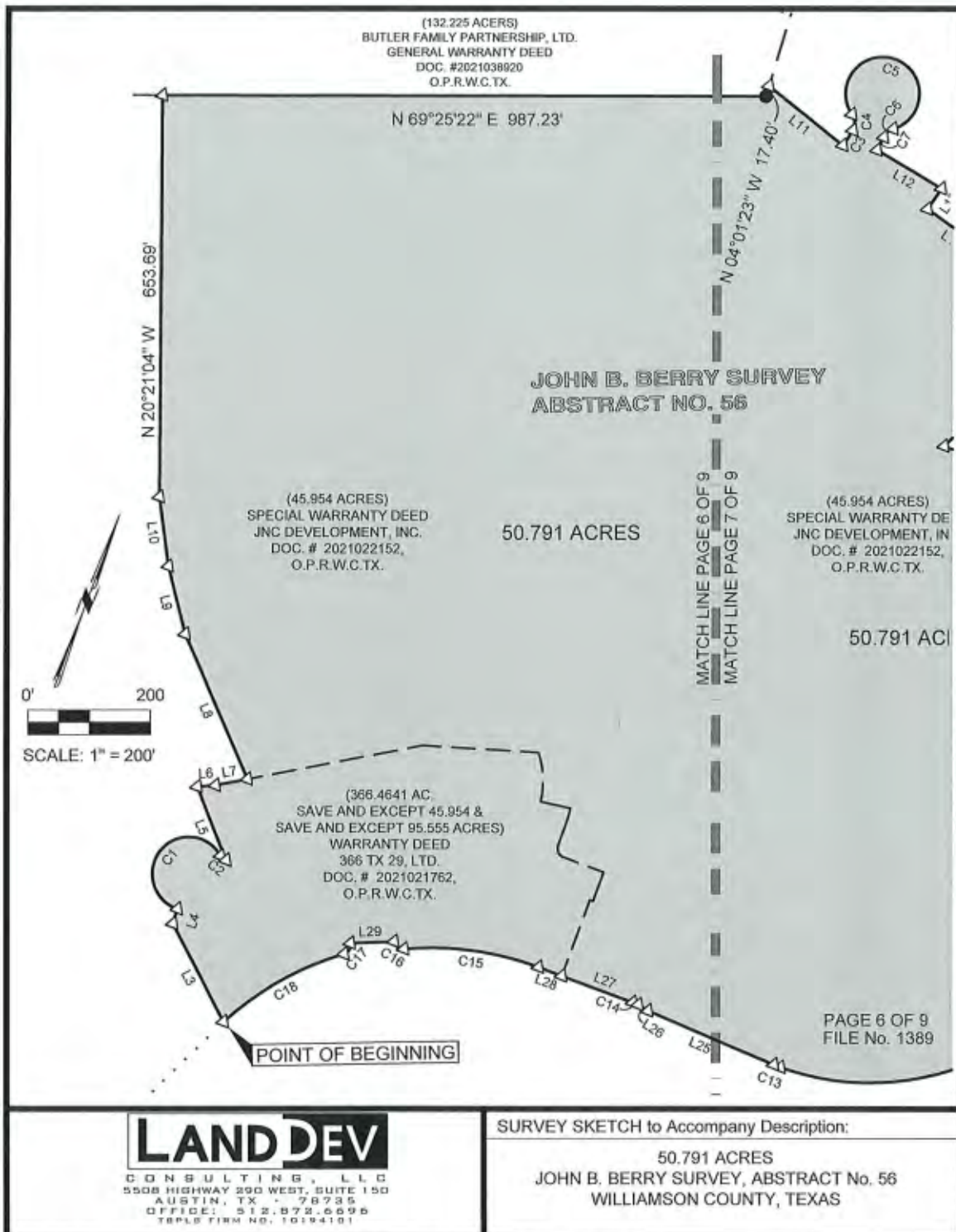
JOHN B. BERRY SURVEY
 ABSTRACT NO. 56

CALLLED 45.00 ACRES
 SARAJA, LLC
 DOC. # 2015106887
 O.P.R.W.C.TX.

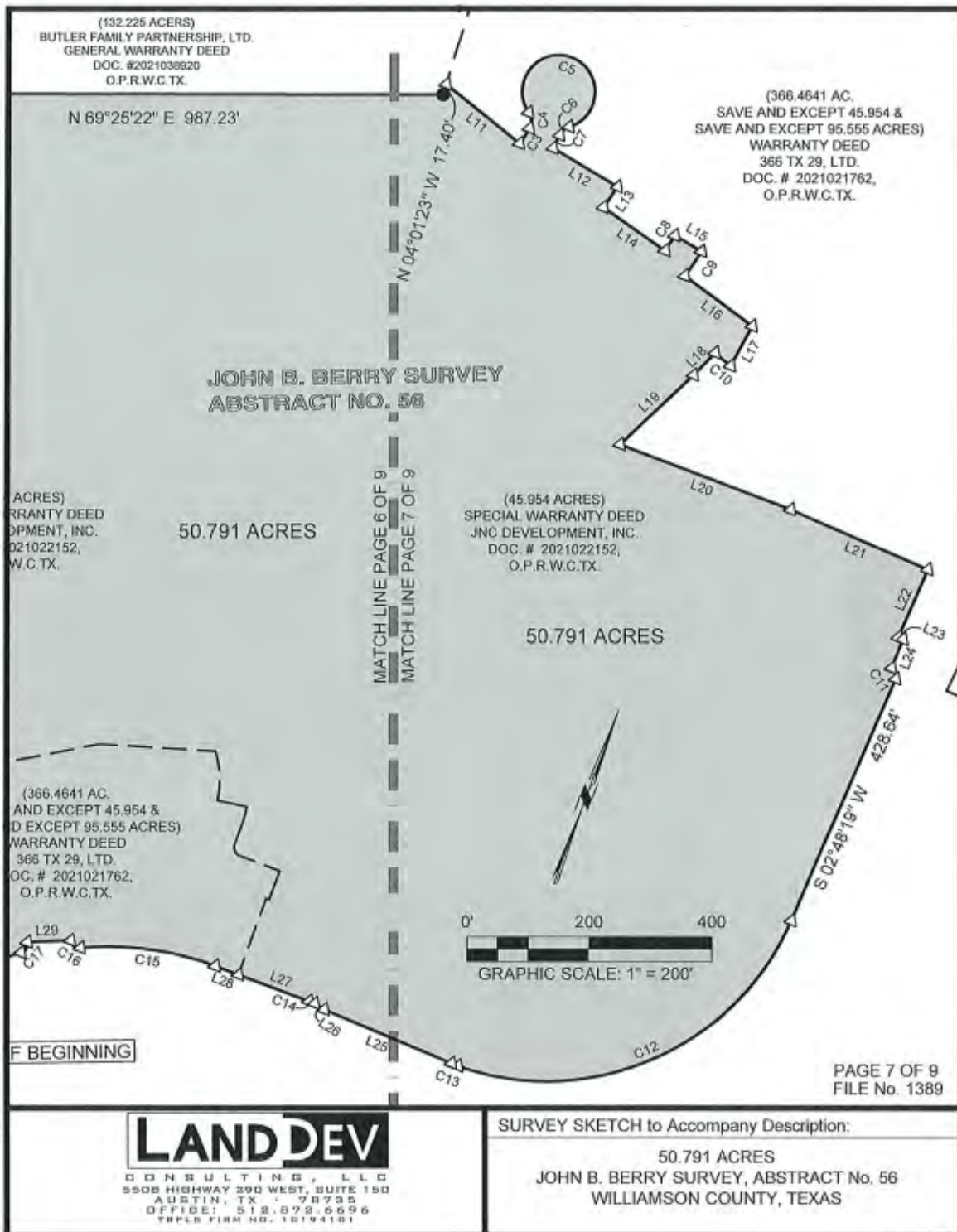
PAGE 5 OF 9
 FILE No. 1389

SURVEY SKETCH to Accompany Description:
 50,791 ACRES
 JOHN B. BERRY SURVEY, ABSTRACT No. 56
 WILLIAMSON COUNTY, TEXAS

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U:\Projects\1389 Butler Farms PID\0606_Survey\007 CAD\External\Phase description PID sketches\2021\Butler Phase 2 3, 4 & 5 & portion of 1 survey sketch.dwg
 PLOT 04-10_04 17-2021 12:35pm



L:\Projects\1389 - Butler Farms Planning\SSD - Survey\07 - CAD\Drawings\Draw Descriptions PD sheets\1201\Butler Phase 2, 3 & 5 - portion of 1 plang.dwg
PLS 2486 - Out 12/2021 12:35am

NOTES:

1. BEARING BASIS IS TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD83, GRID.
2. DISTANCES SHOWN HEREON ARE BASED ON SURFACE MEASUREMENTS, TO CONVERT SURFACE DISTANCES TO GRID, MULTIPLY BY THE COMBINED SCALE FACTOR.
3. THE COMBINED SCALE FACTOR FOR THIS PROJECT IS 0.999846.
4. COORDINATES SHOWN HEREON ARE TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD83, GRID.

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N 69°42'54" E	55.32'
L2	N 70°08'23" E	49.61'
L3	N 47°59'55" W	180.27'
L4	N 02°59'55" W	24.88'
L5	N 42°24'03" W	128.79'
L6	N 65°16'49" E	30.40'
L7	N 58°30'07" E	53.27'
L8	N 44°05'01" W	257.32'
L9	N 34°41'44" W	113.90'
L10	N 28°17'28" W	113.82'
L11	S 71°50'45" E	154.16'
L12	S 79°58'28" E	123.05'
L13	S 14°15'49" W	40.50'
L14	S 75°44'11" E	122.93'
L15	S 79°29'28" E	50.00'
L16	S 73°58'37" E	136.98'
L17	S 07°57'35" W	73.38'
L18	S 23°10'10" W	50.00'
L19	S 25°47'59" W	163.75'
L20	S 89°43'56" E	296.94'
L21	S 87°11'41" E	244.29'
L22	S 02°48'19" W	120.54'
L23	S 88°52'35" E	8.47'
L24	S 01°05'14" W	50.02'
L25	N 87°34'45" W	224.16'
L26	N 76°12'05" W	18.41'
L27	S 89°48'24" W	123.91'
L28	S 89°48'24" W	40.54'
L29	S 67°04'19" W	70.79'

PAGE 8 OF 9
FILE No. 1389

LAND DEV

CONSULTING, LLC
5508 HIGHWAY 290 WEST, SUITE 150
AUSTIN, TX 78739
OFFICE: 512.872.8898
TELE FAX: 512.872.8898

SURVEY SKETCH to Accompany Description:

50.791 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS

- LEGEND
 1/2" IRON ROD FOUND (OR AS NOTED)
- 5025 ● 1/2" IRON ROD WITH PLASTIC CAP STAMPED
 "RPLS 5025" FOUND
- △ CALCULATED POINT
- O.P.R.W.C.TX. OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS
- () RECORD INFORMATION PER DOC. # 2010087926,
 OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS
- { } RECORD INFORMATION PER DOC. # 2020023667,
 OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS
- [] ADJOINER INFORMATION

CURVE TABLE					
CURVE	RADIUS	ARC LENGTH	DELTA	CHORD BEARING	CHORD LENGTH
C1	60.00'	233.71'	223°10'28"	N 18°36'53" E	111.58'
C2	15.00'	11.70'	44°41'10"	S 72°08'28" E	11.40'
C3	155.00'	29.51'	10°54'32"	N 12°41'59" E	29.47'
C4	25.00'	27.22'	62°22'38"	N 23°56'36" W	25.89'
C5	60.00'	300.96'	287°23'34"	N 88°33'52" E	71.05'
C6	25.00'	21.29'	48°48'09"	S 27°51'35" W	20.66'
C7	205.00'	23.50'	6°34'02"	S 06°44'31" W	23.48'
C8	445.00'	29.16'	3°45'17"	N 12°23'11" E	29.16'
C9	495.00'	47.93'	5°32'51"	S 13°16'58" W	47.91'
C10	225.00'	33.13'	8°26'13"	N 71°02'57" W	33.10'
C11	13.50'	21.21'	90°00'00"	S 42°11'41" E	19.09'
C12	435.00'	653.70'	88°06'08"	S 45°51'22" W	593.90'
C13	187.00'	11.47'	3°30'50"	N 89°20'10" W	11.47'
C14	216.00'	9.86'	2°36'51"	N 88°53'10" W	9.85'
C15	498.50'	223.75'	25°43'01"	S 76°56'53" W	221.88'
C16	15.00'	22.10'	84°24'44"	N 73°42'15" W	20.15'
C17	15.00'	22.13'	84°31'28"	S 10°45'51" W	20.18'
C18	509.00'	328.80'	25°45'50"	S 40°08'40" W	226.96'

PAGE 9 OF 9
 FILE No. 1389

LAND DEV

CONSULTING, LLC
 5508 HIGHWAY 290 WEST, SUITE 150
 AUSTIN, TX 78785
 OFFICE: 512.878.8898
 TEXAS FIRM NO. 10184101

SURVEY SKETCH to Accompany Description:

50.791 ACRES
 JOHN B. BERRY SURVEY, ABSTRACT No. 56
 WILLIAMSON COUNTY, TEXAS

EXHIBIT A-3 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION

Williamson County, Texas
John B. Berry Survey, Abstract No. 56

71.805 Acres
Page 1 of 8

FIELD NOTES DESCRIPTION

DESCRIPTION OF 71.805 ACRES OF LAND IN THE JOHN B. BERRY SURVEY, ABSTRACT NO. 56, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 366.4641 ACRE TRACT DESCRIBED IN THE WARRANTY DEED TO 366 TX 29, LTD. OF RECORD IN DOCUMENT NO. 2021021762, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND BEING A PORTION OF A CERTAIN CALLED 95.555 ACRE TRACT DESCRIBED IN THE SPECIAL WARRANTY DEED TO MERITAGE HOMES OF TEXAS, LLC OF RECORD IN DOCUMENT NO. 2021022160, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 366.4641 ACRE TRACT AND SAID 95.555 ACRE TRACT, BEING A PORTION OF A CERTAIN CALLED 546.33 ACRE TRACT OF LAND DESCRIBED IN THE ADMINISTRATOR'S SPECIAL WARRANTY DEED TO BUTLER FAMILY PARTNERSHIP, LTD. OF RECORD IN DOCUMENT NO. 2010087926, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND BEING A PORTION OF A CERTAIN CALLED 366.455 ACRES DESCRIBED IN THE DEED OF TRUST RECORDED IN DOCUMENT NO. 2020023667, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 71.805 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, AND SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a ½-inch iron rod found in the curving northeast right-of-way line of State Highway 29, a variable-width right-of-way, in the southwest line of the said 546.33 acre tract, at the southwest corner of the said 366.455 acre tract, at the northwest corner of a certain called 45.00 acre tract described in the deed to Saraja, LLC of record in Document No. 2015108887, Official Public Records of Williamson County, Texas;

THENCE N 52°40'32" E, leaving the curving northeast right-of-way line of said State Highway 29, crossing the said 546.33 acre tract, with the south line of the said 366.445 acre tract, with the northwest line of the said 45.00 acre tract, a distance of 2,302.20 feet to a calculated point for the southwest corner of the said 95.555 acre tract, for the southwest corner and **POINT OF BEGINNING** of the tract described herein;

THENCE leaving the northwest line of the said 45.00 acre tract, crossing the said 546.33 acre tract and the said 366.445 acre tract with the west line of the said 95.555 acre tract, the following nine (9) courses and distances:

1. N 20°57'17" W, a distance of 173.51 feet to a calculated point for an angle point,
2. N 19°23'17" W, a distance of 81.94 feet to a calculated point for an angle point,
3. N 20°57'17" W, a distance of 138.07 feet to a calculated point for an angle point,
4. N 17°24'12" W, a distance of 292.21 feet to a calculated point for an angle point,
5. N 15°56'58" E, a distance of 200.02 feet to a calculated point for an angle point,
6. S 74°03'02" E, a distance of 200.00 feet to a calculated point for an angle point,
7. S 81°07'58" E, a distance of 76.12 feet to a calculated point for an angle point,
8. N 69°04'37" E, a distance of 45.82 feet to a calculated point for an angle point, and
9. N 20°57'17" W, a distance of 170.00 feet to a calculated point for an angle point in the west line of the said 95.555 acre tract;

THENCE N 23°34'54" W, leaving the west line of the said 95.555 acre tract, continuing across the said 546.33 acre tract and the said 366.445 acre tract, crossing the said 366.4641 acre tract, with the west line of the tract described herein, a distance of 50.06 feet to a calculated point for an angle point in the west line of the said 95.555 acre tract;

THENCE continuing across the said 546.33 acre tract and the said 366.445 acre tract, crossing the said 366.4641 acre tract, with the west line of the said 95.555 acre tract, with the west line of the tract described herein, the following five (5) courses and distances:

1. N 16°17'55" W, a distance of 125.42 feet to a calculated point for an angle point,
2. N 06°15'56" E, a distance of 521.64 feet to a calculated point for an angle point,
3. N 29°41'39" W, a distance of 214.69 feet to a calculated point for an angle point,

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4. N 09°59'21" W, a distance of 74.87 feet to a calculated point for an angle point, and
5. N 01°05'48" E, a distance of 175.39 feet to a calculated angle point in the west line of the said 95.555 acre tract, for a point-on-line in the west line of the tract described herein;

THENCE continuing across the said 546.33 acre tract, the said 366.445 acre tract and the said 366.4641 acre tract, crossing the said 95.555 acre tract, with the west line of the tract described herein, the following two (2) courses and distances:

1. N 01°05'48" E, a distance of 50.00 feet to a calculated angle point, and
2. N 88°54'12" W, a distance of 7.25 feet to a calculated point for an angle point in the west line of the said 95.555 acre tract, for an angle point in the west line of the tract described herein;

THENCE continuing across the said 546.33 acre tract and the said 366.445 acre tract, crossing the said 366.4641 acre tract, with the west line of the said 95.555 acre tract, with the west line of the tract described herein, the following two (2) courses and distances:

1. N 14°12'32" W, a distance of 109.14 feet to a calculated point for an angle point, and
2. N 01°41'30" E, a distance of 4.73 feet to a calculated point for the northwest corner of the tract described herein,

THENCE continuing across the said 546.33 acre tract and the said 366.445 acre tract, continuing across the said 366.4641 acre tract, and crossing the said 95.555 acre tract, with the north line of the tract described herein, the following sixteen (16) courses and distances:

1. S 88°54'12" E, a distance of 156.01 feet to a calculated point for an angle point,
2. N 01°05'48" E, a distance of 20.65 feet to a calculated point for an angle point,
3. S 88°54'12" E, a distance of 50.00 feet to a calculated point for an angle point,
4. S 87°42'35" E, a distance of 116.15 feet to a calculated point for an angle point,
5. N 73°46'54" E, a distance of 209.97 feet to a calculated point for an angle point,
6. N 62°06'06" E, a distance of 109.56 feet to a calculated point for an angle point,
7. S 27°53'54" E, a distance of 10.03 feet to a calculated point for an angle point,
8. N 64°46'30" E, a distance of 172.59 feet to a calculated point for a point-of-curvature,
9. with the arc of a curve to the right, having a radius of 975.00 feet, an arc distance of 18.11 feet, and a chord which bears N 24°41'35" W, a distance of 18.11 feet to a calculated point for a non-tangent end of curve,
10. N 62°00'12" E, a distance of 58.96 feet to a calculated point for an angle point,
11. N 46°00'17" E, a distance of 46.66 feet to a calculated point for an angle point,
12. N 15°12'00" E, a distance of 40.46 feet to a calculated point for an angle point,
13. S 88°51'09" E, a distance of 172.93 feet to a calculated point for a non-tangent point-of-curvature,
14. with the arc of a curve to the right, having a radius of 250.00 feet, an arc distance of 21.71 feet, and a chord which bears S 03°38'06" W, a distance of 21.70 feet to a calculated point for a non-tangent end of curve,
15. S 83°52'40" E, a distance of 159.16 feet to a calculated point for an angle point, and
16. N 69°15'22" E, a distance of 19.99 feet to a calculated point in the east line of the said 546.33 acre tract, the said 366.445 acre tract, and the said 95.555 acre tract, same being the west line of a certain called 20.00 acre tract designated as Tract 4 and conveyed in the Executor's Deed to Edna Bray Harris of record in Document No. 2018052583, Official Public Records of Williamson County, Texas, described in the deed to Veterans' Land Board of the State of Texas of record in Volume 817, Page 319, Deed Records of Williamson County, Texas, for the northeast corner of the tract described herein,

from which a 1/2-inch iron rod found in the south line of a certain called 250.00 acre tract of land described in the Warranty Deed to Billy Ray Browning, as Guardian of the Person and Estate of Stacy J. Browning of record in Document No. 2006073171, Official Public Records of Williamson County, Texas, at the northeast corner of the said 546.33 acre tract and the northeast corner of the said 366.455 acre tract, and the northeast corner of the said 366.4641 acre tract, same being the northwest corner of a certain called 22.005 acres, designated as Tract 2 and conveyed in the Executor's Deed to Edena Bray Harris of record in Document No. 2018052583, Official Public Records of Williamson County, Texas, bears N 20°44'37" W, a distance of 2,754.24 feet:

THENCE S 20°44'37" E, with the east line of the said 546.33 acre tract, the said 366.445 acre tract, the east line of the said 366.4641 acre tract, and the east line of the said 95.555 acre tract, and the west line of the said 20.00 acre tract designated as Tract 4, and with the west line of a certain called 20.00 acre tract designated as Tract 3 and described in the Executor's Deed to Edna Bray Harris of record in Document No. 2018052583, Official Public Records of Williamson County, Texas, and described in Volume 817, Page 284, Deed Records of Williamson County, Texas, and with the west line of a certain called 94.57 acre tract, save and except 10.00 acres and 15.00 acres, conveyed in the deed to 1047 Liberty Hill Series, a Series of Lechow Investments LLC, of record in Document No. 2015075887, Official Public Records of Williamson County, Texas, described in the deed to John D. Pope and wife, Ada L. Pope of record in Volume 816, Page 349, Deed Records of Williamson County, Texas, with an east line of the tract described herein, a distance of 1,863.26 feet to a 6-inch cedar fence post found in the west line of the said 94.57 acre tract, at the easterly southeast corner of the said 546.33 acre tract, the southeast corner of the said 366.445 acre tract, and the said 366.4641 acre tract, and the southeast corner of the said 95.555 acre tract, same being the northeast corner of a certain called 100 acre tract described in the deed to Leroy O. Hall and Thelma M. Hall Revocable Living Trust of record in Document No. 9819014, Official Records of Williamson County, Texas, for the southeast corner of the tract described herein, from which a 60-d nail found for reference bears N 60°03'01" E, a distance of 0.74 feet;

THENCE S 69°22'46" W, with a south line of the said 546.33 acre tract, the said 366.445 acre tract, the said 366.4641 acre tract, and the south line of the said 95.555 acre tract, and the north line of the said 100 acre tract, with the south line of the tract described herein, a distance of 1,733.10 feet to a 6-inch cedar fence post found at the northwest corner of the said 100 acre tract and the northeast corner of the said 45.00 acre tract, same being a re-entrant corner of the said 546.33 acre tract, for an angle point in the south line of the tract described herein;

THENCE S 52°40'32" W, crossing the said 546.33 acre tract, with the south line of the said 366.445 acre tract, the south line of the said 366.4641 acre tract, and the south line of the said 95.555 acre tract, with the north line of the said 45.00 acre tract, with the south line of the tract described herein, a distance of 236.34 feet to the **POINT OF BEGINNING** and containing 71.805 acres of land, more or less.


BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS

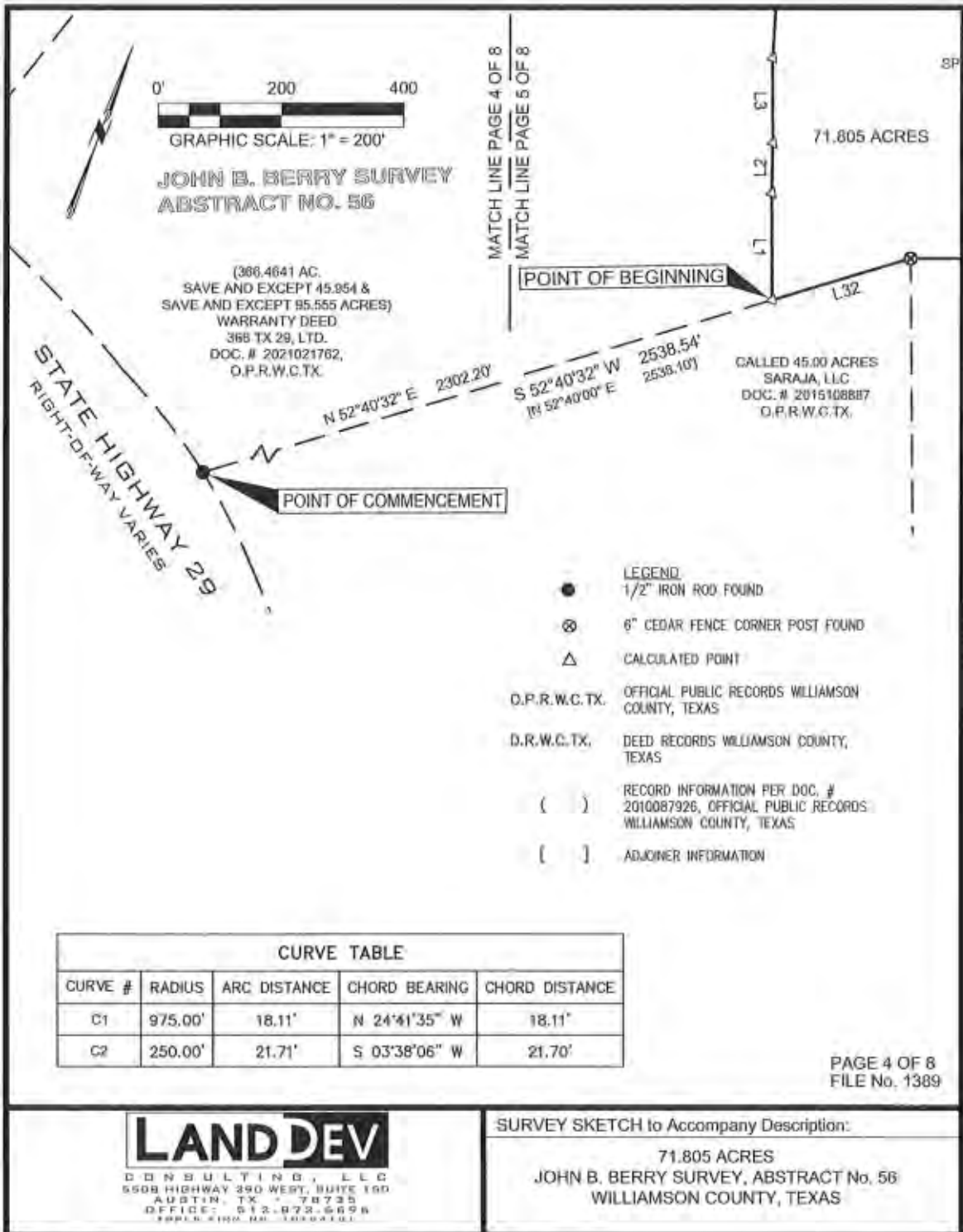
That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the months of August, 2019 through June 2021.

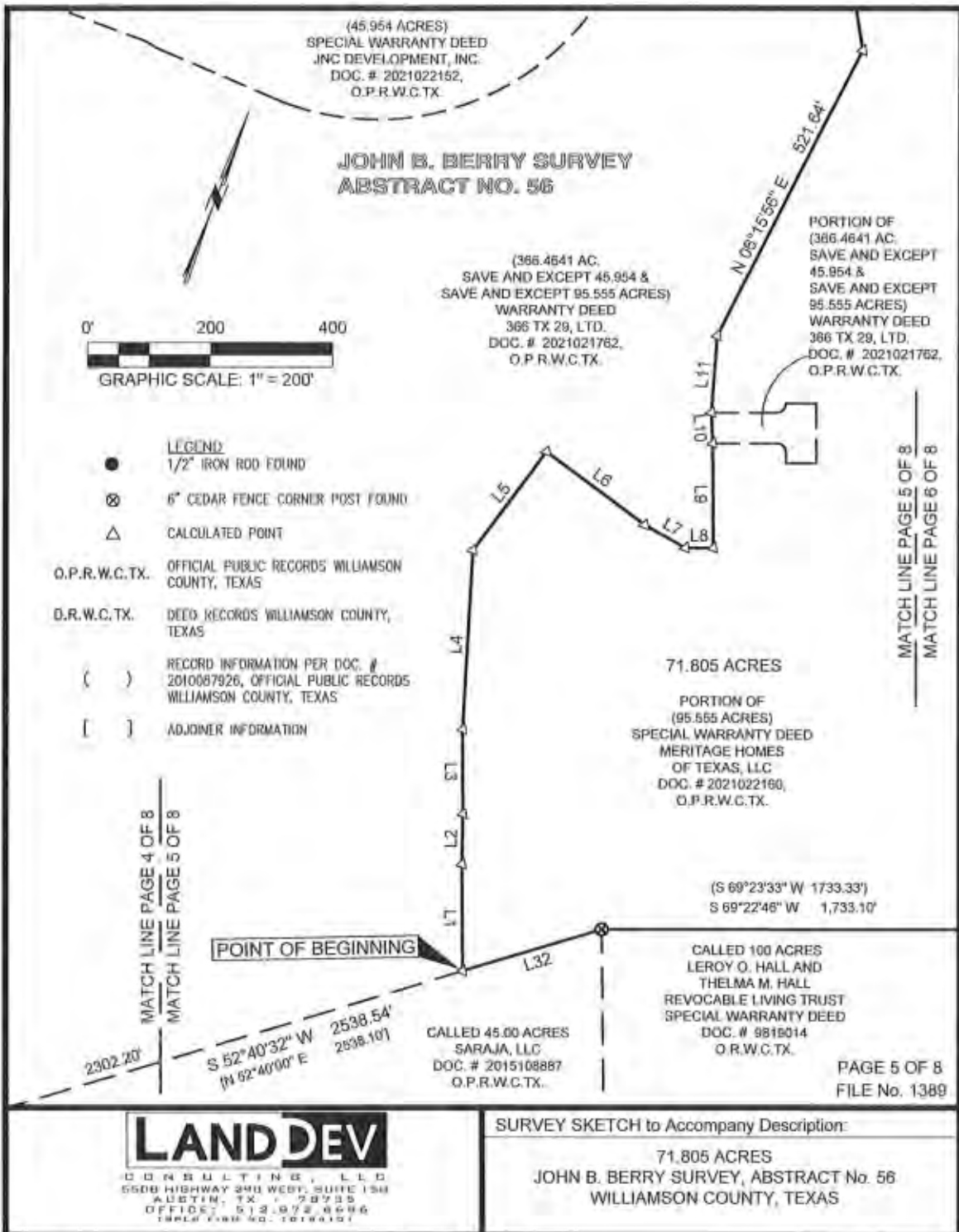
WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 17th day of October 2021 A.D.

LANDDEY CONSULTING, LLC
5508 Highway 290 West, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 - State of Texas





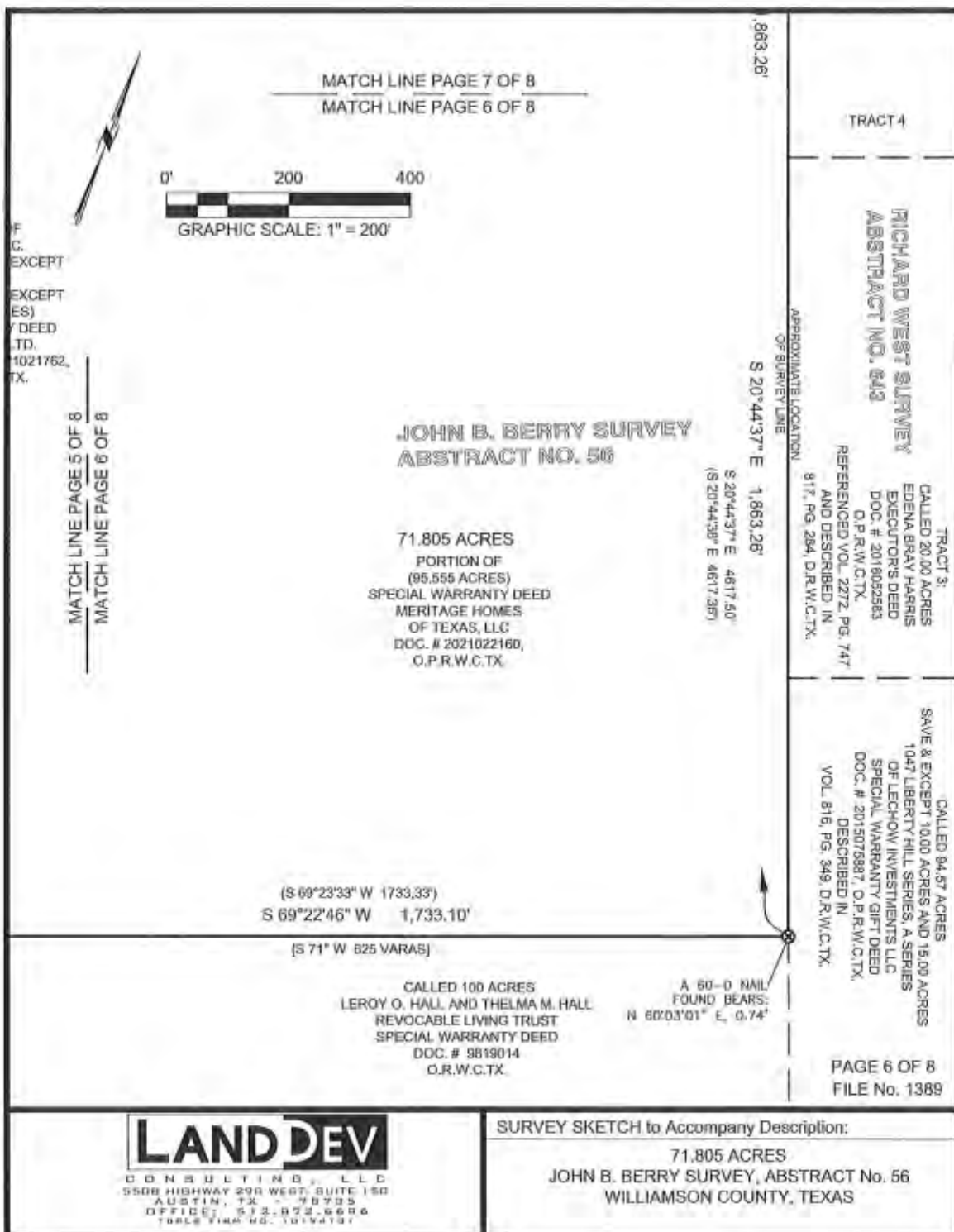


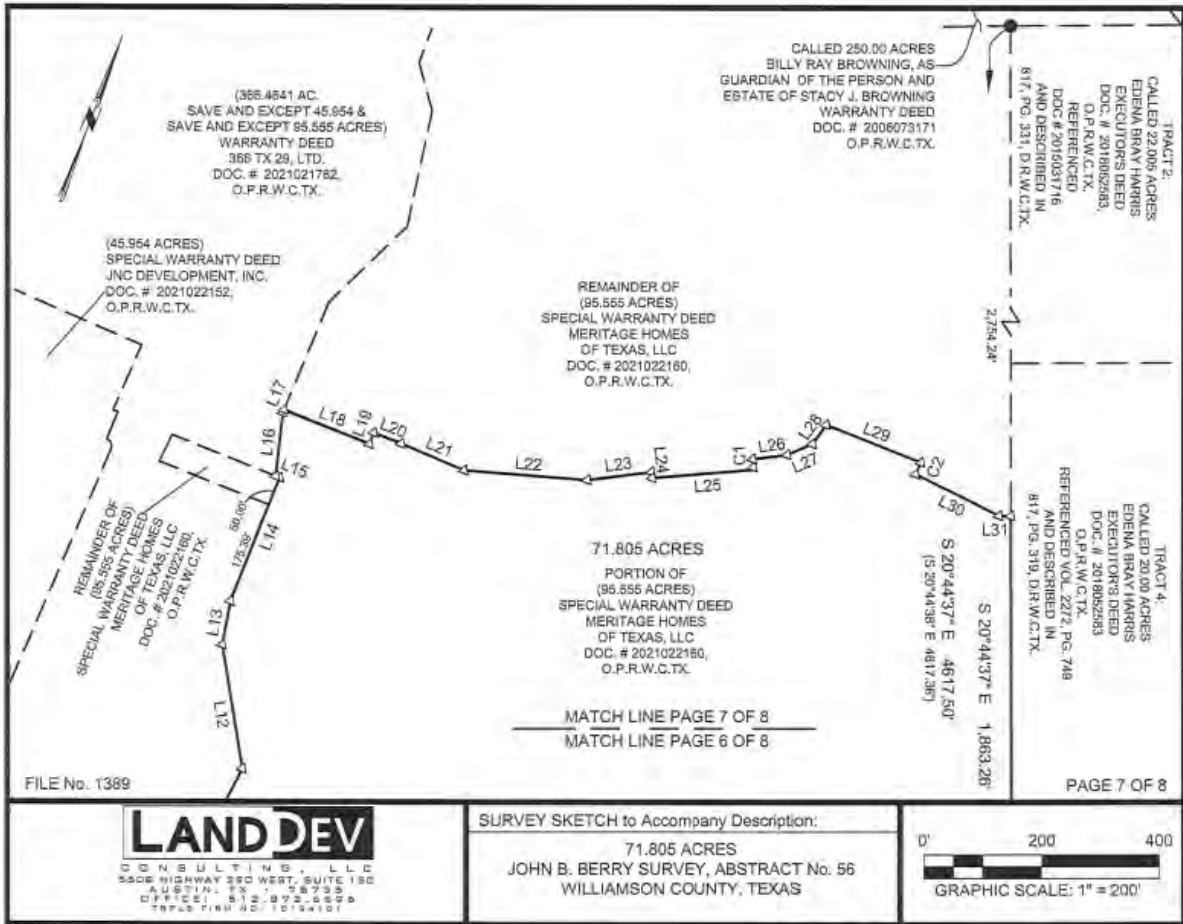
LAND DEV

CONSULTING, L.L.C.
5500 HIGHWAY 240 WEST, SUITE 150
AUSTIN, TX 78735
OFFICE: 512.978.8646
FAX: 512.978.8646

SURVEY SKETCH to Accompany Description:

71.805 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS





LINE TABLE		
LINE #	BEARING	DISTANCE
L1	N 20°57'17" W	173.51'
L2	N 19°23'17" W	81.94'
L3	N 20°57'17" W	138.07'
L4	N 17°24'12" W	292.21'
L5	N 15°56'58" E	200.02'
L6	S 74°03'02" E	200.00'
L7	S 81°07'58" E	76.12'
L8	N 69°04'37" E	45.82'
L9	N 20°57'17" W	170.00'
L10	N 23°34'54" W	50.06'
L11	N 16°17'55" W	125.42'
L12	N 29°41'39" W	214.69'
L13	N 09°59'21" W	74.87'
L14	N 01°05'48" E	225.39'
L15	N 88°54'12" W	7.25'
L16	N 14°12'32" W	109.14'
L17	N 01°41'30" E	4.73'
L18	S 88°54'12" E	156.01'
L19	N 01°05'48" E	20.65'
L20	S 88°54'12" E	50.00'
L21	S 87°42'35" E	116.15'
L22	N 73°46'54" E	209.97'
L23	N 62°06'06" E	109.56'
L24	S 27°53'54" E	10.03'
L25	N 64°46'30" E	172.59'
L26	N 62°00'12" E	58.96'
L27	N 46°00'17" E	46.66'
L28	N 15°12'00" E	40.46'
L29	S 88°51'09" E	172.93'
L30	S 83°52'40" E	159.16'
L31	N 69°15'22" E	19.99'
L32	S 52°40'32" W	236.34'

NOTES:

1. BEARING BASIS IS TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD83, GRID.
2. DISTANCES SHOWN HEREON ARE BASED ON SURFACE MEASUREMENTS. TO CONVERT SURFACE DISTANCES TO GRID, MULTIPLY BY THE COMBINED SCALE FACTOR.
3. THE COMBINED SCALE FACTOR FOR THIS PROJECT IS 0.999885.
4. COORDINATES SHOWN HEREON ARE TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD83, GRID.

LEGEND

- 1/2" IRON ROD FOUND
- ⊗ 6" CEDAR FENCE CORNER POST FOUND
- △ CALCULATED POINT

O.P.R.W.C.TX. OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS

D.R.W.C.TX. DEED RECORDS WILLIAMSON COUNTY, TEXAS

() RECORD INFORMATION PER DOC. # 2010087926, OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS

[] ADJOINER INFORMATION

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FILE No. 1389

LAND DEV

CONSULTING, LLC
5508 HIGHWAY 290 WEST, SUITE 150
AUSTIN, TX 78735
OFFICE: 512.872.6696
FAX: 512.872.6696

SURVEY SKETCH to Accompany Description:

71.805 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS

EXHIBIT A-4 – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION

Williamson County, Texas
John B. Berry Survey, Abstract No. 56

243.846 Acres
Page 1 of 14

FIELD NOTES DESCRIPTION

DESCRIPTION OF 243.846 ACRES OF LAND IN THE JOHN B. BERRY SURVEY, ABSTRACT NO. 56, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 366.4641 ACRE TRACT DESCRIBED IN THE WARRANTY DEED TO 366 TX 29, LTD. OF RECORD IN DOCUMENT NO. 2021021962, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND BEING A PORTION OF A CERTAIN CALLED 95.555 ACRE TRACT DESCRIBED IN THE SPECIAL WARRANTY DEED TO MERITAGE HOMES OF TEXAS, LLC OF RECORD IN DOCUMENT NO. 2021022160, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 366.4641 ACRE TRACT AND SAID 95.555 ACRE TRACT, BEING A PORTION OF A CERTAIN CALLED 546.33 ACRE TRACT OF LAND DESCRIBED IN THE ADMINISTRATOR'S SPECIAL WARRANTY DEED TO BUTLER FAMILY PARTNERSHIP, LTD. OF RECORD IN DOCUMENT NO. 2010087926, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 243.846 ACRES, ALSO BEING A PORTION OF A CERTAIN CALLED 366.455 ACRES DESCRIBED IN THE DEED OF TRUST RECORDED IN DOCUMENT NO. 2020023667, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 243.846 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, AND SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod with a plastic cap stamped "RPLS 5025" found in the northeast right-of-way line of State Highway 29, a variable-width right-of-way, in the southwest line of the said 546.33 acre tract, at the most southerly southwest corner of the said 366.455 acre tract and the said 366.4641 acre tract, same being the southeast corner of a certain called 80.00 acre tract described in the deed to 3AM Ventures, LLC of record in Document No. 2016028473, Official Public Records of Williamson County, Texas, for the most southerly southwest corner and **POINT OF BEGINNING** of the tract described herein;

THENCE leaving the northeast right-of-way line of said State Highway 29, crossing the said 546.33 acre tract, with the west line of the said 366.455 acre tract and the said 366.4641 acre tract, and with the east line of the said 80.00 acre tract, with the west line of the tract described herein, the following two (2) courses and distances:

1. N 17°41'29" E, a distance of 1,532.18 feet to a 1/2-inch iron rod with a plastic cap stamped "RPLS 5025" found at an angle point, and
2. N 24°12'24" W, a distance of 1,219.67 feet to a 1/2-inch iron rod with a plastic cap stamped "RPLS 5025" found in a north line of the said 546.33 acre tract, same being the south line of a certain called 16.92 acre tract described in the deed to Rachael Elizabeth Osterloh of record in Document No. 2019064469, Official Public Records of Williamson County, Texas, at a northwest corner of the said 366.455 acre tract, same being the northeast corner of the said 80.00 acre tract, for a northwest corner of the tract described herein;

THENCE N 69°42'54" E, with a north line of the said 546.33 acre tract, the said 366.455 acre tract, and the said 366.4641 acre tract, with the south line of the said 16.92 acre tract, with a north line of the tract described herein, a distance of 55.32 feet to a 1/2-inch iron rod found at the southeast corner of the said 16.92 acre tract, same being a southwest corner of a certain called 132.225 acre tract described in the General Warranty Deed to Butler Family Partnership, LTD. of record in Document No. 2021038920, Official Public Records of Williamson County, Texas, at an angle point in a north line of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, for an angle point in the north line of the tract described herein;

THENCE N 70°06'23" E, continuing with a north line of the said 546.33 acre tract, the said 366.455 acre tract, and the said 366.4641 acre tract, with a south line of the said 132.225 acre tract, with the north line of the tract described herein, a distance of 49.81 feet to a 1/2-inch iron rod with a plastic cap stamped "RPLS 5025" found at a southeast corner of the said 132.225 acre tract, same being a re-entrant corner of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, for a re-entrant corner of the tract described herein;

THENCE with a west and north line of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, with an east line and south line of the said 132.225 acre tract, with a west and north line of the tract described herein, the following three (3) courses and distances:

1. N 21°07'37" W, a distance of 701.44 feet to a 1/2-inch iron rod found at an angle point,
2. N 20°59'06" W, a distance of 60.63 feet to a 1/2-inch iron rod with a plastic cap stamped "RPLS 5025" found at a re-entrant corner of the said 132.225 acre tract, same being a northwest corner of the said 546.33 acre tract, the 366.455 acre tract and the 366.4641 acre tract, and
3. N 69°25'22" E, a distance of 357.99 feet to a calculated point for the northwest corner of a certain called 45.954 acre tract described in the Special Warranty Deed to JNC Development, Inc. of record in Document No. 2021022152, Official Public Records of Williamson County, Texas, for a northeast corner of the tract described herein, from which a 1/2-inch iron rod found at a re-entrant corner of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre

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TBPE Firm No. 16384 | TBPLS Firm No. 10194101

tract, same being the most easterly southeast corner of the said 132.225 acre tract bears N 69°25'22" E, a distance of 987.23 feet;

THENCE leaving a south line of the said 132.225 acre tract, crossing the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, with the west line of the said 45.954 acre tract, with an interior east line of the tract described herein, the following four (4) courses and distances:

1. S 20°21'04" E, a distance of 653.69 feet to a calculated point for an angle point,
2. S 28°17'28" E, a distance of 113.82 feet to a calculated point for an angle point,
3. S 34°41'44" E, a distance of 113.90 feet to a calculated point for an angle point, and
4. S 44°05'01" E, a distance of 257.32 feet to a calculated point for the westerly southwest corner of the said 45.954 acre tract, for an angle point of the tract described herein;

THENCE leaving the westerly southwest corner of the said 45.954 acre tract, continuing across the said 546.33 acre tract, the said 366.445 acre tract, and crossing the said 366.4641 acre tract, with the interior east and north lines of the tract described herein, the following thirteen (13) courses and distances:

1. S 58°30'07" W, a distance of 53.27 feet to a calculated point for an angle point,
2. S 65°16'49" W, a distance of 30.40 feet to a calculated point for an angle point,
3. S 42°24'03" E, a distance of 128.79 feet to a calculated point for a point of non-tangent curvature,
4. With the arc of a curve to the right, having a radius of 15.00 feet, an arc distance of 11.70 feet, and a chord which bears N 72°08'28" W, a distance of 11.40 feet to a calculated point for a point of reverse curvature,
5. With the arc of a curve to the left, having a radius of 60.00 feet, an arc distance of 233.71 feet, and a chord which bears S 18°36'53" W, a distance of 111.58 feet to a calculated point for a point of non-tangency,
6. S 02°59'55" E, a distance of 24.88 feet to a calculated point for an angle point,
7. S 47°59'55" E, a distance of 180.27 feet to a calculated point for a point of non-tangent curvature,
8. With the arc of a curve to the right, having a radius of 509.00 feet, an arc distance of 228.88 feet, and a chord which bears N 40°08'40" E, a distance of 226.96 feet to a calculated point for a point of reverse curvature,
9. With the arc of a curve to the left, having a radius of 15.00 feet, an arc distance of 22.13 feet, and a chord which bears N 10°45'51" E, a distance of 20.18 feet to a calculated point for a point of non-tangency,
10. N 67°04'19" E, a distance of 70.79 feet to a calculated point for a point of non-tangent curvature,
11. With the arc of a curve to the left, having a radius of 15.00 feet, an arc distance of 22.10 feet, and a chord which bears S 73°42'15" E, a distance of 20.15 feet to a calculated point for a point of reverse curvature,
12. With the arc of a curve to the right, having a radius of 498.50 feet, an arc distance of 223.75 feet, and a chord which bears N 76°56'53" E, a distance of 221.88 feet to a calculated point for a point of tangency, and
13. N 89°48'24" E, a distance of 40.54 feet to a calculated point for the southerly southwest corner of the said 45.954 acre tract, for an angle point in the interior north line of the tract described herein;

THENCE continuing across the said 546.33 acre tract, the said 366.445 acre tract, and crossing the said 366.4641 acre tract, with the south and east lines of the said 45.954 acre tract, with the interior north and west lines of the tract described herein, the following thirty (30) courses and distances:

1. N 89°48'24" E, a distance of 123.91 feet to a calculated point-of-curvature,
2. With the arc of a curve to the right, having a radius of 216.00 feet, an arc distance of 9.86 feet, and a chord which bears S 88°53'10" E, a distance of 9.85 feet to a calculated point-of-curvature,

3. S 78°12'05" E, a distance of 18.41 feet to a calculated angle point,
4. S 87°34'45" E, a distance of 224.16 feet to a calculated point-of-curvature,
5. With the arc of a curve to the left, having a radius of 187.00 feet, an arc distance of 11.47 feet, and a chord which bears S 89°20'10" E, a distance of 11.47 feet to a calculated point of compound-curvature,
6. With the arc of a curve to the left, having a radius of 435.00 feet, an arc distance of 653.70 feet, and a chord which bears N 45°51'22" E, a distance of 593.90 feet to a calculated point-of-tangency,
7. N 02°48'19" E, a distance of 428.64 feet to a calculated point-of-curvature,
8. With the arc of a curve to the left, having a radius of 13.50 feet, an arc distance of 21.21 feet, and a chord which bears N 42°11'41" W, a distance of 19.09 feet to a non-tangent end of curve,
9. N 01°05'14" E, a distance of 50.02 feet to a calculated point for an angle point,
10. N 86°52'35" W, a distance of 8.47 feet to a calculated point for an angle point,
11. N 02°48'19" E, a distance of 120.54 feet to a calculated point for an angle point,
12. N 87°11'41" W, a distance of 244.29 feet to a calculated point for an angle point,
13. N 89°43'56" W, a distance of 296.94 feet to a calculated point for an angle point,
14. N 25°47'59" E, a distance of 163.75 feet to a calculated point for an angle point,
15. N 23°10'10" E, a distance of 50.00 feet to a calculated point for a point of non-tangent curvature,
16. With the arc of a curve to the left, having a radius of 225.00 feet, an arc distance of 33.13 feet, and a chord which bears S 71°02'57" E, a distance of 33.10 feet to a calculated point for a point of non-tangency,
17. N 07°57'35" E, a distance of 73.38 feet to a calculated point for an angle point,
18. N 73°56'37" W, a distance of 136.98 feet to a calculated point for a point of non-tangent curvature,
19. With the arc of a curve to the left, having a radius of 495.00 feet, an arc distance of 47.93 feet, and a chord which bears N 13°16'58" E, a distance of 47.91 feet to a calculated point for a point of non-tangency,
20. N 79°29'28" W, a distance of 50.00 feet to a calculated point for a point of non-tangent curvature,
21. With the arc of a curve to the right, having a radius of 445.00 feet, an arc distance of 29.16 feet, and a chord which bears S 12°23'11" W, a distance of 29.16 feet to a calculated point for a point of non-tangency,
22. N 75°44'11" W, a distance of 122.93 feet to a calculated point for an angle point,
23. N 14°15'49" E, a distance of 40.50 feet to a calculated point for an angle point,
24. N 79°58'28" W, a distance of 123.05 feet to a calculated point for a point of non-tangent curvature,
25. With the arc of a curve to the left, having a radius of 205.00 feet, an arc distance of 23.50 feet, and a chord which bears N 06°44'31" E, a distance of 23.48 feet to a calculated point for a point of reverse curvature,
26. With the arc of a curve to the right, having a radius of 25.00 feet, an arc distance of 21.29 feet, and a chord which bears N 27°51'35" E, a distance of 20.66 feet to a calculated point for a point of reverse curvature,
27. With the arc of a curve to the left, having a radius of 60.00 feet, an arc distance of 300.96 feet, and a chord which bears S 88°33'52" W, a distance of 71.05 feet to a calculated point for a point of reverse curvature,
28. With the arc of a curve to the right, having a radius of 25.00 feet, an arc distance of 27.22 feet, and a chord which bears S 23°56'36" E, a distance of 25.89 feet to a calculated point for a point of compound curvature,

29. With the arc of a curve to the right, having a radius of 155.00 feet, an arc distance of 29.31 feet, and a chord which bears S 12°41'59" W, a distance of 29.47 feet to a calculated point for a point of non-tangency, and
30. N 71°50'45" W, a distance of 154.16 feet to a calculated point in a west line of the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, at a north corner of the said 45.954 acre tract, in an east line of the said 132.225 acre tract, for a west corner of the tract described herein, from which a ½-inch iron rod found at a re-entrant corner of the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, same being the most easterly southeast corner of the said 132.225 acre tract bears S 04°01'23" E, a distance of 17.40 feet;

THENCE with a west and a south line of the said 546.33 acre tract, the 366.455 acre tract, and the said 366.4641 acre tract, with an east line and a north line of the said 132.225 acre tract, with a west and a south line of the tract described herein, the following three (3) courses and distances:

1. N 04°01'23" W, a distance of 756.58 feet to a ½-inch iron rod found at the most easterly northeast corner of the said 132.225 acre tract, same being a re-entrant corner of the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, for a re-entrant corner of the tract described herein,
2. S 69°35'38" W, a distance of 388.52 feet to a fence corner post found at a re-entrant corner of the said 132.225 acre tract; same being a southwest corner of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, for a southwest corner of the tract described herein, and
3. N 19°44'26" W, a distance of 935.23 feet to a ½-inch iron rod with a plastic cap stamped "RPLS 5025" found in the south line of a certain called 250.00 acres described in the Warranty Deed to Billy Ray Browning, as Guardian of the Person and Estate of Stacy J. Browning of record in Document No. 2006073171, Official Public Records of Williamson County, Texas, at the northeast corner of the said 132.225 acre tract, at the most northerly northwest corner of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, for the most northerly northwest corner of the tract described herein, from which a steel pipe fence post found for reference bears S 27°20'15" E, a distance of 1.67 feet, and also from said found ½-inch iron rod with a plastic cap stamped "RPLS 5025", a cedar fence post found bears N 37°31'28" W, a distance of 1.54 feet;

THENCE with the most northerly north line of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, with the south line of the said 250.00 acre tract, with the most northerly north line of the tract described herein, the following four (4) courses and distances:

1. N 69°41'24" E, a distance of 955.16 feet to a ½-inch iron rod found at an angle point,
2. N 69°39'02" E, a distance of 380.59 feet to a ½-inch iron rod found at an angle point,
3. N 67°54'44" E, a distance of 681.58 feet to a ½-inch iron rod found at an angle point, and
4. N 68°42'17" E, a distance of 401.15 feet to a ½-inch iron rod found at the northeast corner of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, same being the northwest corner of a certain called 22.005 acres, designated as Tract 2, and conveyed in the Executor's Deed to Edena Bray Harris of record in Document No. 2018052583, Official Public Records of Williamson County, Texas, and described in Volume 817, Page 331, Deed Records of Williamson County, Texas, for the northeast corner of the tract described herein;

THENCE S 20°44'37" E, leaving the south line of the said 250.00 acre tract, with the east line of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, with the east line of a certain called 95.555 acre tract described in the Special Warranty Deed to Meritage Homes of Texas, LLC of record in Document No. 2021022160, Official Public Records of Williamson County, Texas, with the west lines of said Tract 2, and Tracts 3, 4 and 5, all conveyed in said Executor's Deed to Edena Bray Harris of record in Document No. 2018052583, Official Public Records of Williamson County, Texas, with an east line of the tract described herein, a distance of 2,754.24 feet to a calculated point for the most easterly southeast corner of the tract described herein, from which a fence corner post found in the west line of a certain called 94.57 acre tract, save and except 10.00 acres and 15.00 acres, conveyed in the deed to 1047 Liberty Hill Series, a Series of Lechow Investments LLC, of record in Document No. 2015075887, Official Public Records of Williamson County, Texas, and described in the deed to John D. Pope and wife, Ada L. Pope of record in Volume 816, Page 349, Deed Records of Williamson County, Texas, at the southeast corner of the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, same being the northeast corner of a certain called 100 acres described in the Special Warranty Deed to Leroy O. Hall and Theima M Hall Revocable Living Trust of record in Document No. 9819014, Official Records of Williamson County, Texas, and the southeast corner of the said 95.555 acre tract, bears S 20°44'37" E, a distance of 1,863.26 feet;

THENCE, leaving the west line of said Tract 3, crossing the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, crossing the said 95.555 acre tract, with a south line of the tract described herein, the following sixteen (16) courses and distances:

1. S 69°15'22" W, a distance of 19.99 feet to a calculated point for an angle point,
2. N 83°52'40" W, a distance of 159.16 feet to a calculated point for a point of non-tangent curvature,
3. With the arc of a curve to the left, having a radius of 250.00 feet, an arc distance of 21.71 feet, and a chord which bears N 03°38'06" E, a distance of 21.70 feet to a calculated point for a point of non-tangency,
4. N 88°51'09" W, a distance of 172.93 feet to a calculated point for an angle point,
5. S 15°12'00" W, a distance of 40.46 feet to a calculated point for an angle point,
6. S 46°00'17" W, a distance of 46.66 feet to a calculated point for an angle point,
7. S 62°00'12" W, a distance of 58.96 feet to a calculated point for a point of non-tangent curvature,
8. With the arc of a curve to the left, having a radius of 975.00 feet, an arc distance of 18.11 feet, and a chord which bears S 24°41'35" E, a distance of 18.11 feet to a calculated point for a point of non-tangency,
9. S 64°46'30" W, a distance of 172.59 feet to a calculated point for an angle point,
10. N 27°53'54" W, a distance of 10.03 feet to a calculated point for an angle point,
11. S 62°06'06" W, a distance of 109.56 feet to a calculated point for an angle point,
12. S 73°46'54" W, a distance of 209.97 feet to a calculated point for an angle point,
13. N 87°42'35" W, a distance of 116.15 feet to a calculated point for an angle point,
14. N 88°54'12" W, a distance of 50.00 feet to a calculated point for an angle point,
15. S 01°05'48" W, a distance of 20.65 feet to a calculated point for an angle point, and
16. N 88°54'12" W, a distance of 156.01 feet to a calculated point in the west line of the said 95.555 acre tract, for an angle point of the tract described herein;

THENCE, continuing across the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, with the west line of the said 95.555 acre tract, with an east line of the tract described herein, the following two (2) courses and distances:

1. S 01°41'30" W, a distance of 4.73 feet to a calculated point for an angle point, and
2. S 14°12'32" E, a distance of 109.14 feet to a calculated point for an angle point in the west line of the said 95.555 acre tract, for an angle point in the east line of the tract described herein;

THENCE, continuing across the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, crossing the said 95.555 acre tract, with an east line of the tract described herein, the following two (2) courses and distances:

1. S 88°54'12" E, a distance of 7.25 feet to a calculated point for an angle point, and
2. S 01°05'48" W, a distance of 50.00 feet to a calculated point for a re-entrant corner of the said 95.555 acre tract, for a point-on-line in an east line of the tract described herein;

THENCE, continuing across the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, with the west line of the said 95.555 acre tract, with an east line of the tract described herein, the following five (5) courses and distances:

1. S 01°05'48" W, a distance of 175.39 feet to a calculated point for an angle point,
2. S 09°59'21" E, a distance of 74.87 feet to a calculated point for an angle point,

3. S 29°41'39" E, a distance of 214.69 feet to a calculated point for an angle point.
4. S 06°15'56" W, a distance of 521.64 feet to a calculated point for an angle point, and
5. S 16°17'55" E, a distance of 125.42 feet to a calculated point for an angle point in the west line of the said 95.555 acre tract, for an angle point in an east line of the tract described herein;

THENCE S 23°34'54" E, leaving the west line of the said 95.555 acre tract, continuing across the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, with an east line of the tract described herein, a distance of 50.06 feet to a calculated angle point in the west line of the said 95.555 acre tract, for an angle point in an east line of the tract described herein;

THENCE, continuing across the said 546.33 acre tract, the 366.455 acre tract and the said 366.4641 acre tract, with the west line of the said 95.555 acre tract, with an east line of the tract described herein, the following nine (9) courses and distances:

1. S 20°57'17" E, a distance of 170.00 feet to a calculated point for an angle point,
2. S 69°04'37" W, a distance of 45.82 feet to a calculated point for an angle point,
3. N 81°07'58" W, a distance of 76.12 feet to a calculated point for an angle point,
4. N 74°03'02" W, a distance of 200.00 feet to a calculated point for an angle point,
5. S 15°56'58" W, a distance of 200.02 feet to a calculated point for an angle point,
6. S 17°24'12" E, a distance of 292.21 feet to a calculated point for an angle point,
7. S 20°57'17" E, a distance of 138.07 feet to a calculated point for an angle point,
8. S 19°23'17" E, a distance of 81.94 feet to a calculated point for an angle point, and
9. S 20°57'17" E, a distance of 173.51 feet to a calculated point in the southeast line of the said 366.455 acre tract and the said 366.4641 acre tract, in the northwest line of a certain called 45.00 acres described in the deed to Saraja, LLC of record in Document No. 2015108887, Official Public Records of Williamson County, Texas, for the southwest corner of the said 95.555 acre tract, for the most southerly southeast corner of the tract described herein, from which a fence corner post found at an angle point in the southeast line of the said 366.455 acre tract and the said 366.4641 acre tract, at an angle point in the south line of the said 95.555 acre tract, same being a re-entrant corner of the said 546.33 acre tract, at the northeast corner of the said 45.00 acre tract, same being the northwest corner of the said 100 acre tract bears N 52°40'32" E, a distance of 236.34 feet;

THENCE S 52°40'32" W, continuing across the said 546.33 acre tract, with the southeast line of the said 366.455 acre tract and the said 366.4641 acre tract, with the northwest line of the said 45.00 acre tract, with a southeast line of the tract described herein, a distance of 2,302.20 feet to a ½-inch iron rod found in the northeast right-of-way line of State Highway 29, in the southwest line of the said 546.33 acre tract, at the south corner of the said 366.455 acre tract and the said 366.4641 acre tract, same being the west corner of the said 45.00 acre tract, for the south corner of the tract described herein;

THENCE with the northeast right-of-way line of State Highway 29 and the southwest line of the said 546.33 acre tract, the said 366.455 acre tract and the said 366.4641 acre tract, with the southwest line of the tract described herein, the following three (3) courses and distances:

1. with the arc of a curve to the left, having a radius of 1,005.40 feet, an arc distance of 209.91 feet, and a chord which bears N 58°44'40" W, a distance of 209.53 feet to a ½-inch iron rod with a plastic cap stamped "3DS" found at a point of compound curvature,
2. with the arc of a curve to the left, having a radius of 2,249.81 feet, an arc distance of 359.64 feet, and a chord which bears N 64°38'58" W, a distance of 359.26 feet to a ½-inch iron rod found at a point of non-tangency; and
3. N 64°25'22" W, a distance of 70.55 feet to the **POINT OF BEGINNING** and containing 243.846 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS
KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS

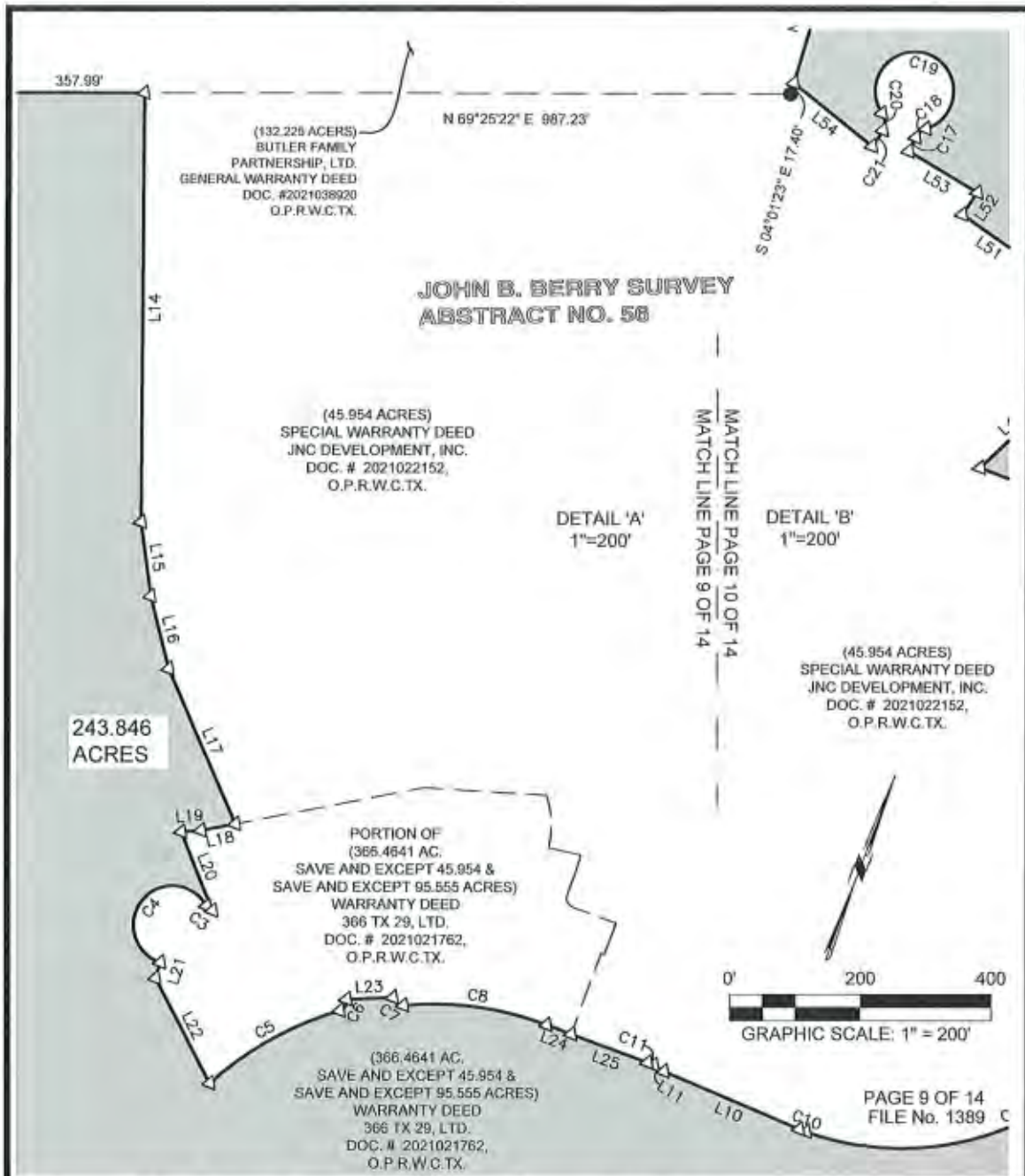
That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the months of August, 2019 through June, 2021.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 17th day of October 2021 A.D.

LANDDEV CONSULTING, LLC
5508 Highway 290 West, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 – State of Texas





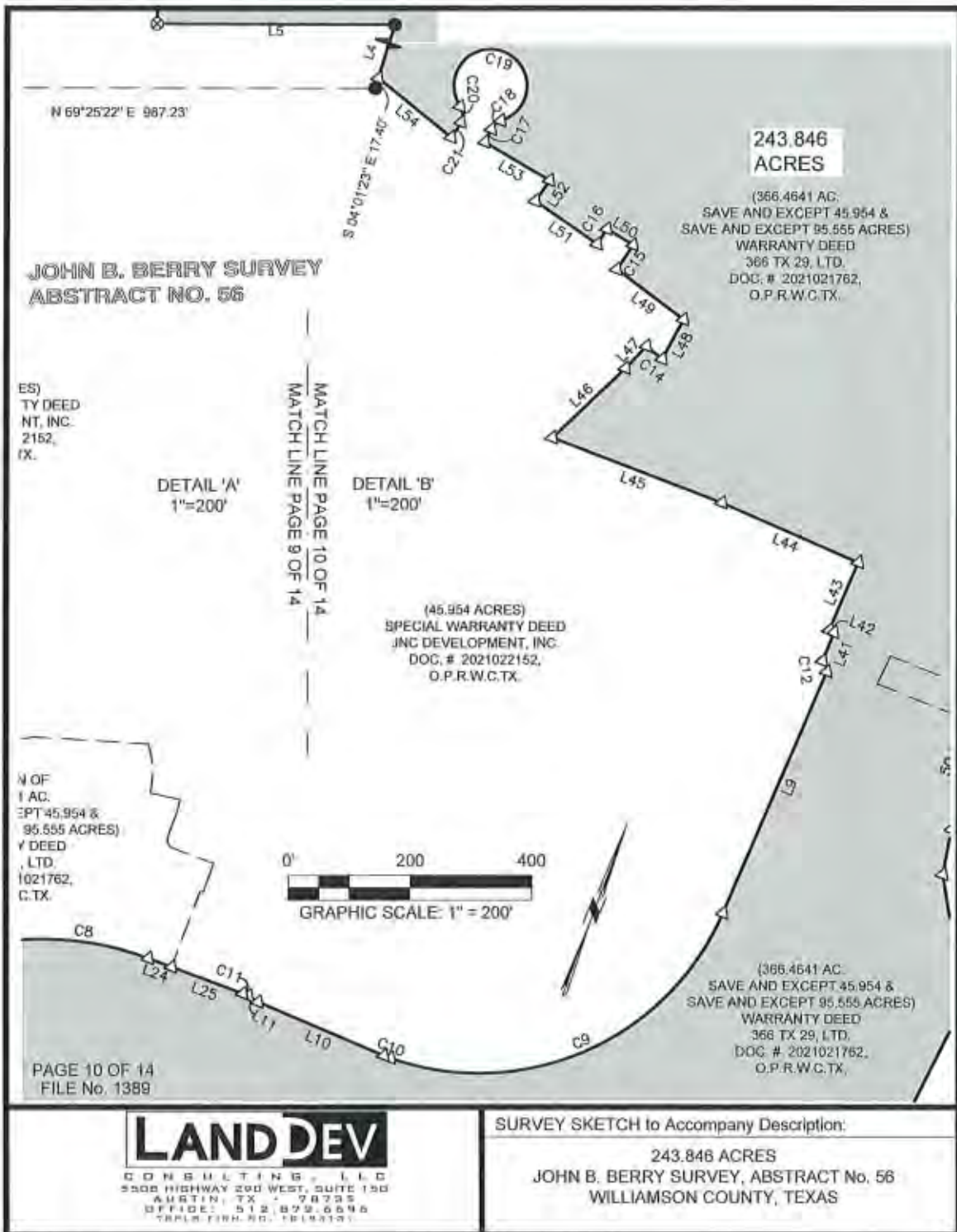
LAND DEV

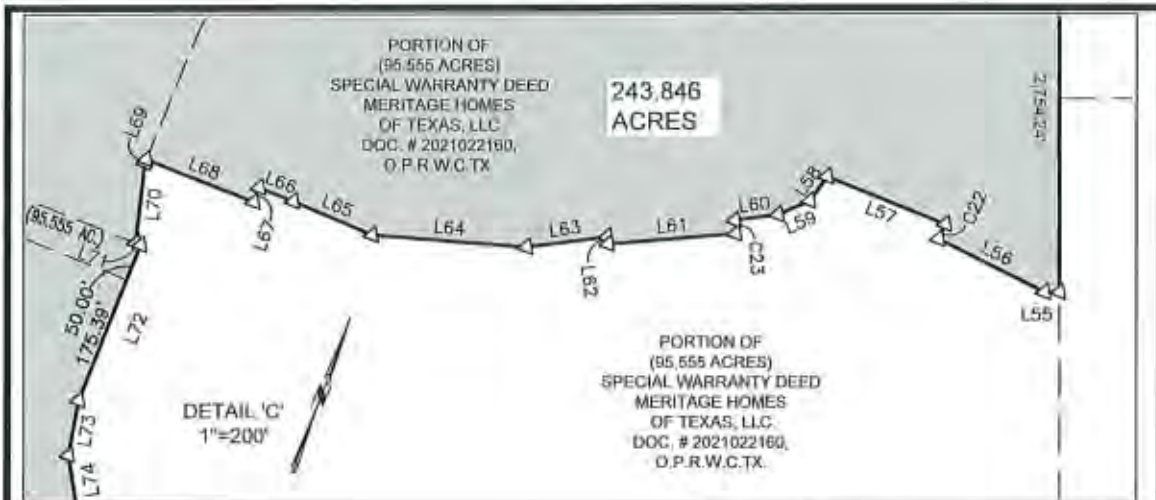
CONSULTING, L.L.O.
5508 HIGHWAY 290 WEST, SUITE 160
AUSTIN, TX 78735
OFFICE: 512.872.6696
FAX: 512.872.6696

SURVEY SKETCH to Accompany Description:

243.846 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 58
WILLIAMSON COUNTY, TEXAS

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- LEGEND**
- 1/2" IRON ROD FOUND (OR AS NOTED)
 - TYPE 1 ■ TXDOT TYPE I CONCRETE RIGHT-OF-WAY MONUMENT FOUND
 - 5025 ● 1/2" IRON ROD WITH PLASTIC CAP STAMPED "RPLS 5025" FOUND
 - 3DS ● 1/2" IRON ROD WITH PLASTIC CAP STAMPED "3DS LAND SURVEYORS" FOUND
 - ⊗ FENCE CORNER POST FOUND
 - △ CALCULATED POINT
- O.P.R.W.C.TX. OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS
D.R.W.C.TX. OFFICIAL RECORDS WILLIAMSON COUNTY, TEXAS
- () RECORD INFORMATION PER DOC. # 2010087925, OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS
{ } RECORD INFORMATION PER DOC. # 2020023667, OFFICIAL PUBLIC RECORDS WILLIAMSON COUNTY, TEXAS
[] ADJOINER INFORMATION
NTS NOT TO SCALE



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FILE No. 1389

LAND DEV

CONSULTING, LLC
5508 HIGHWAY 290 WEST, SUITE 750
AUSTIN, TX 78735
OFFICE: 512.872.8598
FAX: 512.872.8598

SURVEY SKETCH to Accompany Description:

243,846 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS

*SCRIVENER'S
ERROR, SHOULD
BE (N 21°03'28" W)

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N 69°42'54" E (N 70°08'21" E)	55.32' (55.28')
L2	N 70°06'23" E (N 70°09'35" E) (N 69°38'20" E)	49.81' (50.01') (49.87')
L3	N 20°59'06" W (N 21°03'25" E)* (S 19°20'25" E) (N 20°56'40" E)	60.63' (60.23') (60.36') (60.67')
L4	N 04°01'23" W	756.58'
L5	S 69°35'38" W (S 69°41'23" W) (S 69°32'49" W) (N 71°09'55" E)	388.52' (387.97') (388.36') (388.88')
L6	N 69°39'02" E (N 69°40'10" E) (N 69°41'03" E) (S 71°17'02" W)	380.59' (380.64') (380.64') (380.64')
L7	N 67°54'44" E (N 67°52'35" E) (N 67°53'27" E) (S 62°31'14" W)	681.58' (681.43') (681.43') (681.39')
L8	N 68°42'17" E (N 68°44'19" E) (N 68°46'12" E) (S 70°24'58" W)	401.15' (401.30') (401.39') (401.27')
L9	N 02°48'19" E	428.64'
L10	S 87°34'45" E	224.16'
L11	S 78°12'05" E	18.41'
L12	---	---
L13	---	---
L14	S 20°21'04" E	653.69'
L15	S 28°17'28" E	113.82'
L16	S 34°41'44" E	113.90'
L17	S 44°05'01" E	257.32'
L18	S 58°30'07" W	53.27'
L19	S 65°16'48" W	30.40'
L20	S 42°24'03" E	128.79'
L21	S 02°59'55" E	24.80'
L22	S 47°59'55" E	180.27'
L23	N 67°04'19" E	70.79'
L24	N 88°48'24" E	40.54'
L25	N 89°48'24" E	123.91'

LINE TABLE		
LINE	BEARING	DISTANCE
L26	---	---
L27	---	---
L28	---	---
L29	---	---
L30	---	---
L31	---	---
L32	---	---
L33	---	---
L34	---	---
L35	---	---
L36	---	---
L37	---	---
L38	---	---
L39	---	---
L40	---	---
L41	N 01°05'14" E	50.02'
L42	N 86°52'35" W	8.47'
L43	N 02°48'19" E	120.54'
L44	N 87°11'41" W	244.20'
L45	N 89°43'56" W	296.94'
L46	N 25°47'56" E	163.75'
L47	N 23°10'10" E	50.00'
L48	N 07°57'35" E	73.38'
L49	N 73°56'37" W	138.98'
L50	N 78°29'28" W	50.00'
L51	N 75°44'11" W	122.93'
L52	N 14°15'49" E	40.50'
L53	N 79°58'28" W	123.05'
L54	N 71°50'45" W	154.16'
L55	S 69°16'22" W	19.99'
L56	N 83°52'40" W	159.16'
L57	N 88°51'09" W	172.93'
L58	S 15°12'00" W	40.46'
L59	S 46°00'17" W	46.66'
L60	S 62°00'12" W	58.96'

LINE TABLE		
LINE	BEARING	DISTANCE
L61	S 64°46'30" W	172.59'
L62	N 27°53'54" W	10.03'
L63	S 62°06'05" W	109.56'
L64	S 73°46'54" W	209.97'
L65	N 87°42'35" W	116.15'
L66	N 88°54'12" W	50.00'
L67	S 01°05'48" W	20.85'
L68	N 88°54'12" W	156.01'
L69	S 01°41'30" W	4.73'
L70	S 14°12'32" E	109.14'
L71	S 88°54'12" E	7.25'
L72	S 01°05'48" W	225.39'
L73	S 09°50'21" E	74.87'
L74	S 29°41'39" E	214.80'
L75	S 66°15'56" W	521.84'
L76	S 16°17'55" E	125.42'
L77	S 23°34'54" E	50.08'
L78	---	---
L79	---	---
L80	---	---
L81	---	---
L82	---	---
L83	S 20°57'17" E	170.00'
L84	S 69°04'37" W	45.82'
L85	N 81°07'58" W	76.12'
L86	N 74°03'02" W	200.00'
L87	S 15°58'58" W	200.02'
L88	S 17°24'12" E	292.21'
L89	S 20°57'17" E	138.07'
L90	S 18°23'17" E	81.94'
L91	S 20°57'17" E	173.51'
L92	N 21°07'37" W (N 21°08'36" W) (N 21°08'02" W) (S 19°32'00" E)	701.44' (701.38') (701.41') (701.39')
L93	N 64°25'22" W (N 64°28'50" W)	70.55' (70.53')

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FILE No. 1389

LAND DEV

CONSULTING, LLC
5508 HIGHWAY 290 WEST, SUITE 150
AUSTIN, TX 78735
OFFICE: 512.872.6696
7876 PLAINVIEW RD., 10190101

SURVEY SKETCH to Accompany Description:

243.846 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS

CURVE TABLE					
CURVE	RADIUS	ARC LENGTH	DELTA	CHORD BEARING	CHORD LENGTH
C1	---	---	---	---	---
C2	---	---	---	---	---
C3	15.00'	11.70'	44°41'10"	N 72°08'28" W	11.40'
C4	60.00'	233.71'	223°10'29"	S 16°36'53" W	111.56'
C5	509.00'	228.88'	25°45'50"	N 40°08'40" E	226.96'
C6	15.00'	22.13'	84°31'28"	N 10°45'51" E	20.15'
C7	15.00'	22.10'	84°24'44"	S 73°42'15" E	20.15'
C8	498.50'	223.75'	25°43'01"	N 76°56'53" E	221.88'
C9	435.00'	653.70'	86°06'06"	N 45°51'22" E	593.90'
C10	187.00'	11.47'	3°30'50"	S 89°20'10" E	11.47'
C11	216.00'	9.86'	2°36'51"	S 88°53'10" E	9.85'
C12	13.50'	21.21'	90°00'00"	N 42°11'41" W	19.09'
C13	---	---	---	---	---
C14	225.00'	33.13'	8°28'13"	S 71°02'57" E	33.10'
C15	495.00'	47.93'	5°32'51"	N 13°16'58" E	47.91'
C16	445.00'	29.16'	3°45'17"	S 12°23'11" W	29.16'
C17	205.00'	23.50'	6°34'02"	N 06°44'31" E	23.48'
C18	25.00'	21.29'	48°48'09"	N 27°51'35" E	20.66'
C19	60.00'	300.96'	287°23'34"	S 88°33'52" W	71.05'
C20	25.00'	27.22'	62°22'38"	S 23°56'36" E	25.89'
C21	155.00'	29.51'	10°54'32"	S 12°41'59" W	29.47'
C22	250.00'	21.71'	04°58'29"	N 03°38'08" E	21.70'
C23	975.00'	18.11'	1°03'51"	S 24°41'35" E	18.11'
C24	---	---	---	---	---
C25	---	---	---	---	---
C26	1005.40' (1005.40')	209.91' (209.63')	11°57'45"	N 58°44'40" W (N 58°46'44" W)	209.53' (209.25')
C27	2249.81' (2249.81) (2249.81)	359.64' (359.79') (360.00')	9°09'33"	N 64°38'58" W (N 64°36'43" W) (N 64°33'37" W)	359.26' (359.41') (360.61')

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FILE No. 1389

LANDDEV

CONSULTING, L.L.C.
5508 HIGHWAY 290 WEST, SUITE 150
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OFFICE: 513-873-6696
FAX: 513-873-6696

SURVEY SKETCH to Accompany Description:

243.846 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS

1

CALLED 16.92 ACRES
(TRACT 1)
RACHAEL ELIZABETH OSTERLOH
SPECIAL WARRANTY DEED
DOC. # 2019064469
O.P.R.W.C.TX.

2

TRACT 2:
CALLED 22.005 ACRES
EDENA BRAY HARRIS
EXECUTOR'S DEED
DOC. # 2018052583,
O.P.R.W.C.TX.
REFERENCED
DOC # 2015031716
AND DESCRIBED IN
817, PG. 331, D.R.W.C.TX.

3

TRACT 1:
CALLED 22.005 ACRES
EDENA BRAY HARRIS
EXECUTOR'S DEED
DOC. # 2018052583, O.P.R.W.C.TX.
REFERENCED DOC # 2015031716
AND DESCRIBED IN
817, PG. 299, D.R.W.C.TX.

4

TRACT 5:
CALLED 11.544 ACRES
EDENA BRAY HARRIS
EXECUTOR'S DEED
DOC. # 2018052583, O.P.R.W.C.TX.
AND DESCRIBED IN
VOL. 1456, PG. 72, O.R.W.C.TX.

5

TRACT 4:
CALLED 20.00 ACRES
EDENA BRAY HARRIS
EXECUTOR'S DEED
DOC. # 2018052583
O.P.R.W.C.TX.
REFERENCED VOL. 2272, PG. 749
AND DESCRIBED IN
817, PG. 319, D.R.W.C.TX.

6

TRACT 3:
CALLED 20.00 ACRES
EDENA BRAY HARRIS
EXECUTOR'S DEED
DOC. # 2018052583
O.P.R.W.C.TX.
REFERENCED VOL. 2272, PG. 747
AND DESCRIBED IN
817, PG. 284, D.R.W.C.TX.

7

CALLLED 94.57 ACRES
SAVE & EXCEPT 10.00 ACRES AND 15.00 ACRES
1047 LIBERTY HILL SERIES, A SERIES
OF LECHOW INVESTMENTS LLC
SPECIAL WARRANTY GIFT DEED
DOC. # 2015075887, O.P.R.W.C.TX.
DESCRIBED IN
VOL. 816, PG. 349, D.R.W.C.TX.

NOTES:

1. BEARING BASIS IS TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD83, GRID.
2. DISTANCES SHOWN HEREON ARE BASED ON SURFACE MEASUREMENTS, TO CONVERT SURFACE DISTANCES TO GRID, MULTIPLY BY THE COMBINED SCALE FACTOR.
3. THE COMBINED SCALE FACTOR FOR THIS PROJECT IS 0.999846.
4. COORDINATES SHOWN HEREON ARE TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD83, GRID.

PAGE 14 OF 14
FILE No. 1389

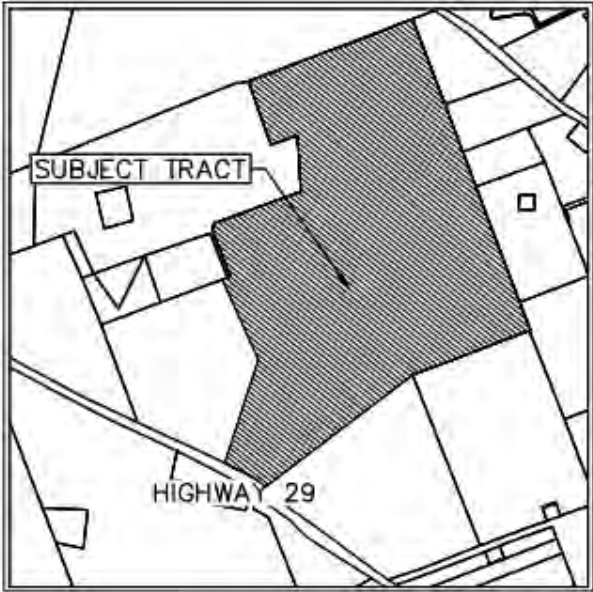
LAND DEV

CONSULTING, LLC
5508 HIGHWAY 290 WEST, SUITE 150
AUSTIN, TX - 78725
OFFICE: 512.872.5696
FAX: 512.872.5696

SURVEY SKETCH to Accompany Description:

243.846 ACRES
JOHN B. BERRY SURVEY, ABSTRACT No. 56
WILLIAMSON COUNTY, TEXAS

EXHIBIT B-1 – DISTRICT BOUNDARY MAP



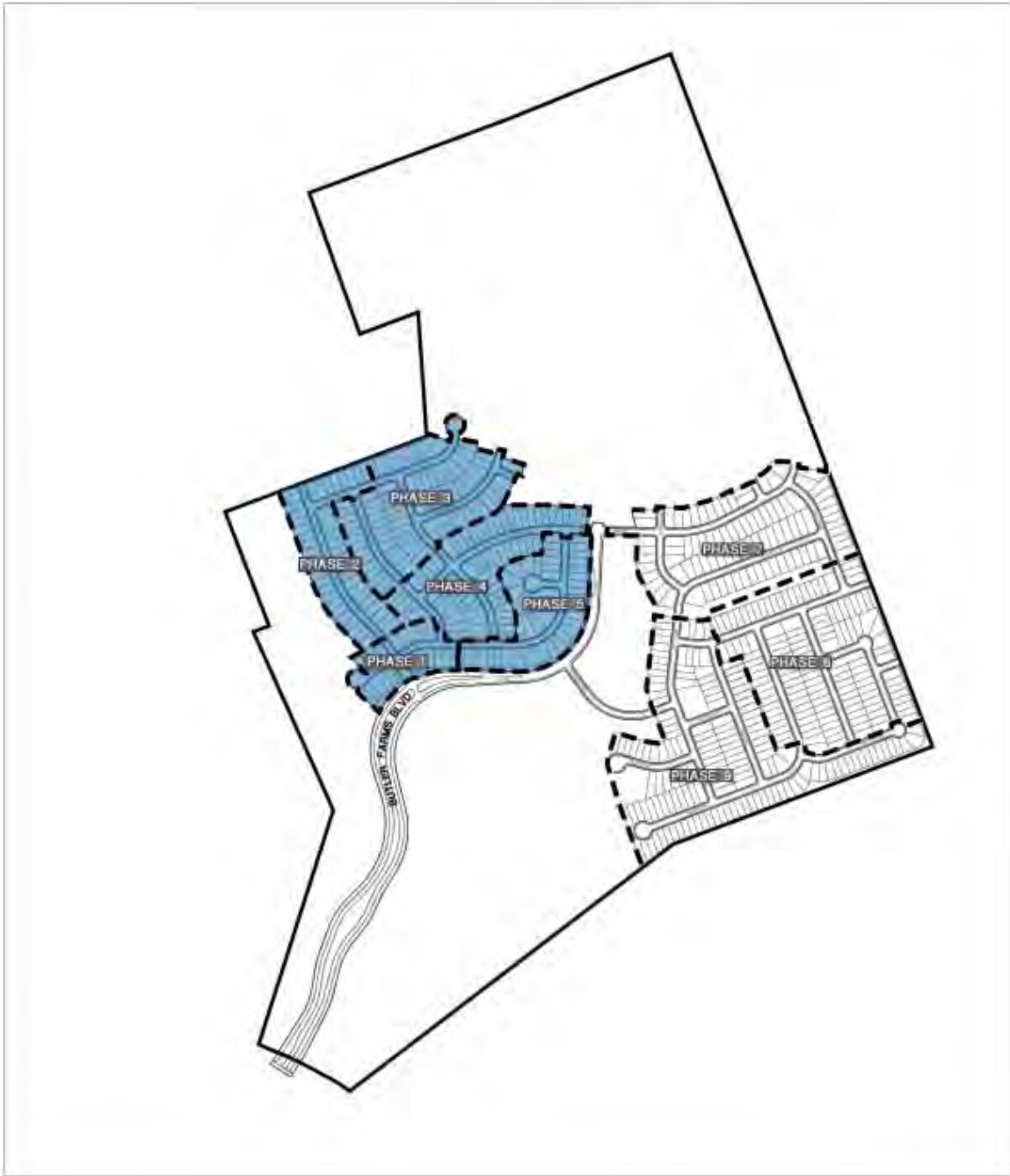
VICINITY MAP
1" = 2,000'



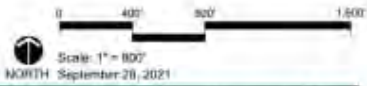
TBPE NO: 16284 - TBPLS NO: 10194101
5508 HIGHWAY 290 WEST, SUITE 100
AUSTIN, TX 78735 512.572.6606
LDC@TEAMS.COM

**BUTLER FARMS
LOCATION MAP**

EXHIBIT B-2 – IMPROVEMENT AREA #1 BOUNDARY MAP



IMPROVEMENT AREA #1
BUTLER FARMS
LIBERTY HILL, TEXAS

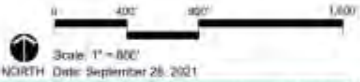


While tracing points have been applied, it is possible that some points may not be located as precisely as intended. All final work should be checked in the field. The user should be advised that the user should not rely on this map for any legal or financial purposes. This is subject to change.

EXHIBIT B-3 – IMPROVEMENT AREA #2 BOUNDARY MAP

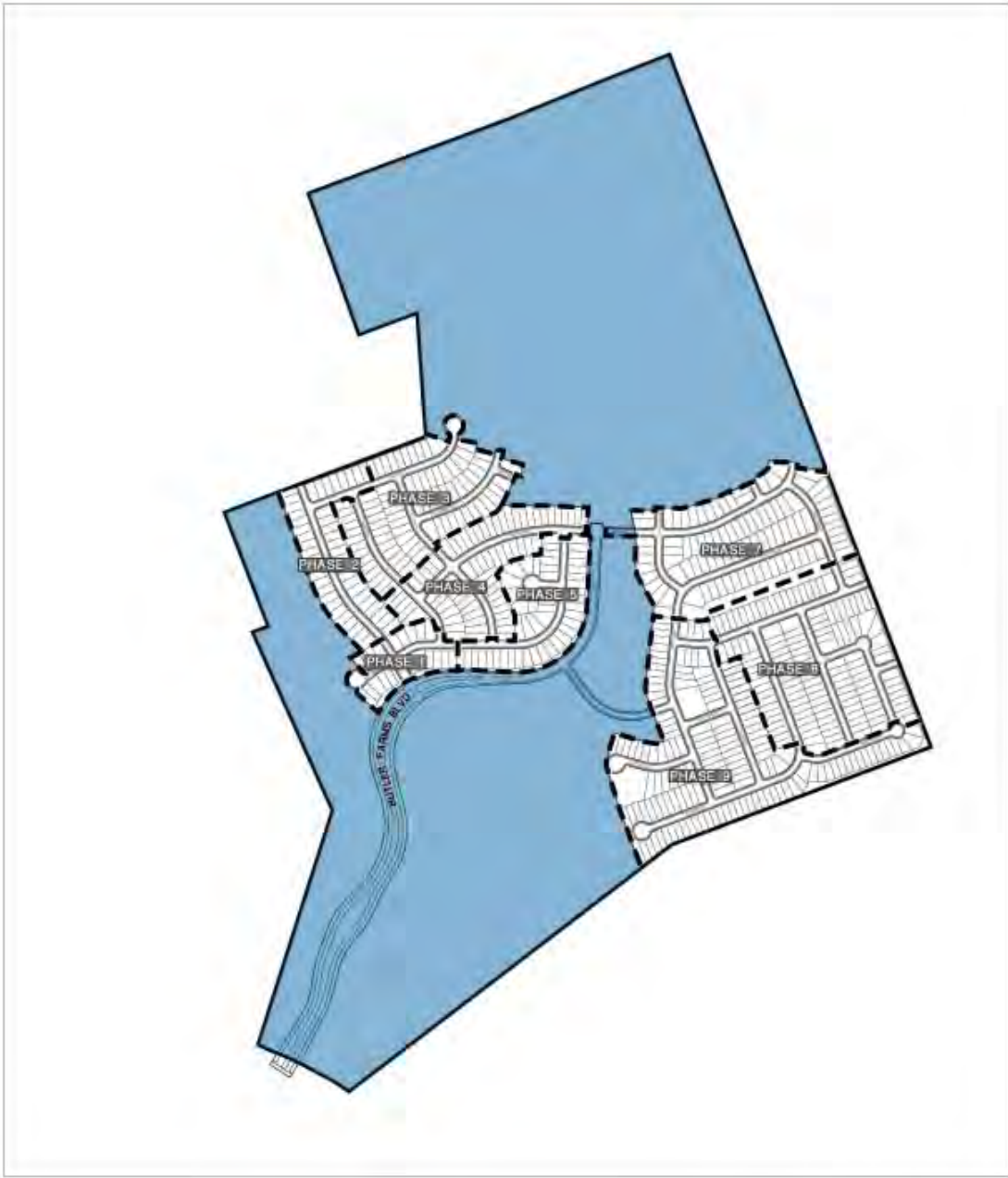


IMPROVEMENT AREA #1
PHASES 7, 8 AND 9
BUTLER FARMS
LIBERTY HILL, TEXAS

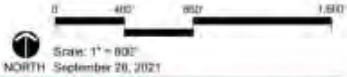


NOT TO SCALE. THIS IS A PRELIMINARY PLAN. ALL PHASES SHOWN ARE SUBJECT TO CHANGE. THIS PLAN IS INTENDED TO GUIDE AND DOES NOT REPRESENT ANY REGULATORY APPROVAL. THIS IS SUBJECT TO CHANGE.

EXHIBIT B-4 – MAJOR IMPROVEMENT AREA BOUNDARY MAP



MAJOR IMPROVEMENT AREAS
BUTLER FARMS
LIBERTY HILL, TEXAS



All map data is derived from the most current available information. All map data should be confirmed as preliminary in kind of application, and subject to change. This plan is prepared in whole and shall not be approved by regulatory approval. Plan is subject to change.

EXHIBIT C – AUTHORIZED IMPROVEMENTS

	Total Costs ¹		Oversizing Benefitting Parcels outside of PID		City Cost Participation		Improvement Area #1		Improvement Area #2		Major Improvement Area	
			% ²	Cost	% ²	Cost	% ²	Cost	% ²	Cost	% ²	Cost
Major Improvements												
<u>Onsite</u>												
Street ³	\$ 2,522,252		0.00%	\$ -	0.00%	\$ -	22.83%	\$ 575,895	30.54%	\$ 770,208	46.63%	\$ 1,176,149
Wastewater	340,966		0.00%	-	0.00%	-	22.83%	77,851	30.54%	104,119	46.63%	158,995
Drainage	1,724,197		0.00%	-	0.00%	-	22.83%	393,679	30.54%	526,510	46.63%	804,008
Water	656,784		0.00%	-	0.00%	-	22.83%	149,961	30.54%	200,559	46.63%	306,264
Water Quality and Detention Ponds	1,462,015		0.00%	-	0.00%	-	22.83%	333,816	30.54%	446,449	46.63%	681,751
Highway 29 Improvements	1,639,710		0.00%	-	54.23%	889,135	10.45%	171,376	13.98%	229,199	21.35%	350,000
	\$ 8,345,924			\$ -		\$ 889,135		1,702,578		2,277,044		\$ 3,477,167
<u>Offsite</u>												
Street ³	\$ 1,609,030		0.00%	\$ -	0.00%	\$ -	22.83%	\$ 367,383	30.54%	\$ 491,342	46.63%	\$ 750,305
Wastewater	4,069,369		0.00%	-	0.00%	-	22.83%	929,142	30.54%	1,242,644	46.63%	1,897,583
Water ⁴	5,587,676		39.78%	2,222,590	0.00%	-	13.75%	768,336	18.39%	1,027,580	28.08%	1,569,170
	\$ 11,266,075			\$ 2,222,590		\$ -		2,064,862		2,761,566		\$ 4,217,058
<u>District Formation Expenses</u>	\$ 375,000		0.00%	-	0.00%	-	22.83%	85,622	30.54%	114,512	46.63%	174,866
Total Major Improvements	\$ 19,986,999			\$ 2,222,590		\$ 889,135		\$ 3,853,062		\$ 5,153,122		\$ 7,869,090
Improvement Area #1 Improvements												
Street ³	\$ 3,639,716		0.00%	\$ -	0.00%	\$ -	100.00%	\$ 3,639,716	0.00%	\$ -	0.00%	\$ -
Wastewater	1,364,905		0.00%	-	0.00%	-	100.00%	1,364,905	0.00%	-	0.00%	-
Drainage	1,932,886		0.00%	-	0.00%	-	100.00%	1,932,886	0.00%	-	0.00%	-
Water	1,396,779		0.00%	-	0.00%	-	100.00%	1,396,779	0.00%	-	0.00%	-
	\$ 8,334,286			\$ -		\$ -		8,334,286		-		\$ -
Improvement Area #2 Improvements												
Street ³	\$ 4,160,708		0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 4,160,708	0.00%	\$ -
Wastewater	1,620,599		0.00%	-	0.00%	-	0.00%	-	100.00%	1,620,599	0.00%	-
Drainage	3,134,253		0.00%	-	0.00%	-	0.00%	-	100.00%	3,134,253	0.00%	-
Water	1,644,466		0.00%	-	0.00%	-	0.00%	-	100.00%	1,644,466	0.00%	-
Water Quality and Detention Ponds	161,048		0.00%	-	0.00%	-	0.00%	-	100.00%	161,048	0.00%	-
	\$ 10,721,074			\$ -		\$ -		\$ -		\$ 10,721,074		\$ -
First Year Annual Collection Costs and Bond Issuance Costs												
Debt Service Reserve Fund	\$ 2,070,265			\$ -		\$ -		\$ 640,264		\$ 856,296		\$ 573,705
Capitalized Interest	872,200			-		-		263,540		352,460		256,200
Underwriter Discount	678,000			-		-		211,773		283,227		183,000
Underwriter's Counsel Fee	339,000			-		-		105,886		141,614		91,500
Cost of Issuance	2,034,000			-		-		635,319		849,681		549,000
First Year Annual Collection Costs	60,000			-		-		12,835		17,165		30,000
	\$ 6,053,465			\$ -		\$ -		\$ 1,869,617		\$ 2,500,443		\$ 1,683,405
Total	\$ 45,095,824			\$ 2,222,590		\$ 889,135		\$ 14,056,965		\$ 18,374,639		\$ 9,552,495

Note: Totals may not sum due to rounding.

¹ Cost per the Engineer's Report prepared by LandDev Consulting dated November 2, 2021.

² Calculated pro rata based on Estimated Buildout Value. See Exhibit J for details.

³ Includes erosion control, excavation and embankment, and sleeving costs

⁴ The Owner elected to upsize the offsite water improvements, and the cost of the upsize is not PID eligible.

EXHIBIT D – SERVICE PLAN

Improvement Area #1						
Annual Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
<i>Improvement Area #1-2 Bonds</i>						
Principal		\$ -	\$ 177,119	\$ 184,820	\$ 192,949	\$ 201,077
Interest		263,540	423,546	416,461	409,068	401,350
Capitalized Interest		(263,540)	-	-	-	-
	(1)	\$ -	\$ 600,665	\$ 601,281	\$ 602,017	\$ 602,428
Annual Collection Costs	(2)	\$ -	\$ 13,091	\$ 13,353	\$ 13,620	\$ 13,893
Additional Interest Reserve	(3)	\$ -	\$ 52,943	\$ 52,058	\$ 51,134	\$ 50,169
Total Annual Installments	(4) = (1) + (2) + (3)	\$ -	\$ 666,700	\$ 666,692	\$ 666,771	\$ 666,489
Improvement Area #2						
Annual Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
<i>Improvement Area #1-2 Bonds</i>						
Principal		\$ -	\$ 236,881	\$ 247,180	\$ 258,051	\$ 268,923
Interest		352,460	566,454	556,979	547,092	536,770
Capitalized Interest		(352,460)	-	-	-	-
	(1)	\$ -	\$ 803,335	\$ 804,159	\$ 805,143	\$ 805,692
Annual Collection Costs	(2)	\$ -	\$ 17,509	\$ 17,859	\$ 18,216	\$ 18,580
Additional Interest Reserve	(3)	\$ -	\$ 70,807	\$ 69,622	\$ 68,386	\$ 67,096
Total Annual Installments	(4) = (1) + (2) + (3)	\$ -	\$ 891,650	\$ 891,640	\$ 891,746	\$ 891,369
Major Improvement Area						
Annual Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
<i>Major Improvement Area Bonds</i>						
Principal		\$ -	\$ 147,000	\$ 154,000	\$ 161,000	\$ 168,000
Interest		256,200	411,750	405,135	398,205	390,960
Capitalized Interest		(256,200)	-	-	-	-
	(1)	\$ -	\$ 558,750	\$ 559,135	\$ 559,205	\$ 558,960
Annual Collection Costs	(2)	\$ -	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473
Additional Interest Reserve	(3)	\$ -	\$ 45,750	\$ 45,015	\$ 44,245	\$ 43,440
Total Annual Installments	(4) = (1) + (2) + (3)	\$ -	\$ 635,100	\$ 635,362	\$ 635,286	\$ 634,873

EXHIBIT E – SOURCES AND USES

	City Cost Participation	Developer Oversizing Contribution	Improvement Area #1	Improvement Area #2	Major Improvement Area	Total
Sources of Funds						
Improvement Area #1-2 Bond	\$ -	\$ -	\$ 10,588,645	\$ 14,161,355	\$ -	\$ 24,750,000
Major Improvement Area Bond	-	-	-	-	9,150,000	9,150,000
City Cost Participation	889,135	-	-	-	-	889,135
Saratoga Completion Agreement	-	-	2,742,929	-	-	2,742,929
Meritage Completion Agreement	-	-	-	3,949,707	-	3,949,707
Developer Oversizing Contribution ¹	-	2,222,590	-	-	-	2,222,590
Developer Contribution ¹	-	-	725,391	263,577	402,495	1,391,463
Total Sources	\$ 889,135	\$ 2,222,590	\$ 14,056,965	\$ 18,374,639	\$ 9,552,495	\$ 45,095,824

TABLE CONTINUED ON FOLLOWING PAGE

PRELIMINARY AND SUBJECT TO CHANGE

	City Cost Participation	Developer Oversizing Contribution	Improvement Area #1	Improvement Area #2	Major Improvement Area	Total
Uses of Funds						
Improvements Funded by Improvement Area #1-2 Bonds						
Improvement Area #1 Improvement Account						
<i>Improvement Area #1 Major Improvement Subaccount</i>	\$ -	\$ -	\$ 3,655,982	\$ -	\$ -	\$ 3,655,982
<i>Improvement Area #1 Internal Improvement Subaccount</i>	-	-	5,063,046	-	-	5,063,046
	\$ -	\$ -	\$ 8,719,028	\$ -	\$ -	\$ 8,719,028
Improvement Area #2 Improvement Account						
<i>Improvement Area #2 Major Improvement Subaccount</i>	\$ -	\$ -	\$ -	\$ 4,889,545	\$ -	\$ 4,889,545
<i>Improvement Area #2 Internal Improvement Subaccount</i>	-	-	-	6,771,367	-	6,771,367
	\$ -	\$ -	\$ -	\$ 11,660,912	\$ -	\$ 11,660,912
Improvements Funded by Major Improvement Area Bonds						
Major Improvement Area Improvement Account	\$ -	\$ -	\$ -	\$ -	\$ 7,466,595	\$ 7,466,595
	\$ -	\$ -	\$ -	\$ -	\$ 7,466,595	\$ 7,466,595
Improvements Funded by Builder Completion Agreements						
Saratoga Completion Agreement	\$ -	\$ -	\$ 2,742,929	\$ -	\$ -	\$ 2,742,929
Meritage Completion Agreement	-	-	-	3,949,707	-	3,949,707
	\$ -	\$ -	\$ 2,742,929	\$ 3,949,707	\$ -	\$ 6,692,636
Improvements Previously Funded by Developer						
Phase 1 Improvements Previously Constructed by Developer ^{1,2}	\$ -	\$ -	\$ 528,311	\$ -	\$ -	\$ 528,311
Major Improvements Previously Constructed by Developer ^{1,3}	\$ -	\$ -	\$ 197,080	\$ 263,577	\$ 402,495	\$ 863,152
	\$ -	\$ -	\$ 725,391	\$ 263,577	\$ 402,495	\$ 1,391,463
Improvements Funded by Developer Oversizing Contribution						
Offsite Water	\$ -	\$ 2,222,590	\$ -	\$ -	\$ -	\$ 2,222,590
	\$ -	\$ 2,222,590	\$ -	\$ -	\$ -	\$ 2,222,590
Improvements Funded by City Cost Participation						
Highway 29 Improvements	\$ 889,135	\$ -	\$ -	\$ -	\$ -	\$ 889,135
	\$ 889,135	\$ -	\$ -	\$ -	\$ -	\$ 889,135
District Formation Expenses and Bond Issuance Costs						
<i>Debt Service Reserve Fund</i>	\$ -	\$ -	\$ 640,264	\$ 856,296	\$ 573,705	\$ 2,070,265
<i>Capitalized Interest</i>	-	-	263,540	352,460	256,200	872,200
<i>Underwriter Discount</i>	-	-	211,773	283,227	183,000	678,000
<i>Underwriter's Counsel Fee</i>	-	-	105,886	141,614	91,500	339,000
<i>Cost of Issuance</i>	-	-	635,319	849,681	549,000	2,034,000
<i>First Year Annual Collection Costs</i>	-	-	12,835	17,165	30,000	60,000
	\$ -	\$ -	\$ 1,869,617	\$ 2,500,443	\$ 1,683,405	\$ 6,053,465
Total Uses	\$ 889,135	\$ 2,222,590	\$ 14,056,965	\$ 18,374,639	\$ 9,552,495	\$ 45,095,824

PRELIMINARY AND SUBJECT TO CHANGE

Footnotes:

- 1) Non-reimbursable to Owner.
- 2) Phase 1 and Phases 2-5 all fund 60.75% of internal Improvement Area #1 Costs within each respective phase.
- 3) Improvement Area #1, Improvement Area #2, and Major Improvement Area all fund 94.89% of Major Improvements allocated to each respective improvement area.

EXHIBIT F – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Parcel ID	Lot Type	Improvement Area #1	
		Outstanding Assessment	Installment Due 1/31/2022
R021816	Improvement Area #1 Initial Parcel	\$ 8,794,128	\$ -
R613519	Improvement Area #1 Initial Parcel	\$ 1,794,517	\$ -
Total		\$ 10,588,645	\$ -

PRELIMINARY AND SUBJECT TO CHANGE

Note: Until a plat is recorded, Improvement Area #1 Assessments shall be billed to each Parcel within Improvement Area #1 based on the Williamson Central Appraisal District acreage for billing purposes only.

EXHIBIT G – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 263,539.61	\$ -	\$ -	\$ (263,539.61)	\$ -
2023	177,119.15	423,545.80	13,091.42	52,943.23	-	666,699.60
2024	184,819.99	416,461.04	13,353.24	52,057.63	-	666,691.89
2025	192,948.64	409,068.24	13,620.31	51,133.53	-	666,770.72
2026	201,077.30	401,350.29	13,892.72	50,168.79	-	666,489.09
2027	210,061.60	393,307.20	14,170.57	49,163.40	-	666,702.77
2028	219,045.91	384,904.73	14,453.98	48,113.09	-	666,517.72
2029	228,885.86	376,142.90	14,743.06	47,017.86	-	666,789.68
2030	238,725.82	366,987.46	15,037.92	45,873.43	-	666,624.63
2031	248,993.59	357,438.43	15,338.68	44,679.80	-	666,450.51
2032	260,117.02	347,478.69	15,645.45	43,434.84	-	666,675.99
2033	271,668.27	337,074.01	15,958.36	42,134.25	-	666,834.89
2034	283,219.52	326,207.28	16,277.53	40,775.91	-	666,480.23
2035	295,626.41	314,878.49	16,603.08	39,359.81	-	666,467.80
2036	308,888.96	303,053.44	16,935.14	37,881.68	-	666,759.22
2037	322,579.33	290,697.88	17,273.84	36,337.23	-	666,888.29
2038	336,697.52	277,794.71	17,619.32	34,724.34	-	666,835.89
2039	351,243.54	264,326.81	17,971.71	33,040.85	-	666,582.90
2040	366,645.20	250,277.06	18,331.14	31,284.63	-	666,538.04
2041	382,902.52	235,611.26	18,697.77	29,451.41	-	666,662.95
2042	399,587.66	220,295.16	19,071.72	27,536.89	-	666,491.43
2043	417,556.26	204,311.65	19,453.16	25,538.96	-	666,860.03
2044	435,952.70	187,609.40	19,842.22	23,451.17	-	666,855.49
2045	454,776.96	170,171.29	20,239.06	21,271.41	-	666,458.72
2046	474,884.69	151,980.21	20,643.84	18,997.53	-	666,506.27
2047	495,848.06	132,984.83	21,056.72	16,623.10	-	666,512.71
2048	518,094.91	113,150.90	21,477.86	14,143.86	-	666,867.54
2049	540,769.59	92,427.11	21,907.41	11,553.39	-	666,657.50
2050	564,727.74	70,796.32	22,345.56	8,849.54	-	666,719.16
2051	589,541.53	48,207.21	22,792.47	6,025.90	-	666,567.12
2052	615,638.80	24,625.55	23,248.32	3,078.19	-	666,590.86
Total	\$ 10,588,645.04	\$ 8,156,704.94	\$ 531,093.59	\$ 986,645.67	\$ (263,539.61)	\$ 19,999,549.62

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H – IMPROVEMENT AREA #2 ASSESSMENT ROLL

Parcel ID	Lot Type	Improvement Area #2	
		Outstanding Assessment	Installment Due 1/31/2022
R613518	Improvement Area #2 Initial Parcel	\$ 14,161,355	\$ -
Total		\$ 14,161,355	\$ -

Note: Until a plat is recorded, Improvement Area #2 Assessments shall be billed to each Parcel within Improvement Area #2 based on each Parcel's acreage within Improvement Area #2 for billing purposes only.

EXHIBIT I – IMPROVEMENT AREA #2 ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 352,460.39	\$ -	\$ -	\$ (352,460.39)	\$ -
2023	236,880.85	566,454.20	17,508.58	70,806.77	-	891,650.40
2024	247,180.01	556,978.96	17,858.76	69,622.37	-	891,640.11
2025	258,051.36	547,091.76	18,215.93	68,386.47	-	891,745.52
2026	268,922.70	536,769.71	18,580.25	67,096.21	-	891,368.87
2027	280,938.40	526,012.80	18,951.85	65,751.60	-	891,654.65
2028	292,954.09	514,775.27	19,330.89	64,346.91	-	891,407.16
2029	306,114.14	503,057.10	19,717.51	62,882.14	-	891,770.89
2030	319,274.18	490,812.54	20,111.86	61,351.57	-	891,550.15
2031	333,006.41	478,041.57	20,514.10	59,755.20	-	891,317.27
2032	347,882.98	464,721.31	20,924.38	58,090.16	-	891,618.84
2033	363,331.73	450,805.99	21,342.87	56,350.75	-	891,831.34
2034	378,780.48	436,272.72	21,769.72	54,534.09	-	891,357.02
2035	395,373.59	421,121.51	22,205.12	52,640.19	-	891,340.40
2036	413,111.04	405,306.56	22,649.22	50,663.32	-	891,730.14
2037	431,420.67	388,782.12	23,102.21	48,597.77	-	891,902.76
2038	450,302.48	371,525.29	23,564.25	46,440.66	-	891,832.68
2039	469,756.46	353,513.19	24,035.53	44,189.15	-	891,494.34
2040	490,354.80	334,722.94	24,516.24	41,840.37	-	891,434.34
2041	512,097.48	315,108.74	25,006.57	39,388.59	-	891,601.39
2042	534,412.34	294,624.84	25,506.70	36,828.11	-	891,372.00
2043	558,443.74	273,248.35	26,016.84	34,156.04	-	891,864.96
2044	583,047.30	250,910.60	26,537.17	31,363.83	-	891,858.90
2045	608,223.04	227,588.71	27,067.92	28,448.59	-	891,328.26
2046	635,115.31	203,259.79	27,609.27	25,407.47	-	891,391.85
2047	663,151.94	177,855.17	28,161.46	22,231.90	-	891,400.47
2048	692,905.09	151,329.10	28,724.69	18,916.14	-	891,875.01
2049	723,230.41	123,612.89	29,299.18	15,451.61	-	891,594.10
2050	755,272.26	94,683.68	29,885.17	11,835.46	-	891,676.57
2051	788,458.47	64,472.79	30,482.87	8,059.10	-	891,473.22
2052	823,361.20	32,934.45	31,092.53	4,116.81	-	891,504.98
Total	\$ 14,161,354.96	\$ 10,908,855.06	\$ 710,289.64	\$ 1,319,549.33	\$ (352,460.39)	\$ 26,747,588.60

1) Interest is calculated at a 4.00% rate.

2) Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT J – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Parcel ID	Lot Type	Major Improvement Area	
		Outstanding Assessment	Installment Due 1/31/2022
R021816	Major Improvement Area Initial Parcel	\$ 6,424,055	\$ -
R613518	Major Improvement Area Initial Parcel	\$ 2,725,945	\$ -
Total		\$ 9,150,000	\$ -

PRELIMINARY AND SUBJECT TO CHANGE

Note: Until a plat is recorded, Major Improvement Area Assessments shall be billed to each Parcel within the Major Improvement Area based on the Williamson Central Appraisal District acreage for billing purposes only.

EXHIBIT K – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	-	256,200	\$ -	\$ -	\$ (256,200)	\$ -
2023	147,000	411,750	\$ 30,600	\$ 45,750	\$ -	\$ 635,100
2024	154,000	405,135	\$ 31,212	\$ 45,015	\$ -	\$ 635,362
2025	161,000	398,205	\$ 31,836	\$ 44,245	\$ -	\$ 635,286
2026	168,000	390,960	\$ 32,473	\$ 43,440	\$ -	\$ 634,873
2027	175,000	383,400	\$ 33,122	\$ 42,600	\$ -	\$ 634,122
2028	183,000	375,525	\$ 33,785	\$ 41,725	\$ -	\$ 634,035
2029	192,000	367,290	\$ 34,461	\$ 40,810	\$ -	\$ 634,561
2030	201,000	358,650	\$ 35,150	\$ 39,850	\$ -	\$ 634,650
2031	210,000	349,605	\$ 35,853	\$ 38,845	\$ -	\$ 634,303
2032	220,000	340,155	\$ 36,570	\$ 37,795	\$ -	\$ 634,520
2033	230,000	330,255	\$ 37,301	\$ 36,695	\$ -	\$ 634,251
2034	240,000	319,905	\$ 38,047	\$ 35,545	\$ -	\$ 633,497
2035	251,000	309,105	\$ 38,808	\$ 34,345	\$ -	\$ 633,258
2036	263,000	297,810	\$ 39,584	\$ 33,090	\$ -	\$ 633,484
2037	275,000	285,975	\$ 40,376	\$ 31,775	\$ -	\$ 633,126
2038	288,000	273,600	\$ 41,184	\$ 30,400	\$ -	\$ 633,184
2039	302,000	260,640	\$ 42,007	\$ 28,960	\$ -	\$ 633,607
2040	316,000	247,050	\$ 42,847	\$ 27,450	\$ -	\$ 633,347
2041	330,000	232,830	\$ 43,704	\$ 25,870	\$ -	\$ 632,404
2042	346,000	217,980	\$ 44,578	\$ 24,220	\$ -	\$ 632,778
2043	362,000	202,410	\$ 45,470	\$ 22,490	\$ -	\$ 632,370
2044	379,000	186,120	\$ 46,379	\$ 20,680	\$ -	\$ 632,179
2045	397,000	169,065	\$ 47,307	\$ 18,785	\$ -	\$ 632,157
2046	416,000	151,200	\$ 48,253	\$ 16,800	\$ -	\$ 632,253
2047	436,000	132,480	\$ 49,218	\$ 14,720	\$ -	\$ 632,418
2048	456,000	112,860	\$ 50,203	\$ 12,540	\$ -	\$ 631,603
2049	478,000	92,340	\$ 51,207	\$ 10,260	\$ -	\$ 631,807
2050	501,000	70,830	\$ 52,231	\$ 7,870	\$ -	\$ 631,931
2051	524,000	48,285	\$ 53,275	\$ 5,365	\$ -	\$ 630,925
2052	549,000	24,705	\$ 54,341	\$ 2,745	\$ -	\$ 630,791
Total	\$ 9,150,000	\$ 8,002,320	\$ 1,241,383	\$ 860,680	\$ (256,200)	\$ 18,998,183

¹ Interest is calculated at a 4.50% rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT L – ALLOCATION OF ESTIMATED BUILDOUT VALUE PER LOT SIZE

Lot Size	Lot Count	Estimated Buildout Value Per Unit	Total Estimated Buildout Value	% Allocation of Improvement Area #1-2	% Allocation of District
Improvement Area #1-2					
Improvement Area #1					
40'	64	\$ 305,000	\$ 19,520,000		
45'	144	\$ 335,000	\$ 48,240,000		
50'	57	\$ 375,000	\$ 21,375,000		
	<u>265</u>		<u>\$ 89,135,000</u>	42.78%	22.83%
Improvement Area #2					
40'	289	\$ 305,000	\$ 88,145,000		
45'	39	\$ 335,000	\$ 13,065,000		
50'	48	\$ 375,000	\$ 18,000,000		
	<u>376</u>		<u>\$ 119,210,000</u>	57.22%	30.54%
Total	<u>641</u>		<u>\$ 208,345,000</u>	100.00%	53.37%
Major Improvement Area					
40'	122	\$ 305,000	\$ 37,210,000		
45'	331	\$ 335,000	\$ 110,885,000		
50'	61	\$ 375,000	\$ 22,875,000		
60'	27	\$ 410,000	\$ 11,070,000		
	<u>541</u>		<u>\$ 182,040,000</u>	0.00%	46.63%
Total					
40'	475	\$ 305,000	\$ 144,875,000		
45'	514	\$ 335,000	\$ 172,190,000		
50'	166	\$ 375,000	\$ 62,250,000		
60'	27	\$ 410,000	\$ 11,070,000		
	<u>1,182</u>		<u>\$ 390,385,000</u>	100.00%	100.00%

EXHIBIT M – NOTICE OF PID ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]

Williamson County Clerk's Office
Honorable [County Clerk Name]
Williamson County Justice Center County Clerk
405 Martin Luther King St.
Georgetown, TX 78626

Re: City of Liberty Hill Lien Release documents for filing

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Liberty Hill is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents below:

City of Liberty Hill
Attn: [City Secretary]
926 Loop 332
Liberty Hill, TX 78642

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

Jon Snyder
P: (817)393-0353
admin@p3-works.com

[legal description], a subdivision in Williamson County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Williamson County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property owners of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Williamson County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

EXECUTED to be **EFFECTIVE** this the ____ day of _____, 20__.

CITY OF LIBERTY HILL, TEXAS,

By: _____
[Name], City Official

ATTEST:

[Secretary Name], City Secretary

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the ____ day of _____, 20__, by [Manager Name], City Manager for the City of Liberty Hill, Texas, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT N - TIRZ MAXIMUM ANNUAL CREDIT AMOUNT

RELATING TO IMPROVEMENT AREA #1 ASSESSMENTS, IMPROVEMENT AREA #2 ASSESSMENTS,
AND MAJOR IMPROVEMENT AREA ASSESSMENTS

Lot Type	TIRZ Maximum Annual Credit Amount	
Improvement Area #1		
Lot Type 1	\$	415.92
Lot Type 2	\$	456.83
Lot Type 3	\$	511.38
Improvement Area #2		
Lot Type 4	\$	415.92
Lot Type 5	\$	456.83
Lot Type 6	\$	511.38
Major Improvement Area		
Lot Type 7	\$	415.92
Lot Type 8	\$	456.83
Lot Type 9	\$	511.38
Lot Type 10	\$	559.11

PRELIMINARY AND SUBJECT TO CHANGE

EXHIBIT O - MAXIMUM ASSESSMENT

Lot Type	Units	Total Assessment	Maximum Assessment per Lot Type
Improvement Area #1			
1	64	\$ 2,318,846.14	\$36,231.97 Per Unit
2	144	\$ 5,730,591.09	\$39,795.77 Per Unit
3	57	\$ 2,539,207.80	\$44,547.51 Per Unit
Improvement Area #2			
4	289	\$ 10,471,039.62	\$36,231.97 Per Unit
5	39	\$ 1,552,035.09	\$39,795.77 Per Unit
6	48	\$ 2,138,280.26	\$44,547.51 Per Unit

PRELIMINARY AND SUBJECT TO CHANGE

EXHIBIT P – MAJOR IMPROVEMENT AREA BOND DEBT SERVICE SCHEDULE

EXHIBIT Q – IMPROVEMENT AREAS #1-2 BOND DEBT SERVICE SCHEDULE

**EXHIBIT R – IMPROVEMENT AREA #1 ANNUAL INSTALLMENT USED TO FUND
MAJOR IMPROVEMENTS**

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 90,993.33	\$ -	\$ -	\$ (90,993.33)	\$ -
2023	61,154.61	146,239.28	4,520.12	18,279.91	-	230,193.91
2024	63,813.50	143,793.09	4,610.53	17,974.14	-	230,191.26
2025	66,620.11	141,240.55	4,702.74	17,655.07	-	230,218.47
2026	69,426.73	138,575.75	4,796.79	17,321.97	-	230,121.23
2027	72,528.77	135,798.68	4,892.73	16,974.83	-	230,195.01
2028	75,630.82	132,897.53	4,990.58	16,612.19	-	230,131.12
2029	79,028.30	129,872.29	5,090.39	16,234.04	-	230,225.02
2030	82,425.77	126,711.16	5,192.20	15,838.90	-	230,168.03
2031	85,970.97	123,414.13	5,296.04	15,426.77	-	230,107.91
2032	89,811.60	119,975.29	5,401.97	14,996.91	-	230,185.77
2033	93,799.94	116,382.83	5,510.00	14,547.85	-	230,240.63
2034	97,788.28	112,630.83	5,620.20	14,078.85	-	230,118.17
2035	102,072.06	108,719.30	5,732.61	13,589.91	-	230,113.88
2036	106,651.27	104,636.42	5,847.26	13,079.55	-	230,214.50
2037	111,378.20	100,370.37	5,964.21	12,546.30	-	230,259.07
2038	116,252.84	95,915.24	6,083.49	11,989.40	-	230,240.97
2039	121,275.20	91,265.13	6,205.16	11,408.14	-	230,153.62
2040	126,592.99	86,414.12	6,329.26	10,801.76	-	230,138.14
2041	132,206.21	81,350.40	6,455.85	10,168.80	-	230,181.26
2042	137,967.16	76,062.15	6,584.97	9,507.77	-	230,122.04
2043	144,171.25	70,543.46	6,716.67	8,817.93	-	230,249.31
2044	150,523.05	64,776.61	6,851.00	8,097.08	-	230,247.74
2045	157,022.58	58,755.69	6,988.02	7,344.46	-	230,110.75
2046	163,965.25	52,474.79	7,127.78	6,559.35	-	230,127.16
2047	171,203.35	45,916.18	7,270.33	5,739.52	-	230,129.39
2048	178,884.61	39,068.04	7,415.74	4,883.51	-	230,251.90
2049	186,713.58	31,912.66	7,564.06	3,989.08	-	230,179.38
2050	194,985.70	24,444.12	7,715.34	3,055.51	-	230,200.67
2051	203,553.25	16,644.69	7,869.64	2,080.59	-	230,148.17
2052	212,563.96	8,502.56	8,027.04	1,062.82	-	230,156.37
Total	\$ 3,655,981.90	\$ 2,816,296.66	\$ 183,372.71	\$ 340,662.92	\$ (90,993.33)	\$ 6,905,320.86

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**EXHIBIT S – IMPROVEMENT AREA #2 ANNUAL INSTALLMENT USED TO FUND
MAJOR IMPROVEMENTS**

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 121,695.34	\$ -	\$ -	\$ (121,695.34)	\$ -
2023	81,788.75	195,581.80	6,045.26	24,447.73	-	307,863.54
2024	85,344.79	192,310.25	6,166.16	24,038.78	-	307,859.98
2025	89,098.38	188,896.46	6,289.48	23,612.06	-	307,896.38
2026	92,851.97	185,332.53	6,415.27	23,166.57	-	307,766.33
2027	97,000.67	181,618.45	6,543.58	22,702.31	-	307,865.01
2028	101,149.38	177,738.42	6,674.45	22,217.30	-	307,779.55
2029	105,693.20	173,692.45	6,807.94	21,711.56	-	307,905.14
2030	110,237.02	169,464.72	6,944.10	21,183.09	-	307,828.92
2031	114,978.39	165,055.24	7,082.98	20,631.90	-	307,748.52
2032	120,114.89	160,456.10	7,224.64	20,057.01	-	307,852.64
2033	125,448.93	155,651.51	7,369.13	19,456.44	-	307,926.01
2034	130,782.98	150,633.55	7,516.52	18,829.19	-	307,762.24
2035	136,512.15	145,402.23	7,666.85	18,175.28	-	307,756.50
2036	142,636.43	139,941.74	7,820.18	17,492.72	-	307,891.07
2037	148,958.26	134,236.29	7,976.59	16,779.54	-	307,950.67
2038	155,477.66	128,277.96	8,136.12	16,034.74	-	307,926.48
2039	162,194.61	122,058.85	8,298.84	15,257.36	-	307,809.65
2040	169,306.67	115,571.07	8,464.82	14,446.38	-	307,788.94
2041	176,813.85	108,798.80	8,634.11	13,599.85	-	307,846.62
2042	184,518.59	101,726.24	8,806.80	12,715.78	-	307,767.41
2043	192,816.00	94,345.50	8,982.93	11,793.19	-	307,937.62
2044	201,310.97	86,632.86	9,162.59	10,829.11	-	307,935.53
2045	210,003.49	78,580.42	9,345.84	9,822.55	-	307,752.31
2046	219,288.69	70,180.28	9,532.76	8,772.54	-	307,774.27
2047	228,969.00	61,408.74	9,723.41	7,676.09	-	307,777.24
2048	239,241.98	52,249.98	9,917.88	6,531.25	-	307,941.09
2049	249,712.53	42,680.30	10,116.24	5,335.04	-	307,844.10
2050	260,775.74	32,691.79	10,318.57	4,086.47	-	307,872.57
2051	272,234.07	22,260.77	10,524.94	2,782.60	-	307,802.36
2052	284,285.07	11,371.40	10,735.44	1,421.43	-	307,813.33
Total	\$ 4,889,545.10	\$ 3,766,542.04	\$ 245,244.41	\$ 455,605.84	\$ (121,695.34)	\$ 9,235,242.05

1) Interest is calculated at a 4.00% rate.

2) Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT T - LOT TYPE 1 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$36,231.97

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within **Butler Farms Public Improvement District** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 901.77	\$ -	\$ -	\$ (901.77)	\$ -
2023	606.06	1,449.28	44.80	181.16	-	2,281.30
2024	632.41	1,425.04	45.69	178.13	-	2,281.27
2025	660.23	1,399.74	46.61	174.97	-	2,281.54
2026	688.04	1,373.33	47.54	171.67	-	2,280.58
2027	718.78	1,345.81	48.49	168.23	-	2,281.31
2028	749.53	1,317.06	49.46	164.63	-	2,280.67
2029	783.20	1,287.08	50.45	160.88	-	2,281.60
2030	816.87	1,255.75	51.46	156.97	-	2,281.04
2031	852.00	1,223.07	52.49	152.88	-	2,280.44
2032	890.06	1,188.99	53.54	148.62	-	2,281.22
2033	929.59	1,153.39	54.61	144.17	-	2,281.76
2034	969.11	1,116.21	55.70	139.53	-	2,280.55
2035	1,011.57	1,077.44	56.81	134.68	-	2,280.50
2036	1,056.95	1,036.98	57.95	129.62	-	2,281.50
2037	1,103.79	994.70	59.11	124.34	-	2,281.94
2038	1,152.10	950.55	60.29	118.82	-	2,281.76
2039	1,201.88	904.47	61.50	113.06	-	2,280.90
2040	1,254.58	856.39	62.73	107.05	-	2,280.74
2041	1,310.21	806.21	63.98	100.78	-	2,281.17
2042	1,367.30	753.80	65.26	94.23	-	2,280.58
2043	1,428.78	699.11	66.56	87.39	-	2,281.85
2044	1,491.73	641.96	67.90	80.24	-	2,281.83
2045	1,556.14	582.29	69.25	72.79	-	2,280.47
2046	1,624.95	520.04	70.64	65.01	-	2,280.64
2047	1,696.68	455.04	72.05	56.88	-	2,280.66
2048	1,772.80	387.18	73.49	48.40	-	2,281.87
2049	1,850.39	316.26	74.96	39.53	-	2,281.15
2050	1,932.37	242.25	76.46	30.28	-	2,281.36
2051	2,017.28	164.95	77.99	20.62	-	2,280.84
2052	2,106.58	84.26	79.55	10.53	-	2,280.92
Total	\$ 36,231.97	\$ 27,910.42	\$ 1,817.28	\$ 3,376.08	\$ (901.77)	\$ 68,433.98

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT U - LOT TYPE 2 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$39,795.77

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within **Butler Farms Public Improvement District** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 2

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 990.47	\$ -	\$ -	\$ (990.47)	\$ -
2023	665.67	1,591.83	49.20	198.98	-	2,505.69
2024	694.62	1,565.20	50.19	195.65	-	2,505.66
2025	725.17	1,537.42	51.19	192.18	-	2,505.95
2026	755.72	1,508.41	52.21	188.55	-	2,504.90
2027	789.48	1,478.18	53.26	184.77	-	2,505.70
2028	823.25	1,446.60	54.32	180.83	-	2,505.00
2029	860.23	1,413.67	55.41	176.71	-	2,506.03
2030	897.21	1,379.27	56.52	172.41	-	2,505.40
2031	935.80	1,343.38	57.65	167.92	-	2,504.75
2032	977.61	1,305.94	58.80	163.24	-	2,505.60
2033	1,021.02	1,266.84	59.98	158.36	-	2,506.19
2034	1,064.44	1,226.00	61.18	153.25	-	2,504.86
2035	1,111.07	1,183.42	62.40	147.93	-	2,504.82
2036	1,160.91	1,138.98	63.65	142.37	-	2,505.91
2037	1,212.36	1,092.54	64.92	136.57	-	2,506.40
2038	1,265.43	1,044.05	66.22	130.51	-	2,506.20
2039	1,320.09	993.43	67.54	124.18	-	2,505.25
2040	1,377.98	940.63	68.89	117.58	-	2,505.08
2041	1,439.08	885.51	70.27	110.69	-	2,505.55
2042	1,501.79	827.94	71.68	103.49	-	2,504.90
2043	1,569.32	767.87	73.11	95.98	-	2,506.29
2044	1,638.46	705.10	74.57	88.14	-	2,506.27
2045	1,709.21	639.56	76.07	79.95	-	2,504.78
2046	1,784.78	571.19	77.59	71.40	-	2,504.96
2047	1,863.57	499.80	79.14	62.48	-	2,504.98
2048	1,947.18	425.26	80.72	53.16	-	2,506.32
2049	2,032.40	347.37	82.34	43.42	-	2,505.53
2050	2,122.44	266.08	83.98	33.26	-	2,505.76
2051	2,215.70	181.18	85.66	22.65	-	2,505.19
2052	2,313.78	92.55	87.38	11.57	-	2,505.28
Total	\$ 39,795.77	\$ 30,655.70	\$ 1,996.03	\$ 3,708.15	\$ (990.47)	\$ 75,165.19

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT V - LOT TYPE 3 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 3 PRINCIPAL ASSESSMENT: \$44,547.51

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within **Butler Farms Public Improvement District** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 3

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 1,108.74	\$ -	\$ -	\$ (1,108.74)	\$ -
2023	745.16	1,781.90	55.08	222.74	-	2,804.87
2024	777.56	1,752.09	56.18	219.01	-	2,804.84
2025	811.75	1,720.99	57.30	215.12	-	2,805.17
2026	845.95	1,688.52	58.45	211.07	-	2,803.99
2027	883.75	1,654.68	59.62	206.84	-	2,804.89
2028	921.55	1,619.33	60.81	202.42	-	2,804.11
2029	962.95	1,582.47	62.03	197.81	-	2,805.25
2030	1,004.34	1,543.95	63.27	192.99	-	2,804.56
2031	1,047.54	1,503.78	64.53	187.97	-	2,803.82
2032	1,094.34	1,461.88	65.82	182.73	-	2,804.77
2033	1,142.94	1,418.10	67.14	177.26	-	2,805.44
2034	1,191.53	1,372.39	68.48	171.55	-	2,803.95
2035	1,243.73	1,324.73	69.85	165.59	-	2,803.90
2036	1,299.53	1,274.98	71.25	159.37	-	2,805.12
2037	1,357.12	1,223.00	72.67	152.87	-	2,805.67
2038	1,416.52	1,168.71	74.13	146.09	-	2,805.45
2039	1,477.72	1,112.05	75.61	139.01	-	2,804.38
2040	1,542.51	1,052.94	77.12	131.62	-	2,804.19
2041	1,610.91	991.24	78.66	123.91	-	2,804.72
2042	1,681.11	926.80	80.24	115.85	-	2,804.00
2043	1,756.70	859.56	81.84	107.44	-	2,805.55
2044	1,834.10	789.29	83.48	98.66	-	2,805.53
2045	1,913.29	715.93	85.15	89.49	-	2,803.86
2046	1,997.89	639.40	86.85	79.92	-	2,804.06
2047	2,086.08	559.48	88.59	69.94	-	2,804.09
2048	2,179.68	476.04	90.36	59.50	-	2,805.58
2049	2,275.07	388.85	92.17	48.61	-	2,804.70
2050	2,375.87	297.85	94.01	37.23	-	2,804.96
2051	2,480.26	202.81	95.89	25.35	-	2,804.32
2052	2,590.05	103.60	97.81	12.95	-	2,804.42
Total	\$ 44,547.51	\$ 34,316.09	\$ 2,234.36	\$ 4,150.92	\$ (1,108.74)	\$ 84,140.14

1) Interest is calculated at a 4.00% rate.

2) Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT W - LOT TYPE 4 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 4 PRINCIPAL ASSESSMENT: \$36,231.97

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within **Butler Farms Public Improvement District** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 4

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ³
2022	\$ -	\$ 901.77	\$ -	\$ -	\$ (901.77)	\$ -
2023	606.06	1,449.28	44.80	181.16	-	2,281.30
2024	632.41	1,425.04	45.69	178.13	-	2,281.27
2025	660.23	1,399.74	46.61	174.97	-	2,281.54
2026	688.04	1,373.33	47.54	171.67	-	2,280.58
2027	718.78	1,345.81	48.49	168.23	-	2,281.31
2028	749.53	1,317.06	49.46	164.63	-	2,280.67
2029	783.20	1,287.08	50.45	160.88	-	2,281.60
2030	816.87	1,255.75	51.46	156.97	-	2,281.04
2031	852.00	1,223.07	52.49	152.88	-	2,280.44
2032	890.06	1,188.99	53.54	148.62	-	2,281.22
2033	929.59	1,153.39	54.61	144.17	-	2,281.76
2034	969.11	1,116.21	55.70	139.53	-	2,280.55
2035	1,011.57	1,077.44	56.81	134.68	-	2,280.50
2036	1,056.95	1,036.98	57.95	129.62	-	2,281.50
2037	1,103.79	994.70	59.11	124.34	-	2,281.94
2038	1,152.10	950.55	60.29	118.82	-	2,281.76
2039	1,201.88	904.47	61.50	113.06	-	2,280.90
2040	1,254.58	856.39	62.73	107.05	-	2,280.74
2041	1,310.21	806.21	63.98	100.78	-	2,281.17
2042	1,367.30	753.80	65.26	94.23	-	2,280.58
2043	1,428.78	699.11	66.56	87.39	-	2,281.85
2044	1,491.73	641.96	67.90	80.24	-	2,281.83
2045	1,556.14	582.29	69.25	72.79	-	2,280.47
2046	1,624.95	520.04	70.64	65.01	-	2,280.64
2047	1,696.68	455.04	72.05	56.88	-	2,280.66
2048	1,772.80	387.18	73.49	48.40	-	2,281.87
2049	1,850.39	316.26	74.96	39.53	-	2,281.15
2050	1,932.37	242.25	76.46	30.28	-	2,281.36
2051	2,017.28	164.95	77.99	20.62	-	2,280.84
2052	2,106.58	84.26	79.55	10.53	-	2,280.92
Total	\$ 36,231.97	\$ 27,910.42	\$ 1,817.28	\$ 3,376.08	\$ (901.77)	\$ 68,433.98

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT X - LOT TYPE 5 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 5 PRINCIPAL ASSESSMENT: \$39,795.77

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within **Butler Farms Public Improvement District** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 5

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 990.47	\$ -	\$ -	\$ (990.47)	\$ -
2023	665.67	1,591.83	49.20	198.98	-	2,505.69
2024	694.62	1,565.20	50.19	195.65	-	2,505.66
2025	725.17	1,537.42	51.19	192.18	-	2,505.95
2026	755.72	1,508.41	52.21	188.55	-	2,504.90
2027	789.48	1,478.18	53.26	184.77	-	2,505.70
2028	823.25	1,446.60	54.32	180.83	-	2,505.00
2029	860.23	1,413.67	55.41	176.71	-	2,506.03
2030	897.21	1,379.27	56.52	172.41	-	2,505.40
2031	935.80	1,343.38	57.65	167.92	-	2,504.75
2032	977.61	1,305.94	58.80	163.24	-	2,505.60
2033	1,021.02	1,266.84	59.98	158.36	-	2,506.19
2034	1,064.44	1,226.00	61.18	153.25	-	2,504.86
2035	1,111.07	1,183.42	62.40	147.93	-	2,504.82
2036	1,160.91	1,138.98	63.65	142.37	-	2,505.91
2037	1,212.36	1,092.54	64.92	136.57	-	2,506.40
2038	1,265.43	1,044.05	66.22	130.51	-	2,506.20
2039	1,320.09	993.43	67.54	124.18	-	2,505.25
2040	1,377.98	940.63	68.89	117.58	-	2,505.08
2041	1,439.08	885.51	70.27	110.69	-	2,505.55
2042	1,501.79	827.94	71.68	103.49	-	2,504.90
2043	1,569.32	767.87	73.11	95.98	-	2,506.29
2044	1,638.46	705.10	74.57	88.14	-	2,506.27
2045	1,709.21	639.56	76.07	79.95	-	2,504.78
2046	1,784.78	571.19	77.59	71.40	-	2,504.96
2047	1,863.57	499.80	79.14	62.48	-	2,504.98
2048	1,947.18	425.26	80.72	53.16	-	2,506.32
2049	2,032.40	347.37	82.34	43.42	-	2,505.53
2050	2,122.44	266.08	83.98	33.26	-	2,505.76
2051	2,215.70	181.18	85.66	22.65	-	2,505.19
2052	2,313.78	92.55	87.38	11.57	-	2,505.28
Total	\$ 39,795.77	\$ 30,655.70	\$ 1,996.03	\$ 3,708.15	\$ (990.47)	\$ 75,165.19

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT Y - LOT TYPE 6 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 6 PRINCIPAL ASSESSMENT: \$44,547.51

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within **Butler Farms Public Improvement District** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 6

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 1,111.52	\$ -	\$ -	\$ (1,111.52)	\$ -
2023	746.96	1,786.36	55.08	223.30	-	2,811.69
2024	779.36	1,756.49	56.18	219.56	-	2,811.58
2025	813.55	1,725.31	57.30	215.66	-	2,811.83
2026	849.55	1,692.77	58.45	211.60	-	2,812.37
2027	885.55	1,658.79	59.62	207.35	-	2,811.30
2028	925.15	1,623.37	60.81	202.92	-	2,812.24
2029	964.75	1,586.36	62.03	198.29	-	2,811.43
2030	1,006.14	1,547.77	63.27	193.47	-	2,810.65
2031	1,051.14	1,507.52	64.53	188.44	-	2,811.64
2032	1,096.14	1,465.48	65.82	183.18	-	2,810.62
2033	1,144.74	1,421.63	67.14	177.70	-	2,811.21
2034	1,195.13	1,375.84	68.48	171.98	-	2,811.44
2035	1,247.33	1,328.04	69.85	166.00	-	2,811.22
2036	1,303.13	1,278.14	71.25	159.77	-	2,812.29
2037	1,358.92	1,226.02	72.67	153.25	-	2,810.87
2038	1,420.12	1,171.66	74.13	146.46	-	2,812.37
2039	1,481.32	1,114.86	75.61	139.36	-	2,811.14
2040	1,546.11	1,055.60	77.12	131.95	-	2,810.79
2041	1,614.51	993.76	78.66	124.22	-	2,811.15
2042	1,686.51	929.18	80.24	116.15	-	2,812.07
2043	1,760.30	861.72	81.84	107.71	-	2,811.58
2044	1,837.70	791.31	83.48	98.91	-	2,811.40
2045	1,918.69	717.80	85.15	89.72	-	2,811.37
2046	2,003.29	641.05	86.85	80.13	-	2,811.32
2047	2,091.48	560.92	88.59	70.12	-	2,811.11
2048	2,185.08	477.26	90.36	59.66	-	2,812.36
2049	2,280.47	389.86	92.17	48.73	-	2,811.23
2050	2,381.27	298.64	94.01	37.33	-	2,811.25
2051	2,487.46	203.39	95.89	25.42	-	2,812.16
2052	2,597.25	103.89	97.81	12.99	-	2,811.94
Total	\$ 44,659.10	\$ 34,402.31	\$ 2,234.36	\$ 4,161.35	\$ (1,111.52)	\$ 84,345.60

1) Interest is calculated at a 4.00% rate.

2) Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT Z - IMPROVEMENT AREA #1 INITIAL PARCEL DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$10,588,645.04

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within **Butler Farms Public Improvement District** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 INITIAL PARCEL

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 263,539.61	\$ -	\$ -	\$ (263,539.61)	\$ -
2023	177,119.15	423,545.80	13,091.42	52,943.23	-	666,699.60
2024	184,819.99	416,461.04	13,353.24	52,057.63	-	666,691.89
2025	192,948.64	409,068.24	13,620.31	51,133.53	-	666,770.72
2026	201,077.30	401,350.29	13,892.72	50,168.79	-	666,489.09
2027	210,061.60	393,307.20	14,170.57	49,163.40	-	666,702.77
2028	219,045.91	384,904.73	14,453.98	48,113.09	-	666,517.72
2029	228,885.86	376,142.90	14,743.06	47,017.86	-	666,789.68
2030	238,725.82	366,987.46	15,037.92	45,873.43	-	666,624.63
2031	248,993.59	357,438.43	15,338.68	44,679.80	-	666,450.51
2032	260,117.02	347,478.69	15,645.45	43,434.84	-	666,675.99
2033	271,668.27	337,074.01	15,958.36	42,134.25	-	666,834.89
2034	283,219.52	326,207.28	16,277.53	40,775.91	-	666,480.23
2035	295,626.41	314,878.49	16,603.08	39,359.81	-	666,467.80
2036	308,888.96	303,053.44	16,935.14	37,881.68	-	666,759.22
2037	322,579.33	290,697.88	17,273.84	36,337.23	-	666,888.29
2038	336,697.52	277,794.71	17,619.32	34,724.34	-	666,835.89
2039	351,243.54	264,326.81	17,971.71	33,040.85	-	666,582.90
2040	366,645.20	250,277.06	18,331.14	31,284.63	-	666,538.04
2041	382,902.52	235,611.26	18,697.77	29,451.41	-	666,662.95
2042	399,587.66	220,295.16	19,071.72	27,536.89	-	666,491.43
2043	417,556.26	204,311.65	19,453.16	25,538.96	-	666,860.03
2044	435,952.70	187,609.40	19,842.22	23,451.17	-	666,855.49
2045	454,776.96	170,171.29	20,239.06	21,271.41	-	666,458.72
2046	474,884.69	151,980.21	20,643.84	18,997.53	-	666,506.27
2047	495,848.06	132,984.83	21,056.72	16,623.10	-	666,512.71
2048	518,094.91	113,150.90	21,477.86	14,143.86	-	666,867.54
2049	540,769.59	92,427.11	21,907.41	11,553.39	-	666,657.50
2050	564,727.74	70,796.32	22,345.56	8,849.54	-	666,719.16
2051	589,541.53	48,207.21	22,792.47	6,025.90	-	666,567.12
2052	615,638.80	24,625.55	23,248.32	3,078.19	-	666,590.86
Total	\$ 10,588,645.04	\$ 8,156,704.94	\$ 531,093.59	\$ 986,645.67	\$ (263,539.61)	\$ 19,999,549.62

1) Interest is calculated at a 4.00% rate.

2) Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT AA - IMPROVEMENT AREA #2 INITIAL PARCEL DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

IMPROVEMENT AREA #2 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$14,161,354.96

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within **Butler Farms Public Improvement District** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 INITIAL PARCEL

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment ²
2022	\$ -	\$ 352,460.39	\$ -	\$ -	\$ (352,460.39)	\$ -
2023	236,880.85	566,454.20	17,508.58	70,806.77	-	891,650.40
2024	247,180.01	556,978.96	17,858.76	69,622.37	-	891,640.11
2025	258,051.36	547,091.76	18,215.93	68,386.47	-	891,745.52
2026	268,922.70	536,769.71	18,580.25	67,096.21	-	891,368.87
2027	280,938.40	526,012.80	18,951.85	65,751.60	-	891,654.65
2028	292,954.09	514,775.27	19,330.89	64,346.91	-	891,407.16
2029	306,114.14	503,057.10	19,717.51	62,882.14	-	891,770.89
2030	319,274.18	490,812.54	20,111.86	61,351.57	-	891,550.15
2031	333,006.41	478,041.57	20,514.10	59,755.20	-	891,317.27
2032	347,882.98	464,721.31	20,924.38	58,090.16	-	891,618.84
2033	363,331.73	450,805.99	21,342.87	56,350.75	-	891,831.34
2034	378,780.48	436,272.72	21,769.72	54,534.09	-	891,357.02
2035	395,373.59	421,121.51	22,205.12	52,640.19	-	891,340.40
2036	413,111.04	405,306.56	22,649.22	50,663.32	-	891,730.14
2037	431,420.67	388,782.12	23,102.21	48,597.77	-	891,902.76
2038	450,302.48	371,525.29	23,564.25	46,440.66	-	891,832.68
2039	469,756.46	353,513.19	24,035.53	44,189.15	-	891,494.34
2040	490,354.80	334,722.94	24,516.24	41,840.37	-	891,434.34
2041	512,097.48	315,108.74	25,006.57	39,388.59	-	891,601.39
2042	534,412.34	294,624.84	25,506.70	36,828.11	-	891,372.00
2043	558,443.74	273,248.35	26,016.84	34,156.04	-	891,864.96
2044	583,047.30	250,910.60	26,537.17	31,363.83	-	891,858.90
2045	608,223.04	227,588.71	27,067.92	28,448.59	-	891,328.26
2046	635,115.31	203,259.79	27,609.27	25,407.47	-	891,391.85
2047	663,151.94	177,855.17	28,161.46	22,231.90	-	891,400.47
2048	692,905.09	151,329.10	28,724.69	18,916.14	-	891,875.01
2049	723,230.41	123,612.89	29,299.18	15,451.61	-	891,594.10
2050	755,272.26	94,683.68	29,885.17	11,835.46	-	891,676.57
2051	788,458.47	64,472.79	30,482.87	8,059.10	-	891,473.22
2052	823,361.20	32,934.45	31,092.53	4,116.81	-	891,504.98
Total	\$ 14,161,354.96	\$ 10,908,855.06	\$ 710,289.64	\$ 1,319,549.33	\$ (352,460.39)	\$ 26,747,588.60

1] Interest is calculated at a 4.00% rate.

2] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT BB - MAJOR IMPROVEMENT AREA INITIAL PARCEL DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
LIBERTY HILL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

**MAJOR IMPROVEMENT AREA INITIAL PARCEL PRINCIPAL ASSESSMENT:
\$9,150,000.00**

As the purchaser of the real property described above, you are obligated to pay assessments to Liberty Hill, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within **Butler Farms Public Improvement District** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty Hill. The exact amount of each annual installment will be approved each year by the Liberty Hill City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Liberty Hill.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Williamson County.

ANNUAL INSTALLMENTS - MAJOR IMPROVEMENT AREA INITIAL PARCEL

Annual Installment Due 1/31	Principal	Interest ¹	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	-	256,200	\$ -	\$ -	-(256,200)	\$ -
2023	147,000	411,750	\$ 30,600	\$ 45,750	-	\$ 635,100
2024	154,000	405,135	\$ 31,212	\$ 45,015	-	\$ 635,362
2025	161,000	398,205	\$ 31,836	\$ 44,245	-	\$ 635,286
2026	168,000	390,960	\$ 32,473	\$ 43,440	-	\$ 634,873
2027	175,000	383,400	\$ 33,122	\$ 42,600	-	\$ 634,122
2028	183,000	375,525	\$ 33,785	\$ 41,725	-	\$ 634,035
2029	192,000	367,290	\$ 34,461	\$ 40,810	-	\$ 634,561
2030	201,000	358,650	\$ 35,150	\$ 39,850	-	\$ 634,650
2031	210,000	349,605	\$ 35,853	\$ 38,845	-	\$ 634,303
2032	220,000	340,155	\$ 36,570	\$ 37,795	-	\$ 634,520
2033	230,000	330,255	\$ 37,301	\$ 36,695	-	\$ 634,251
2034	240,000	319,905	\$ 38,047	\$ 35,545	-	\$ 633,497
2035	251,000	309,105	\$ 38,808	\$ 34,345	-	\$ 633,258
2036	263,000	297,810	\$ 39,584	\$ 33,090	-	\$ 633,484
2037	275,000	285,975	\$ 40,376	\$ 31,775	-	\$ 633,126
2038	288,000	273,600	\$ 41,184	\$ 30,400	-	\$ 633,184
2039	302,000	260,640	\$ 42,007	\$ 28,960	-	\$ 633,607
2040	316,000	247,050	\$ 42,847	\$ 27,450	-	\$ 633,347
2041	330,000	232,830	\$ 43,704	\$ 25,870	-	\$ 632,404
2042	346,000	217,980	\$ 44,578	\$ 24,220	-	\$ 632,778
2043	362,000	202,410	\$ 45,470	\$ 22,490	-	\$ 632,370
2044	379,000	186,120	\$ 46,379	\$ 20,680	-	\$ 632,179
2045	397,000	169,065	\$ 47,307	\$ 18,785	-	\$ 632,157
2046	416,000	151,200	\$ 48,253	\$ 16,800	-	\$ 632,253
2047	436,000	132,480	\$ 49,218	\$ 14,720	-	\$ 632,418
2048	456,000	112,860	\$ 50,203	\$ 12,540	-	\$ 631,603
2049	478,000	92,340	\$ 51,207	\$ 10,260	-	\$ 631,807
2050	501,000	70,830	\$ 52,231	\$ 7,870	-	\$ 631,931
2051	524,000	48,285	\$ 53,275	\$ 5,365	-	\$ 630,925
2052	549,000	24,705	\$ 54,341	\$ 2,745	-	\$ 630,791
Total	\$ 9,150,000	\$ 8,002,320	\$ 1,241,383	\$ 860,680	-(256,200)	\$ 18,998,183

¹ Interest is calculated at a 4.50% rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX A – ENGINEER’S REPORT

LETTER OF INTENT FOR PHASE 14



MA Partners, LLC
230 Klattenhoff Lane, Suite 102
Hutto, Texas 78634

October 22, 2021

Via Email:

Attn: Keith Pearson and Royce Rippey
Ashton Woods and MI Homes

Re: Butler Farms | Letter of Intent
25 (40') Lots and 140 (45') Lots in the Butler Farms Development, Williamson County,
Texas

Dear Keith:

This letter shall serve as a non-binding Letter of Intent for the terms acceptable for Ashton Woods Homes and MI Homes to purchase the referenced property:

Proposed Terms and Conditions

Seller: 366 TX 29, Ltd. or assigns

Buyer: Ashton Woods and MI Homes

Property: Phase 14 25 (40') Lots
Phase 14 140 (45') Lots

For a total of 165 Lots (See attached Lotting Plan)

Note: (a) The lot widths can be adjusted to 45' or 50' lots at Buyer's choice. No additional 40' lots are available.

Earnest Money: Earnest Money will be 10% of the Purchase Price (\$587,600.00). The Earnest Money shall be paid as follows: Initial Earnest Money of \$50,000 shall be deposited with the Title Company within three (3) days of the

execution of Purchase Contract. The balance of the Earnest Money to be paid upon expiration of Feasibility Period.

Purchase Price: Total Purchase Price: \$5,876,000.00

Phase 14: [\$800/ff [25 (40') lots] = \$800,000.00

Phase 14: [\$800/ff [140 (45') lots] = \$5,040,000.00

Plus one (1) Model Lot @ = \$72,000.00

Closing: The Model Lot shall be closed at Substantial Completion. Seller agrees to provide Buyer with the Development Agreement on or before execution of the Purchase Agreement.

The Closing shall occur on or before December 15, 2021. Buyer acknowledges they will be closing on an approved Preliminary Plat.

Feasibility Period: Buyer shall have until November 30, 2021 to perform necessary inspections and to obtain necessary internal approvals. Buyer may, in its sole discretion and for any reason or no reason, terminate the Contract at any time during the Feasibility Period, and have its Earnest Money returned.

Amenity Center Fee: Buyer to pay an Amenity Center Fee of \$2500/Lot. The Fee shall be paid on June 1, 2022.

Marketing Fee: Buyer to pay a Marketing Fee of \$1,500 per Lot to be paid as agreed by the Parties during the Feasibility Period.

HOA: A homeowner's association will be created and established pursuant to a Declaration of Covenants, Conditions and Restrictions that will be filed of record prior to end of Feasibility. Builder will pay 50% dues from Final Plat. All the Lots will be subject to the CCRs/HOA.

Impact Fees: At Closing the Buyer will pay to Seller a Wastewater Impact Fee of \$3,500/lot and a Water Impact fee of \$3,500/lot.

Construction Management Fee: (Optional) Construction Management for the development of the single-family lots is \$1,200 per lot. This fee to be discussed during contract negotiations.

PID: Seller will form a PID and all the Lots will be a part of the PID and subject to its assessments. The Buyer agrees to provide all invoices, copies of cancelled checks and any other required documentation to the Seller for the PID. All PID proceeds will be the property of the Seller.

Contract: Seller will provide a draft of the Contract to Buyer within Ten (10) days from the final execution of this LOI.

Spec Homes: Buyer to keep six unsold spec homes at all times.

Title Company Texas Investors Title, 116 W. Blanco Road, Suite 101 Boerne, TX 78006: The cost of the title policies will be an expense of the Buyer.

Property Taxes: Property Taxes to be prorated at Closing. Seller to pay rollbacks

Broker: Buyer and Seller acknowledge that no broker commission is associated with this transaction.

Final Binding Contract: This letter sets forth the general terms and conditions under which Buyer proposes to purchase Seller's Property. This letter is not to be construed as a binding agreement. Such binding obligations shall only arise upon the execution and delivery by both Buyer and Seller of the Contract in a form acceptable to both parties, which form will contain additional terms and conditions not described herein. At such time as the Contract is fully executed, it shall supersede all prior discussions and shall constitute the entire agreement of the parties.

If this offer is acceptable to you, please sign the acknowledgment on the bottom of this letter and return via email. This Letter of Intent expires at 5:00p.m., October 29, 2021.

We appreciate your consideration of this offer and look forward to working with you on this transaction.

Yours truly,

Wyatt Henderson
MA Partners, LLC

Agreed and Acknowledged:

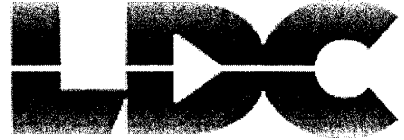
Ashton Woods

By: _____

Date: _____

SURVEY

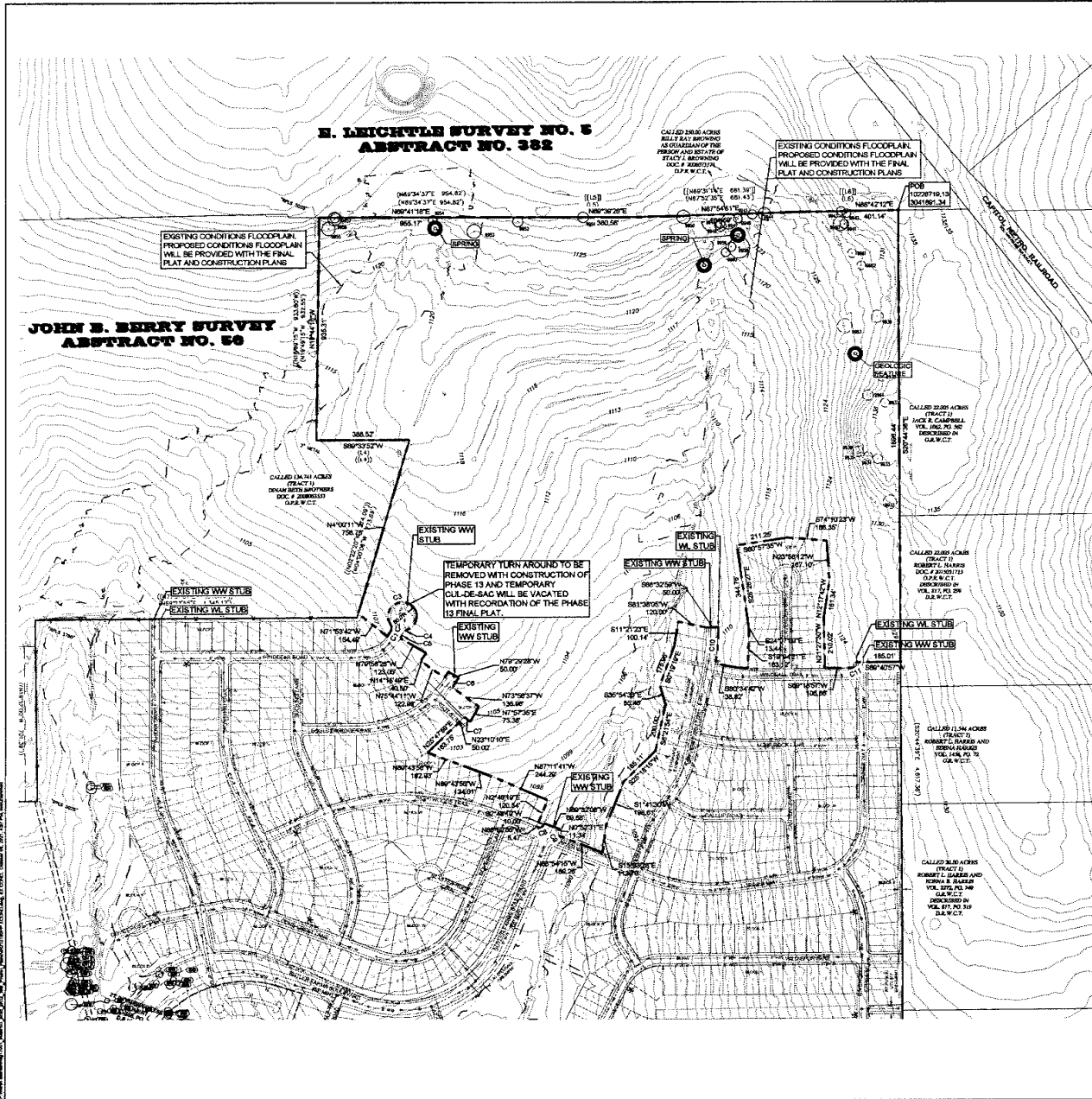
BUTLER LOT SUMMARY



PROJECT	ACRES	NUMBER OF LOTS	LOT PRODUCT			
			40'	45'	50'	60'
BUTLER PHASE 1 (MAJOR IMPROVEMENTS)	101.918	-	-	-	-	-
BUTLER PHASE 1 (MODEL PARK)	4.583	20	4	5	11	-
BUTLER PHASE 2	8.826	46	-	-	46	-
BUTLER PHASE 3	15.332	82	-	82	-	-
BUTLER PHASE 4	12.225	70	60	10	-	-
BUTLER PHASE 5	9.606	47	-	47	-	-
BUTLER PHASE 6	23.827	114	-	62	52	-
BUTLER PHASE 7	20.302	87	-	39	48	-
BUTLER PHASE 8	23.305	138	138	-	-	-
BUTLER PHASE 9	28.174	151	151	-	-	-
BUTLER PHASE 10	7.971	27	-	-	-	27
BUTLER PHASE 11	5.549	0	-	-	-	-
BUTLER PHASE 12	13.496	0	-	-	-	-
BUTLER PHASE 13	19.644	106	59	47	-	-
BUTLER PHASE 14	40.507	165	25	140	-	-
BUTLER PHASE 15	24.999	98	38	60	-	-
BUTLER PHASE 16	6.163	31	-	22	9	-
TOTAL	366.427	1182	475	514	166	27

PHASE	ACRES	NUMBER OF LOTS	LOT PRODUCT			
			40'	45'	50'	60'
MAJOR IMPROVEMENT AREA	244.074	541	122	331	61	27
IMPROVEMENT AREA #1	50.572	265	64	144	57	-
IMPROVEMENT AREA #2	71.781	376	289	39	48	-
TOTAL	366.427	1182	475	514	166	27

PRELIMINARY PLAT – PHASES 12-16



LEGEND

- 500' --- EXISTING CONTOUR
- --- PROPERTY BOUNDARY
- --- EASEMENT
- --- EXISTING WATER MAIN
- --- EXISTING WATER MAIN LINE
- --- EXISTING FORCE MAIN
- --- EXISTING STORM SEWER LINE
- --- GEODELIC FEATURE
- --- 100 YR. FLOODPLAIN

THE LOT	THE LOT	THE LOT
46 # 502 460 TYPE	146 # 502 460 TYPE	146 # 502 460 TYPE
R-002-00-00-00-00-10-00	943 10' L&C ONE 13 12 15	954 10' MOOREY
R-002-00-00-00-00-10-00	944 30' O&M	955 22' L&C ONE 20 19 15
R-002-00-00-00-00-10-00	945 10' MOOREY	956 20' L&C ONE
R-002-00-00-00-00-10-00	946 10' MOOREY	957 20' L&C ONE
R-002-00-00-00-00-10-00	947 31' MOOREY 13 15 15 5 5 5	958 43.5' RES 5 AC 25 25 10 10
R-002-00-00-00-00-10-00	948 25' L&C ONE 11 8 5 5 10	959 18.5' MOOREY 13.5 8 10
R-002-00-00-00-00-10-00	949 18.5' L&C ONE	960 10' ADJ
R-002-00-00-00-00-10-00	950 7.5' O&M 15 17 5 15	R-002-00-00-00-00-10-00
R-002-00-00-00-00-10-00	951 22' L&C ONE	R-002-00-00-00-00-10-00
R-002-00-00-00-00-10-00	952 31' MOOREY	R-002-00-00-00-00-10-00
R-002-00-00-00-00-10-00	953 20' L&C ONE	R-002-00-00-00-00-10-00

NOTE: GEODELIC FEATURES AND SPRINGS WILL BE ADDRESSED IN CONSTRUCTION PLAN DESIGN PER DIRECTION FROM THE GEOTECHNICAL REPORT.

CURVE TABLE

NUMBER	LENGTH	RADIUS	DELTA	CHORD BEARING	CHORD LENGTH
C1	28.91	159.00	10.900°	S17° 41' 59"W	28.47
C2	27.22	25.00	62.377°	S23° 58' 38"E	26.86
C3	300.68	60.00	287.303°	S68° 33' 52"W	71.05
C4	21.22	25.00	48.851°	N27° 58' 41"E	20.58
C5	23.57	235.00	6.586°	N0° 43' 54"E	23.58
C6	47.89	465.00	5.548°	N1° 18' 58"E	47.81
C7	33.13	225.00	8.437°	S71° 02' 57"E	33.10
C8	23.98	15.00	90.000°	S47° 48' 19"W	21.21
C9	24.01	15.00	91.700°	N43° 02' 58"W	21.53
C10	138.48	625.00	9.818°	N18° 34' 28"W	136.53
C11	38.30	25.00	90.000°	S24° 17' 09"W	35.57

ONLY THOSE EASEMENTS AND RESTRICTIVE COVENANTS LISTED IN TITLE COMMITMENT OF NO. 20210208 EFFECTIVE JUNE 24, 2021, AND RE-LETTED BELOW WERE EVALUATED FOR THIS SURVEY. NO OTHER EASEMENT RECORD RESEARCH WAS PERFORMED BY LANDSEY CONSULTING, L.L.C.

THE RESTRICTIVE COVENANTS OF THE SUBJECT TRACT DESCRIBED IN EXHIBIT "A" IN THE ABOVE REFERENCED DOCUMENT, EXHIBIT C SHOWS THE GENERAL AREA OF THE 60-FOOT WIDE TEMPORARY CONSTRUCTION AND ACCESS EASEMENT. IT DOES NOT APPEAR TO AFFECT THE SUBJECT TRACT; HOWEVER, GRANTEE MAY FROM TIME TO TIME RELOCATE THE EASEMENT AREA WITHIN THE EASEMENT TRACT.

18. TEMPORARY ACCESS AND CONSTRUCTION EASEMENT GRANTED BY 305 TX 20, LTD., A TEXAS LIMITED PARTNERSHIP TO JNC DEVELOPMENT, INC. A TEXAS CORPORATION, DATED FEBRUARY 10, 2021, RECORDED ON FEBRUARY 20, 2021, RECORDED IN DOCUMENT NO. 202102155, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS.

THE SUBJECT TRACT IS A PORTION OF THE EASEMENT TRACT DESCRIBED IN EXHIBIT "A" IN THE ABOVE REFERENCED DOCUMENT. EXHIBIT C SHOWS THE GENERAL AREA OF THE 60-FOOT WIDE TEMPORARY CONSTRUCTION AND ACCESS EASEMENT. IT DOES NOT APPEAR TO AFFECT THE SUBJECT TRACT; HOWEVER, GRANTEE MAY FROM TIME TO TIME RELOCATE THE EASEMENT AREA WITHIN THE EASEMENT TRACT.

19. TEMPORARY ACCESS AND CONSTRUCTION EASEMENT GRANTED BY 305 TX 20, LTD., A TEXAS LIMITED PARTNERSHIP TO HERITAGE HOMES OF TEXAS, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, DATED FEBRUARY 10, 2021, RECORDED ON FEBRUARY 20, 2021, RECORDED IN DOCUMENT NO. 202102155, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS.

THE SUBJECT TRACT IS A PORTION OF THE EASEMENT TRACT DESCRIBED IN EXHIBIT "A" IN THE ABOVE REFERENCED DOCUMENT. EXHIBIT C SHOWS THE GENERAL AREA OF THE 60-FOOT WIDE TEMPORARY CONSTRUCTION AND ACCESS EASEMENT. IT DOES NOT APPEAR TO AFFECT THE SUBJECT TRACT; HOWEVER, GRANTEE MAY FROM TIME TO TIME RELOCATE THE EASEMENT AREA WITHIN THE EASEMENT TRACT.

10a. ASSESSMENTS, CHARGES AND LIENS AS SET FORTH IN DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR BUTLER FARMS, DATED FEBRUARY 10, 2021, RECORDED ON FEBRUARY 12, 2021, UNDER DOCUMENT NO. 202102185, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS DO AFFECT SUBJECT TRACT.

10b. EASEMENTS AND BUILDING SETBACK LINES AS REFERENCED IN DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR BUTLER FARMS, DATED FEBRUARY 10, 2021, RECORDED ON FEBRUARY 12, 2021, UNDER DOCUMENT NO. 202102185, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS DO AFFECT SUBJECT TRACT.

NO.	REVISION	BY	DATE

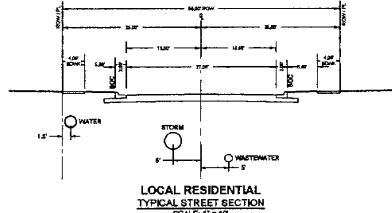
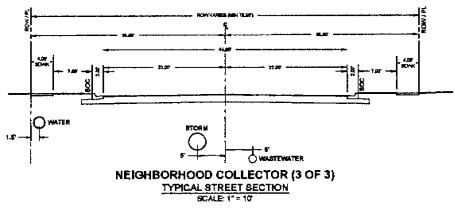
811
Know what's below.
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L&C
LANDSEY CONSULTING, L.L.C.
1000 W. 17th Street, Suite 100
Liberty Hill, Texas 77649
737.344.1111
www.landsey.com

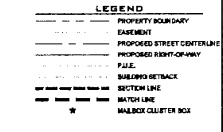
EXISTING CONDITIONS
BUTLER FARMS
PRELIMINARY PLAT
PHASES 12-18
LIBERTY HILL, TEXAS

DESIGNED BY: **MJC**
DRAWN BY: **MSS**
CHECKED BY: **SN**
APPROVED BY: **JTW**

SHEET **2** of **11**
2021-044



- NOTES:**
- TRANSITIONS BETWEEN NEIGHBORHOOD COLLECTOR SECTIONS TO BE DETAILED DURING CONSTRUCTION PLAN PHASE.
 - SHOULDER AREA TO BE USED FOR PROPOSED BAR DITCH, SIDEWALK, OR GRADE TO DRAIN ONTO OR AWAY FROM DRIVE ASLES BASED ON DRAINAGE CONDITIONS AND PROPOSED CURB TYPES.
 - WATERLINE ASSIGNMENTS FOR NEIGHBORHOOD COLLECTOR TO BE DETERMINED DURING CONSTRUCTION PLAN PHASE.

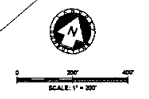


PRELIMINARY PLAT NOTES

- TOTAL ACRES: 105.06 ACRES
TOTAL NUMBER OF LOTS = 3972
(868 SINGLE FAMILY, 12 OPEN SPACES)
TOTAL NUMBER OF BLOCKS = 13
TOTAL NUMBER OF PHASES = 5
- SIDEWALKS SHALL BE INSTALLED ON BOTH SIDES OF ALL STREETS IN THE SUBDIVISION AND ON THE REVISION SIDE OF BUTLER FARMS BLVD. THOSE SIDEWALKS NOT ADMITTING A RESIDENTIAL, COMMERCIAL OR INDUSTRIAL LOT (INCLUDING SIDEWALKS ALONG STREET FRONTS OF LOTS FOR SCHOOLS, CHURCHES, PARK LOTS, DETENTION LOTS, DRAINAGE LOTS, LANDSCAPE LOTS OR SIMILAR LOTS). SIDEWALKS ON ARTERIAL STREETS TO WHICH ACCESS IS PROHIBITED. SIDEWALKS ON DOUBLE FRONTAGE LOTS ON THE SIDE TO WHICH ACCESS IS PROHIBITED. AND ALL SIDEWALKS ON SAFE SCHOOL ROUTES SHALL BE INSTALLED WHEN THE ADJOINING STREET IS CONSTRUCTED. ALL SIDEWALKS IN THIS SUBDIVISION WILL BE MAINTAINED BY THE ADJACENT PROPERTY OWNER.
- PUBLIC UTILITY INFORMATION:**
WATER: CITY OF LIBERTY HILL 608 LOOP 532 LIBERTY HILL, TEXAS 78642
WASTEWATER: CITY OF LIBERTY HILL 1120 LOOP 332 LIBERTY HILL, TEXAS 78642
ELECTRIC: PEDERNALES ELECTRIC COOP 10025 TX-28 LIBERTY HILL, TEXAS 78642
TELEPHONE: SLODOLAN COMMUNICATIONS 4402 WILLOW DR #125 GEORGETOWN, TX 78626
- ALL EASEMENTS OF RECORD ARE SHOWN OR NOTED ON THE PLAT AS FOUND ON THE TITLE POLICY OR DISCOVERED WITH A TITLE SEARCH PREPARED FOR THE MOST RECENT PURCHASE OF PROPERTY.
- STANDARD STREET SECTIONS ARE LOCATED ON OVERALL PHASE 12-1A, SHEET 3 OF 11.
- GEOLOGIC FEATURES AND SPRINGS WILL BE ADDRESSED IN CONSTRUCTION PLAN DESIGN PER DIRECTION FROM THE GEOLOGIST REPORT.
- PER THE EXECUTED BUTLER FARMS ANNEXATION AND DEVELOPMENT AGREEMENT, THE BUTLER FARMS PHASE 12-1B DEVELOPMENT MINIMUM ALLOWABLE LOT SIZE WILL BE 47 AT THE FRONT BUILDING SETBACK LINE.
- PER THE EXECUTED BUTLER FARMS ANNEXATION AND DEVELOPMENT AGREEMENT, THE MINIMUM STREET SIDE LOT IS 50' WIDE.

**H. LEICHTLE SURVEY NO. 5
ABSTRACT NO. 382**

**JOHN S. BERRY SURVEY
ABSTRACT NO. 58**



LAND USE SUMMARY

LOT SIZE	NUMBER OF LOTS
40'	96
45'	280
50'	9

PHASE NO. LOTS

PHASE	NO. LOTS
PHASE 12	0
PHASE 13	92
PHASE 14	195
PHASE 15	95
PHASE 16	31
TOTAL	383

STREET NAME	STREET LENGTH (FT)	ROW WIDTH	FOC TO FOC	SIDEWALK LOCATION / WIDTH	CLASSIFICATION	SPEED LIMIT
BUTLER FARMS BOULEVARD	1,187	70	47	BOTH 4'	NEIGHBORHOOD COLLECTOR	35 MPH
ALTAMURA AVENUE	2,164	70	47	BOTH 4'	NEIGHBORHOOD COLLECTOR	35 MPH
ENGST STREET	507	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
THURSON BEND	1,281	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
MARION COVE	52	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
BOULDER RIDGE TRAIL	540	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
WINESTAR ROAD	648	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
PREKNESS WAY	1,216	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
BIRCH CREEK LANE	290	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
REDMONT COVE	805	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
SLUGGART WAY	605	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
SLEETON LANE	302	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
STILLWATER FARMS DRIVE	2,670	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
LOBINER WAY	570	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
HIGH MEADOW LOOP	2,324	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
SKYVIEW FARM LANE	384	50'	30'	BOTH 4'	LOCAL RESIDENTIAL	25 MPH
TOTAL	15,479					

NO.	REVISION	BY	DATE

Know what's below.
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LFC

LIBERTY HILL, TEXAS 78642
LIBERTY HILL, TEXAS 78642
LIBERTY HILL, TEXAS 78642

OVERALL PHASE 12-1B

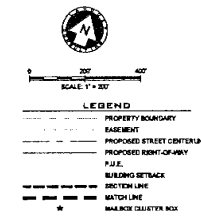
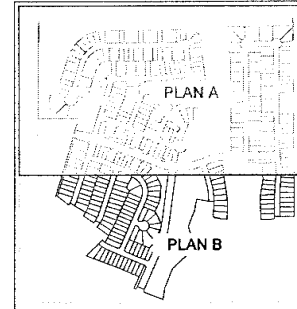
BUTLER FARMS
PRELIMINARY PLAT
PHASES 12-1B
LIBERTY HILL, TEXAS

DESIGNED BY: MRC
DRAWN BY: MBS
CHECKED BY: SN
APPROVED BY: JTW

SHEET 3 of 11
2021-044

**N. LEIGHTLE SURVEY NO. 5
ABSTRACT NO. 382**

KEY MAP



PRELIMINARY PLAT NOTES

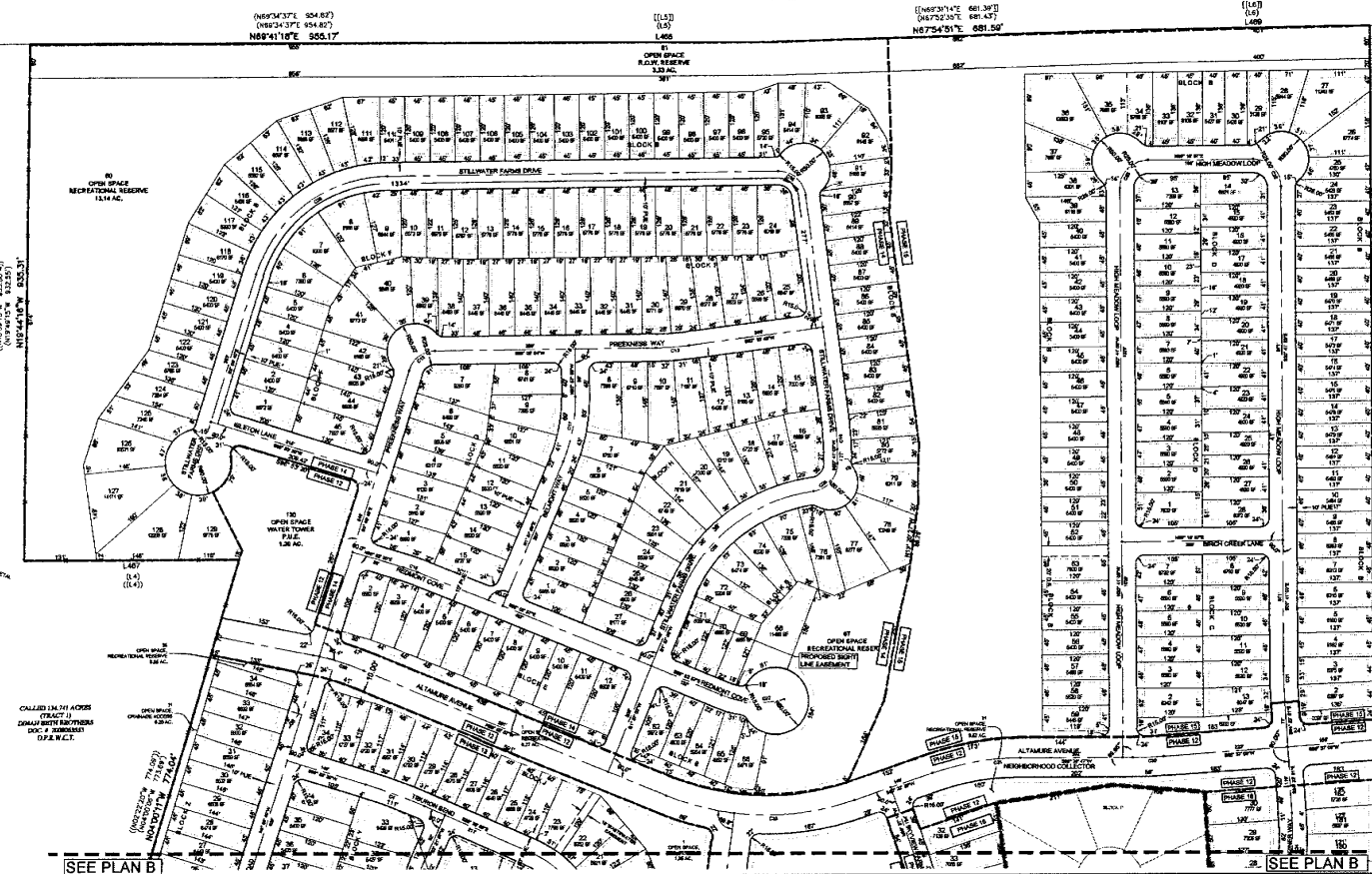
- TOTAL ACREAGE: 105.00 ACRES
TOTAL NUMBER OF LOTS = 3071
80% SINGLE FAMILY, 20 OPEN SPACES
TOTAL NUMBER OF BLOCKS = 15
TOTAL NUMBER OF PHASES = 5
- SIDEWALKS SHALL BE INSTALLED ON BOTH SIDES OF ALL STREETS IN THE SUBDIVISION AND ON THE SUBDIVISION SIDE OF BUTLER FARMS BLVD. THOSE SIDEWALKS NOT ADJUTING A RESIDENTIAL, COMMERCIAL OR INDUSTRIAL LOT INCLUDING SIDEWALKS ALONG STREET FRONTAGE OF LOTS FOR SCHOOLS, CHURCHES, PARK LOTS, DETENTION LOTS, DRAINAGE LOTS, ETC. SHALL BE INSTALLED WHEN THE ADJOINING STREET IS CONSTRUCTED. ALL SIDEWALKS IN THIS SUBDIVISION WILL BE MAINTAINED BY THE ADJOINING PROPERTY OWNERS.
- PUBLIC UTILITY INFORMATION:**
WATER: CITY OF LIBERTY HILL
228 LOOP 332
LIBERTY HILL, TEXAS 78642
WASTEWATER: CITY OF LIBERTY HILL
1720 LOOP 332
LIBERTY HILL, TEXAS 78642
ELECTRIC: FREDERICKS ELECTRIC COOP
10025 TX-29
LIBERTY HILL, TEXAS 78642
TELEPHONE: SUDOLINK COMMUNICATIONS
442 WILLIAMSON DR #125
GEORGETOWN, TX 78628
- ALL EASEMENTS OF RECORD ARE SHOWN OR NOTED ON THE PLAT AS FOUND ON THE TITLE POLICY OR DISCOVERED WITH A TITLE SEARCH PREPARED FOR THE MOST RECENT PURCHASE OF PROPERTY.
- STANDARD STREET SECTIONS ARE LOCATED ON OVERALL PHASE 12-18, SHEET 3 OF 11.
- GEOLOGIC FEATURES AND SPRINGS WILL BE ADDRESSED IN CONSTRUCTION PLAN DESIGN PER INSTRUCTION FROM THE GEOLOGIST REPORT.
- PER THE EXECUTED BUTLER FARMS ANTI-DIVESTMENT AND DEVELOPMENT AGREEMENT, THE BUTLER FARMS PHASE 12-18 DEVELOPMENT MINIMUM ALLOWABLE LOT SIZE WILL BE 40' AT THE FRONT BUILDING SETBACK LINE.
- PER THE EXECUTED BUTLER FARMS ANTI-DIVESTMENT AND DEVELOPMENT AGREEMENT, THE MINIMUM STREET SIDE LOT IS 50' WIDE.

NO.	REVISION	BY	DATE

PRELIMINARY PLAN A
BUTLER FARMS
PRELIMINARY PLAT
LIBERTY HILL, TEXAS

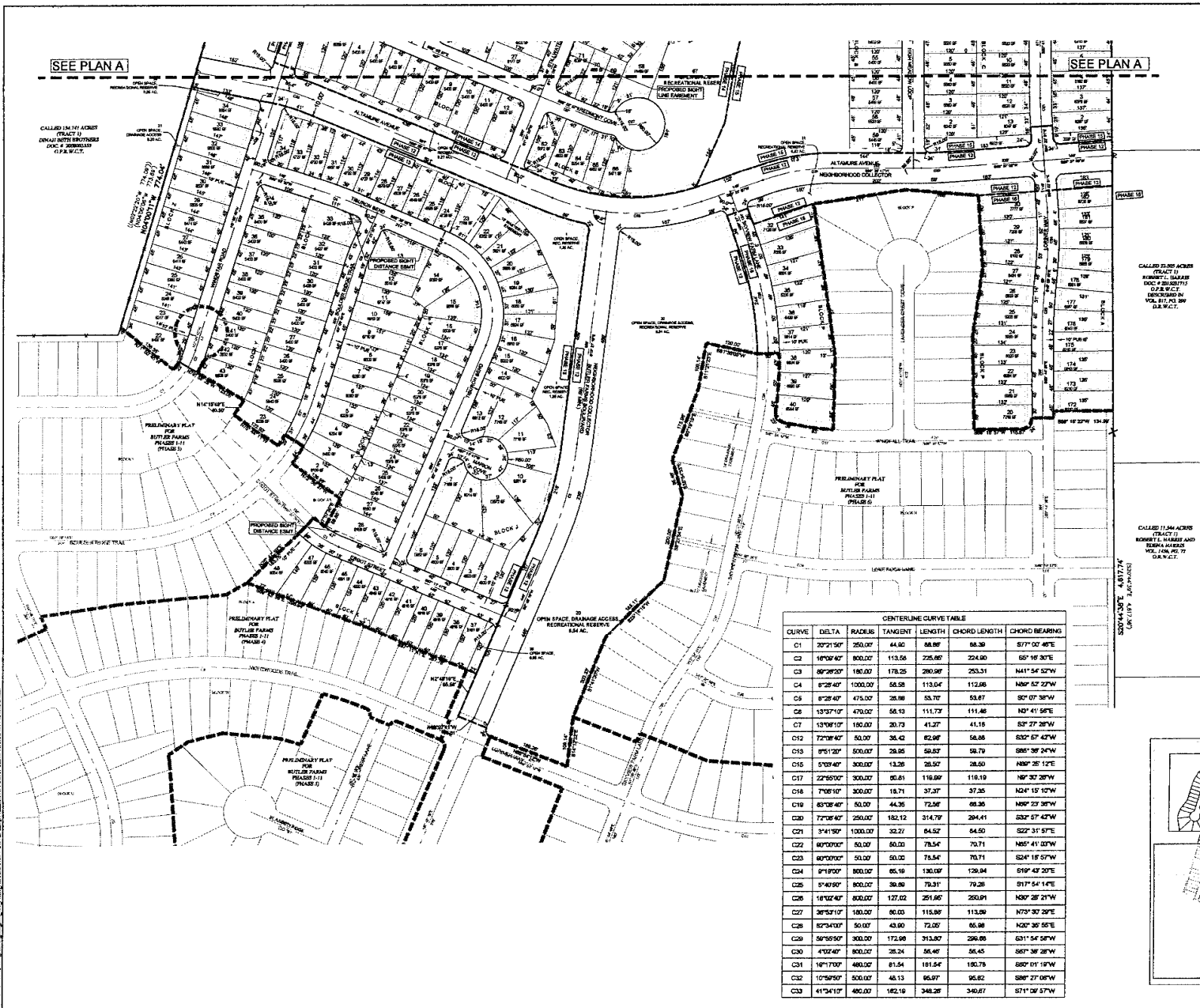
DESIGNED BY: MRC
DRAWN BY: MBS
CHECKED BY: SN
APPROVED BY: JTW

SHEET 4 of 11
2021-044



SEE PLAN B

SEE PLAN B



SCALE: 1" = 200'

LEGEND

- PROPERTY BOUNDARY
- EASEMENT
- PROPOSED RIGHT-OF-WAY CENTERLINE
- PROPOSED RIGHT-OF-WAY
- P.U.L.
- WALKING SETBACK SYSTEM LINE
- MATCH LINE
- MAN BOX CLUSTER BOX

PRELIMINARY PLAT NOTES

- TOTAL ACREAGE: 106.09 ACRES
TOTAL NUMBER OF LOTS = 3075
ONE SINGLE FAMILY, 13 OPEN SPACES
TOTAL NUMBER OF BLOCKS = 13
TOTAL NUMBER OF PHASES = 5

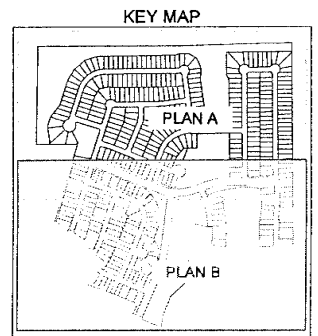
- SIDEWALKS SHALL BE INSTALLED ON BOTH SIDES OF ALL STREETS IN THE SUBDIVISION AND ON THE SUBDIVISION SIDE OF BUTLER FARMS RD. THOSE SIDEWALKS NOT ADJUTING A RESIDENTIAL, COMMERCIAL OR INDUSTRIAL LOT (INCLUDING SIDEWALKS ALONG STREET FRONTAGES OF LOTS FOR SCHOOLS, CHURCHES, PARK LOTS, DETENTION LOTS, DRIVEWAY LOTS, LANDSCAPE LOTS OR SIMILAR LOTS, SIDEWALKS ON ARTISIAL STREETS TO WHICH ACCESS IS PROHIBITED, SIDEWALKS ON DOUBLE FRONTAGE LOTS ON THE SIDE TO WHICH ACCESS IS PROHIBITED, AND ALL SIDEWALKS ON SAFE SIDEWALK ROUTES SHALL BE INSTALLED WHEN THE ADJACENT STREET IS CONSTRUCTED. ALL SIDEWALKS IN THIS SUBDIVISION WILL BE MAINTAINED BY THE ADJACENT PROPERTY OWNERS.

- PUBLIC UTILITY INFORMATION**
WATER: CITY OF LIBERTY HILL
628 LOOP 333
LIBERTY HILL, TEXAS 78642
WASTEWATER: CITY OF LIBERTY HILL
1122 LOOP 332
LIBERTY HILL, TEXAS 78642
ELECTRIC: PEDERNALES ELECTRIC COOP
10265 TX-29
LIBERTY HILL, TEXAS 78642
TELEPHONE: SLEDGEHAMM COMMUNICATIONS
4422 WILLIAMSON DR #125
GEORGETOWN, TX 78628

- ALL EASEMENTS OF RECORD ARE SHOWN OR NOTED ON THE PLAT AS FOUND ON THE TITLE POLICY OR DISCOVERED WITH A TITLE SEARCH INSPIRED FOR THE MOST RECENT PURCHASE OF PROPERTY.
- STANDARD STREET SECTIONS ARE LOCATED ON OVERALL PHASE 12-16, SHEET 3 OF 11.
- GEOLGIC FEATURES AND SPRINGS WILL BE ADDRESSED IN CONSTRUCTION PLAN DESIGN PER DIRECTION FROM THE GEOLOGIST REPORT.
- PER THE DEDICATED BUTLER FARMS ANNEXATION AND DEVELOPMENT AGREEMENT, THE BUTLER FARMS PHASE 12-16 DEVELOPMENT MINIMUM ALLOWABLE LOT SIZE WILL BE 42' AT THE FRONT BUILDING SETBACK LINE.
- PER THE DEDICATED BUTLER FARMS ANNEXATION AND DEVELOPMENT AGREEMENT, THE MINIMUM STREET SIDE LOT IS 50' WIDE.

CENTERLINE CURVE TABLE

CURVE	DELTA	RADIUS	TANGENT	LENGTH	CHORD LENGTH	CHORD BEARING
C1	20°21'50"	250.00	44.80	88.89	88.30	S77°02'46"E
C2	16°02'40"	800.00	113.56	225.89	224.80	S6°16'30"E
C3	89°28'20"	180.00	178.25	280.98	253.31	N41°54'52"W
C4	5°28'40"	1000.00	55.58	113.04	112.88	N89°52'22"W
C5	5°28'40"	475.00	25.88	53.70	53.67	S9°07'38"W
C6	13°57'10"	470.00	55.13	111.72	111.46	N9°41'56"E
C7	13°08'10"	180.00	20.73	41.27	41.18	S3°27'28"W
C8	7°07'40"	50.00	35.42	62.98	58.26	S32°57'42"W
C9	5°01'20"	500.00	25.05	50.23	50.79	S89°38'24"W
C10	5°01'40"	300.00	13.26	26.57	26.50	N89°26'12"E
C11	22°46'00"	300.00	60.61	116.89	116.19	N6°30'30"W
C12	7°08'10"	300.00	15.71	37.27	37.25	N24°15'10"W
C13	65°08'40"	50.00	44.35	72.56	68.36	N89°23'59"W
C14	77°08'40"	250.00	182.12	314.79	294.41	S82°57'42"W
C15	5°41'50"	1000.00	32.27	64.52	64.50	S22°31'51"E
C16	80°00'00"	50.00	50.00	78.54	70.71	N65°41'03"W
C17	60°00'00"	50.00	50.00	78.54	70.71	S24°18'57"W
C18	5°18'00"	800.00	65.19	130.09	129.84	S19°42'20"E
C19	5°40'50"	800.00	36.89	73.31	73.28	S17°54'14"E
C20	18°02'40"	800.00	127.02	251.89	250.91	N59°28'21"W
C21	38°53'10"	180.00	60.03	115.88	113.89	N73°30'28"E
C22	87°34'00"	50.00	43.00	72.09	65.88	N29°30'55"E
C23	56°55'50"	300.00	172.98	313.87	296.89	S31°54'59"W
C24	4°02'40"	800.00	28.24	56.46	56.45	S67°38'28"W
C25	18°17'00"	480.00	81.54	161.54	160.78	S59°01'19"W
C26	12°59'50"	500.00	48.13	96.97	95.82	S86°27'09"W
C27	41°04'10"	480.00	182.19	348.28	340.67	S71°06'57"W



NO.	REVISION	DATE

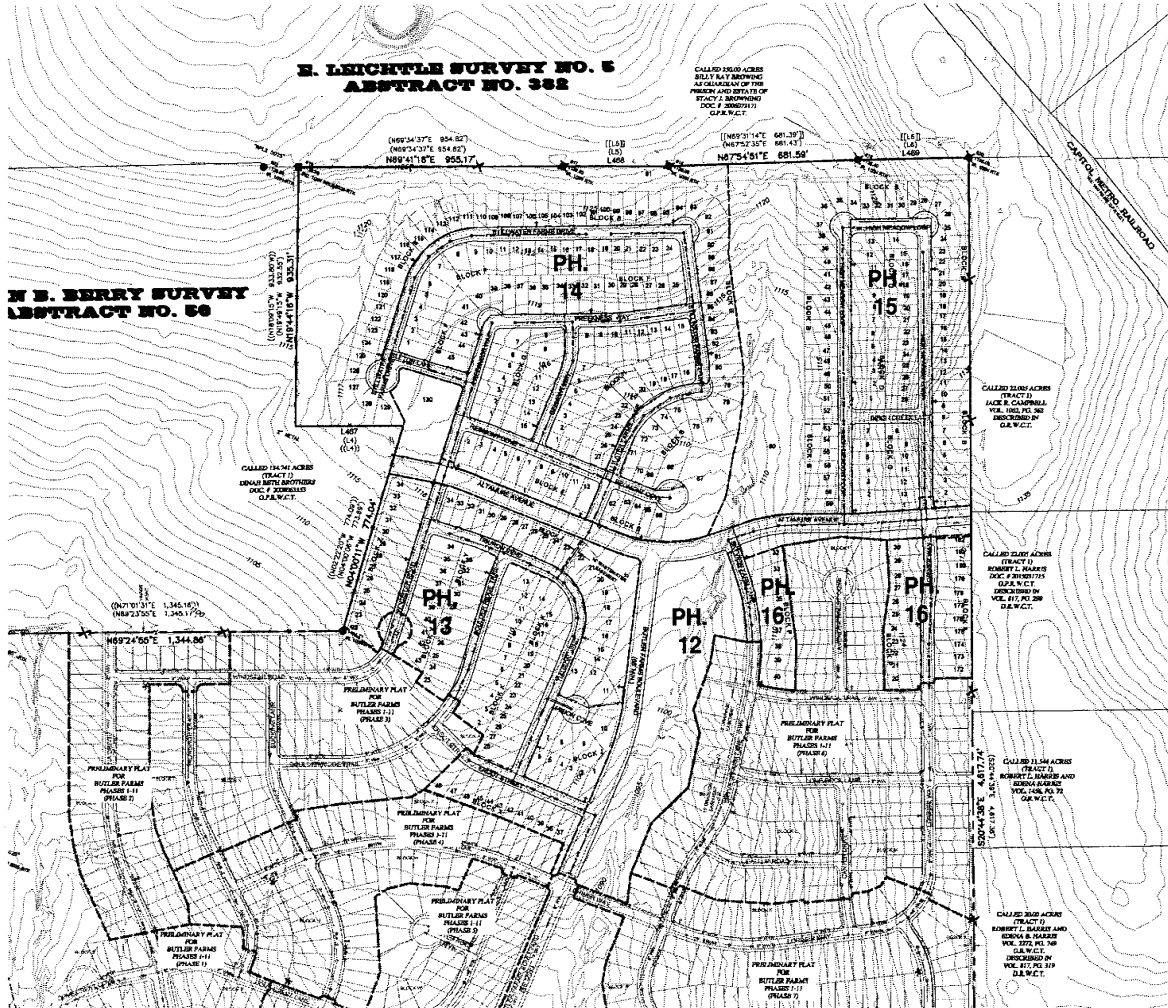
811
Know what's below.
Call before you dig.

FLC
FOR THE RECORD - TITLE AND RECORDS SECTION
LIBERTY HILL, TEXAS 78642

PRELIMINARY PLAN B
BUTLER FARMS
PRELIMINARY PLAT
LIBERTY HILL, TEXAS

DESIGNED BY: MRC
DRAWN BY: MBS
CHECKED BY: SN
APPROVED BY: JTW

SHEET 5 of 11
2021-044




SCALE 1" = 200'

LEGEND

- 500 --- EXISTING CONTOUR
- --- PROPERTY BOUNDARY
- --- EASEMENT
- --- PROPOSED RIGHT-OF-WAY
- --- PROPOSED WATERLINE
- --- PROPOSED WASTEWATER LINE
- --- PROPOSED FORCE MAIN
- --- PROPOSED WASTEWATER MANHOLE
- --- PROPOSED FIRE HYDRANT
- --- PROPOSED STORM SEWER LINE
- --- SECTION LINE
- --- MATCH LINE
- --- GEOLOGIC PLAIN 142

**N.E. BERRY SURVEY
ABSTRACT NO. 68**

**N. LEIGHTON SURVEY NO. 6
ABSTRACT NO. 382**

	NO.
	REVISION
	BY DATE
 <p>Know what's below. Call before you dig.</p>	
 <p>LAND FORM CONSULTANTS 1000 WEST 17th STREET DALLAS, TEXAS 75242 972.382.1100 LFC@LFC.COM</p>	
<p>OVERALL UTILITY PLAN BUTLER FARMS PRELIMINARY PLAT PHASES 12-16 LIBERTY HILL, TEXAS</p>	
DESIGNED BY: MRC	
DRAWN BY: MBS	
CHECKED BY: SM	
APPROVED BY: JFW	
SHEET 6 of 11	
2021-044	

COMPARABLE SUBDIVISIONS

COMPARABLE SUBDIVISION NUMBER ONE



Name: Santa Rita Ranch South

Location: North of SH 29 and west of Ronald Reagan Boulevard

Parcel Number: R609521

School District: Liberty Hill ISD

Current Owner/Developer: Middlebrook Ltd.

Number of Lots: 28

Lot Characteristics: 40' and 45'

Lot Status: Finished

Absorption: Bulk purchase on September 27, 2021

Option Contract Details: \$1,750 per front foot, or \$70,000 and \$78,750 per lot

Neighborhood Amenities: Masterplanned community offering swimming pools, BBQ grills, playscape, parks, basketball court, splash pad, amenity center, nature trails

Current Buyer Profile: \$335,500 to \$469,000

Current Tax Rate: \$2.70481 per \$100 of assessed value

Confirmation: Name: Bryan Biel (Pulte)
Phone: Confidential
Date: 10/15/21
Appraiser: EYR; JCG

COMPARABLE SUBDIVISION NUMBER TWO



Name:	Parmer Ranch
Location:	South of Ronald Reagan Boulevard and east of FM 2338
Parcel Number:	R610797
School District:	Georgetown ISD
Current Owner/Developer:	City of Georgetown Water, PEC Electric, and Atmos Energy (gas)
Number of Lots:	44
Lot Characteristics:	40' and 50'
Lot Status:	Finished lots
Absorption:	N/A
Purchase Price:	\$1,500 per front foot, or \$60,000 and \$75,000 per lot

Neighborhood Amenities: Playground, pool, park, community center, trails

Current Buyer Profile: Homes have base prices of \$470,000 to \$550,000.
Homes will be 2,041 to 3,147 SF

Current Tax Rate: \$2.815819 per \$100 of assessed value

Comments: HOA dues expect to be \$50/month.

Lots conveyed in two deed (Document Numbers 2021138694 and 2021138697) and recorded on September 13, 2021.

Confirmation: Name: Joe Owen
Email: joe@owenholdings.com
Date: 10/2021
Appraiser: EYR

COMPARABLE SUBDIVISION NUMBER THREE



Name:	Morningstar/Omega Ranch
Location:	East of Kauffman Loop, north of State Highway 29.
Parcel Number:	R021698
School District:	Liberty Hill ISD
Utilities:	City of Liberty Hill, Williamson County MUD No. 23.
Grantor:	MA Omega Ranch, LLC
Number of Lots:	286
Lot Characteristics:	286 40' lots
Lot Status:	To be constructed.
Absorption:	Bulk purchase of 286 lots.
Purchase Price :	\$1,315 per front foot; \$52,600 per lot.
Neighborhood Amenities:	Swimming pool, playground, covered pavilion, dog park, 1.5 mile hiking trail, 75 acres of greenbelt, fishing pond.

Current Buyer Profile: Homes in Morningstar range from \$220,000 to \$500,000.

Current Tax Rate: \$2.976969/\$100 of assessed value.

Comments: City of Liberty Hill provides police, fire, and municipal waste services.

Meritage Homes is buying paper lots in a bulk purchase and will build the lots. The purchase price is a combination of paper lot price and maximum construction costs of the finished lots.

Transaction closed October 29, 2020.

Confirmation: Name: Review of Contract
Date: 09/2020
Appraiser: JCG

COMPARABLE SUBDIVISION NUMBER FOUR



Name:	Morningstar/Omega Ranch
Location:	East of Kauffman Loop, north of State Highway 29.
Parcel Number:	R021698
School District:	Liberty Hill ISD
Utilities:	City of Liberty Hill, Williamson County MUD No. 23.
Grantor:	MA Omega Ranch, LLC
Number of Lots:	124
Lot Characteristics:	124 45' lots
Lot Status:	To be constructed.
Absorption:	Bulk purchase of 124 lots.
Purchase Price :	\$1,315 per front foot; \$59,175 per lot.
Neighborhood Amenities:	Swimming pool, playground, covered pavilion, dog park, 1.5 mile hiking trail, 75 acres of greenbelt, fishing pond.

Current Buyer Profile: Homes in Morningstar range from \$220,000 to \$500,000.

Current Tax Rate: \$2.976969/\$100 of assessed value.

Comments: City of Liberty Hill provides police, fire, and municipal waste services.

Meritage Homes is buying paper lots in a bulk purchase and will build the lots. The purchase price is a combination of paper lot price and maximum construction costs of the finished lots.

Transaction closed October 29, 2020.

Confirmation: Name: Review of Contract
Date: 09/2020
Appraiser: JCG

COMPARABLE SUBDIVISION NUMBER FIVE



Name:	Bryson
Location:	East on Tollway 183A, along Bryson Ridge Trail
Parcel Number:	R598498
School District:	Leander ISD
Utilities:	PEC electric service, Atmos gas service, City of Leander provides water and wastewater.
Current Owner/Developer:	Bryson MPC Holdings LLC
Number of Lots:	Unknown
Lot Characteristics:	50'
Lot Status:	Will be finished in 2022.
Absorption:	N/A
Purchase Price:	Will be \$1,700 to \$1,800 per front foot.

Neighborhood Amenities: Pool, splash pad, fishing pond, playground, parks, trails, greenbelt

Current Buyer Profile: \$492,000 to \$579,000

Current Tax Rate: \$2.87 per \$100 of assessed value.

Comments: HOA monthly dues are \$68.

Confirmation: Name: John Stanley (Tri-Point)
Phone: Confidential
Date: 10/2021
Appraiser: EYR; JCG

COMPARABLE SUBDIVISION NUMBER SIX



Name:	Orchard Ridge
Location:	South side of SH 29, between U.S. Highway 183 and Ronald Reagan Boulevard
Parcel Number:	R54960
School District:	Leander ISD
Utilities:	PEC electric service, Atmos Energy gas, and Georgetown Utility Systems for water and wastewater.
Current Owner/Developer:	F-L HM Owner LP
Number of Lots:	28
Lot Characteristics:	50'
Lot Status:	Finished
Absorption:	N/A
Purchase Price:	\$1,600 per front foot, or \$80,000 per lot.

Neighborhood Amenities: Community garden, pool, splash pad, playground, fitness facility, actively center, play field, trails, pond

Current Buyer Profile: Average home price in Fourth Quarter 2020 was \$319,000.

Current Tax Rate: \$2.92 per \$100 of assessed value.

Comments: Prices were as of October 2020.
Dreamfinders Homes was the buyer.

Confirmation: Name: Confidential
Date: 10/2021
Appraiser: EYR; JCG

COMPARABLE LAND SALES

COMPARABLE LAND SALE NUMBER ONE



Property Identification

Location: Between the Hidden Creek Estates subdivision and CR 214, east of San Gabriel Ranch Road, Liberty Hill, TX 78642

Parcel Number: Out of R332140 and others

Legal Description: 45.04 acres out of the James Hackett Survey, Abstract 312 and the John McDevitt Survey, Abstract 415, Williamson County, Texas.

Long/Lat: W-97.905175, N30.705068

Record ID: 725

Sale Data

Date of Sale: September 08, 2021

Consideration: \$6,272,500

Terms: Cash

Price Per Unit: \$3.20/SF
\$139,265/Acre
\$650/FF

Grantor: River Oaks Land Partners II, LLC

Grantee: Ashton Austin Residential L.L.C.

Recording Data: Document#: 2021138712; Date: 09/13/21

Property Rights: Fee simple interest

Marketing Time: Unknown

Property Information

Size: 45.040 acres; 1,961,942 SF

Shape: Irregular

Topography: Slight undulation.

Frontage/Access: None currently.

Utilities: Will be provided by grantor.

Zoning: None.

Floodplain: None.

School District: Liberty Hill ISD

Easements: Typical PUEs.

Surrounding Land Uses: Single family residences, vacant land, rural residences, North Fork San Gabriel River

Intended Use: Single family residential subdivision

Comments & Confirmation

Comments: Grantee bought paper lots (i.e., land with preliminary plat for single family residential lots). Grantor will provide utilities, trunk roads, amenities, and landscaping (i.e., infrastructure).

Price paid was \$650 per front foot of lots. Lots will be 40', 45', 50', and 60'. Price range for paper lots is \$26,000 to \$39,000.

Grantee is a home builder and will self-develop the finished lots. Projected costs per front foot to get paper lots to finished lots is \$700 to \$850. Excluding developer's profit, the cost per front foot of a finished lot is \$1,350 to \$1,500.

This tract is part of the planned Lariat Master Planned Community. Lariat, Sections 1-10 will have 1,063 residential lots on 248.33 acres (4.28 lots per acre).

The total price is projected using the midpoint of the range of paper lots (\$32,500) and the pro-rata number of lots for this tract.

Confirmation:

Name: Confidential
Date: 10/2021
Appraiser: EYR; JCG
Deed Reviewed: JCG
Date Deed Reviewed: 10/2021

COMPARABLE LAND SALE NUMBER TWO



Property Identification

Location: Between the Hidden Creek Estates subdivision and CR 214, east of San Gabriel Ranch Road, Liberty Hill, TX 78642

Parcel Number: Out of R332140 and others

Legal Description: 34.22 acres out of the James Hackett Survey, Abstract 312, 68.75 acres out of the John McDevitt Survey, Abstract No. 415, Williamson County, Texas.

Long/Lat: W-97.905175, N30.705068

Record ID: 726

Sale Data

Date of Sale: September 03, 2021

Consideration: \$14,332,500

Terms: Cash

Price Per Unit: \$3.20/SF
\$139,191/Acre
\$650/FF

Grantor: River Oaks Land Partners II, LLC

Grantee: PHAU-Lariat 108 LLC

Recording Data: Document#: 2021138566 & 2021138569; Date: 09/10/21

Property Rights: Fee simple interest

Marketing Time: Unknown

Property Information

Size: 102.970 acres; 4,485,373 SF

Shape: Irregular

Topography: Slight undulation.

Frontage/Access: None currently.

Utilities: Will be provided by grantor.

Zoning: None.

Floodplain: None.

School District: Liberty Hill ISD

Easements: Typical PUEs.

Surrounding Land Uses: Single family residences, vacant land, rural residences, North Fork San Gabriel River

Intended Use: Single family residential subdivision

Comments & Confirmation

Comments: Grantee bought paper lots (i.e., land with preliminary plat for single family residential lots). Grantor will provide utilities, trunk roads,

amenities, and landscaping (i.e., infrastructure).
Price paid was \$650 per front foot of lots. Lots will be 40' , 45', 50', and 60'. Price range for paper lots is \$26,000 to \$39,000.

Grantee is a home builder and will self-develop the finished lots. Projected costs per front foot to get paper lots to finished lots is \$700 to \$850.
Excluding developer's profit, the cost per front foot of a finished lot is \$1,350 to \$1,500.

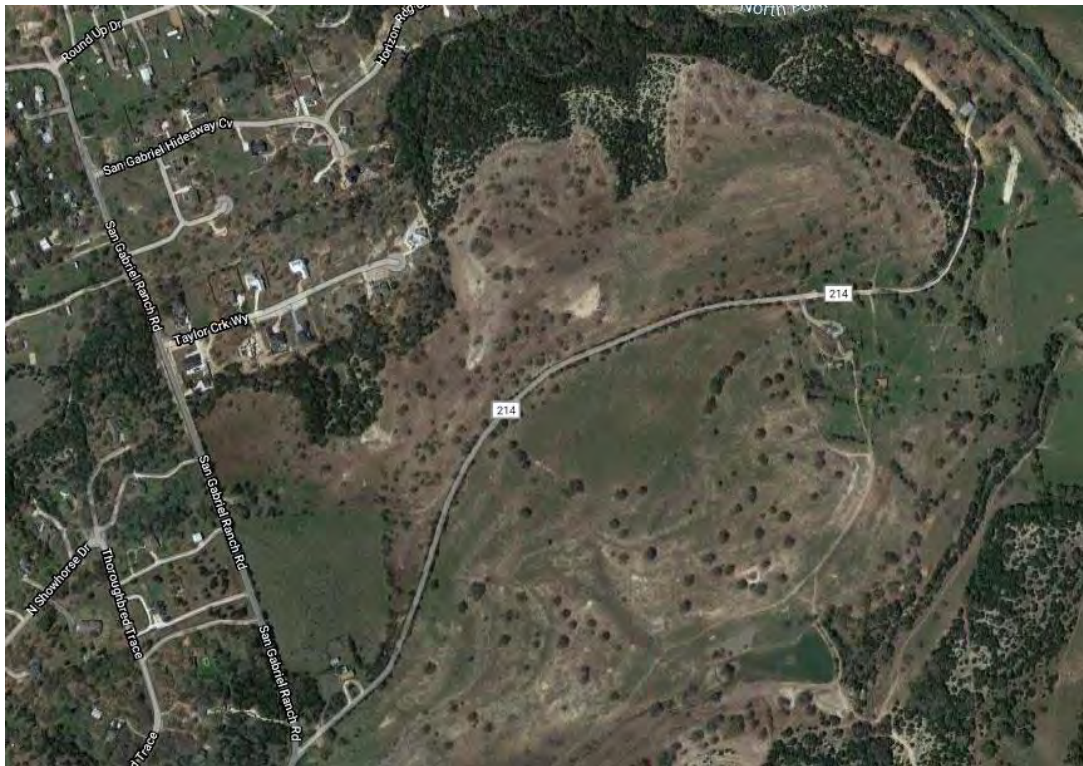
This tract is part of the planned Lariat Master Planned Community. Lariat, Sections 1-10 will have 1,063 residential lots on 248.33 acres (4.28 lots per acre).

The total price is projected using the midpoint of the range of paper lots (\$32,500) and the pro-rata number of lots for this tract.

Confirmation:

Name: Confidential
Date: 10/2021
Appraiser: EYR; JCG
Deed Reviewed: JCG
Date Deed Reviewed: 10/2021

COMPARABLE LAND SALE NUMBER THREE



Property Identification

Location:	Between the Hidden Creek Estates subdivision and CR 214, east of San Gabriel Ranch Road, Liberty Hill, TX 78642
Parcel Number:	Out of R332140 and others
Legal Description:	100.32 acres out of the James Hackett Survey, Abstract 312 and the John McDevitt Survey, Abstract 415, Williamson County, Texas.
Long/Lat:	W-97.905175, N30.705068
Record ID:	727

Sale Data

Date of Sale:	September 08, 2021
Consideration:	\$19,942,500

Terms: Cash
Price Per Unit: \$4.56/SF
\$198,789/Acre
\$650/FF
Grantor: River Oaks Land Partners II, LLC
Grantee: Tri Pointe Homes Texas, Inc.
Recording Data: Document#: 2021138718; Date: 09/13/21
Property Rights: Fee simple interest
Marketing Time: Unknown

Property Information

Size: 100.320 acres; 4,369,939 SF
Shape: Irregular
Topography: Slight undulation.
Frontage/Access: None currently.
Utilities: Will be provided by grantor.
Zoning: None.
Floodplain: None.
School District: Liberty Hill ISD
Easements: Typical PUEs.
Surrounding Land Uses: Single family residences, vacant land, rural residences, North Fork San Gabriel River
Intended Use: Single family residential subdivision

Comments & Confirmation

Comments: Grantee bought paper lots (i.e., land with preliminary plat for single family residential lots). Grantor will provide utilities, trunk roads, amenities, and landscaping (i.e., infrastructure).

Price paid was \$650 per front foot of lots. Lots will be 40', 45', 50', and 60'. Price range for paper lots is \$26,000 to \$39,000.

Grantee is a home builder and will self-develop the finished lots. Projected costs per front foot to get paper lots to finished lots is \$700 to \$850. Excluding developer's profit, the cost per front foot of a finished lot is \$1,350 to \$1,500.

This tract is part of the planned Lariat Master Planned Community. Lariat, Sections 1-10 will have 1,063 residential lots on 248.33 acres (4.28 lots per acre).

The total price is projected using the midpoint of the range of paper lots (\$32,500) and the pro-rata number of lots for this tract.

Confirmation:

Name: Confidential
Date: 10/2021
Appraiser: EYR; JCG
Deed Reviewed: JCG
Date Deed Reviewed: 10/2021

APPENDIX G

FORM OF PID FINANCING AGREEMENT

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BUTLER FARMS PUBLIC IMPROVEMENT DISTRICT
ACQUISITION, FINANCING AND REIMBURSEMENT AGREEMENT

BETWEEN

366 TX 29 LTD

AND

LIBERTY HILL, TEXAS

BUTLER FARMS PUBLIC IMPROVEMENT DISTRICT
ACQUISITION, FINANCING AND REIMBURSEMENT AGREEMENT

This Butler Farms Public Improvement District Acquisition, Financing and Reimbursement Agreement (this “**Agreement**”), dated as of December 8, 2021, (the “**Effective Date**”), is entered into between 366 TX 29 LTD, a Texas limited partnership (including its Designated Successors and Assigns, the “**Developer**”), and the City of Liberty Hill, Texas (the “**City**”), a Texas Type A, general law municipality, acting by and through its Council (the “**Council**”) or its duly authorized representative. Each of the Developer and the City are individually herein referred to as a “**Party**” and, together, as the “**Parties**”. The Developer’s and the City’s entry into this Agreement is being consented to by JNC Development, Inc., a Texas corporation (“**Saratoga**”) and Meritage Homes of Texas, LLC, an Arizona limited liability company (“**Meritage**”) (Saratoga and Meritage collectively the “**Consenting Parties**”).

Recitals:

WHEREAS, Developer and the Consenting Parties own approximately 366.455 acres of land more particularly described on Exhibit “B” attached hereto and made a part hereof (the “**Property**”);

WHEREAS, Developer owns the portion of the Property described on Exhibit “B-1” attached hereto, Meritage owns the portion of the Property described on Exhibit “B-2” attached hereto, and Saratoga owns the portion of the Property described on Exhibit “B-3” attached hereto;

WHEREAS, it is intended that the Property will be developed as a single family residential development by Developer and its affiliates and/or its successors and assigns (the “**Project**”);

WHEREAS, the City Council authorized the formation of the Butler Farms Public Improvement District (the “**District**”) pursuant to Resolution No. 18-R-118 on December 10, 2018 (the “**PID Creation Resolution**”) in accordance with the PID Act;

WHEREAS, pursuant to the PID Creation Resolution, the estimated costs of the Authorized Improvements to be financed through the District is \$42,500,000 (including issuance and other financing costs);

WHEREAS, the City Council approved that certain Butler Farms Annexation and Development Agreement on August 31, 2018, which provides for the terms and conditions of development standards for the Property (as amended on January 14, 2019, September 29, 2020, May 3, 2021, May 24, 2021, and October 4, 2021, and then further amended and restated on December 8, 2021 the “**Annexation and Development Agreement**”), which, pursuant to that certain Assignment and Assumption of Development Agreement dated February 10, 2021, was assigned to Developer;

WHEREAS, pursuant to the terms of this Agreement, and in reliance upon the Developer’s agreements made in the Annexation and Development Agreement concerning Project development, the City has created the District and has determined to allow certain public improvements within the Property that are necessary and incidental to Project development (such improvements, as further identified in the Service and Assessment Plan, being the Authorized

Improvements) to be financed using the proceeds of bonds to be secured by Assessments levied upon the Assessed Property;

WHEREAS, the Developer has proposed to construct, over time, certain Authorized Improvements to serve the Project (or portions thereof) in accordance with the terms and provisions of this Agreement;

WHEREAS, the Developer shall finance and construct, or cause the construction of, Authorized Improvements (as defined herein) within the District;

WHEREAS, in order to sell the Initial PID Bonds, the Underwriter has required the Developer and the Consenting Parties to execute completion agreements with the Applicable Trustee;

WHEREAS, on the date hereof, the City Council has adopted an ordinance levying Assessments and approving the Service and Assessment Plan that provides for financing of the costs of the Authorized Improvements, in whole or in part, by and from Assessments levied against Assessed Property within the District;

WHEREAS, pursuant to Ordinance No. 18-O-116 (as amended, the “**TIRZ Creation Ordinance**”), the City Council designated the Property as the Reinvestment Zone Number Three, City of Liberty Hill, Texas, Butler Farms TIRZ (the “**TIRZ**”);

WHEREAS, on October 13, 2021 the City Council amended the TIRZ Creation Ordinance to extend the term of the TIRZ;

WHEREAS, contemporaneously herewith and pursuant to an ordinance (the “**TIRZ Plan Ordinance**”), the City Council adopted the final project and finance plan (the “**TIRZ Project and Finance Plan**”) in order to allow a portion of the increase in ad valorem tax revenue generated from the Property to be used to pay for a portion of the costs of the Major Improvements by application of the TIRZ Annual Credit Amount to the Annual Installments;

WHEREAS, from the proceeds of the PID Bonds, the City will, upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement, construct, finance, and/or acquire those certain Authorized Improvements provided for in this Agreement and the Developer will be paid or repaid or reimbursed for the costs of acquisition, construction, installation and improvement of the Authorized Improvements (acquired, constructed or installed in Segments) that are completed from time to time and operative, subject to the terms and limitations set forth herein;

WHEREAS, the City has determined that it is in the best interests of it and its residents to contract with the Developer for the construction, financing, and/or acquisition of certain costs of the Authorized Improvements, which the City hereby finds and determines will result in the efficient and effective implementation of the Service and Assessment Plan; and

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the Parties hereby agree as follows:

ARTICLE I. RECITALS; SCOPE OF AGREEMENT; DEFINED TERMS

Section 1.01. The recitals set forth above are true and correct and are incorporated herein and made a part hereof as findings for all purposes.

Section 1.02. This Agreement establishes provisions for the apportionment, levying, and collection of Assessments on the Assessed Property (Article II); the construction or acquisition of Authorized Improvements to be acquired by the City (Article III); reimbursement or advancement of construction funds for, and provision for acquisition, construction, installation, development, ownership and maintenance of, Authorized Improvements (Article IV); and the issuance of bonds for the financing of the Authorized Improvements (Article V). This Agreement also provides for Party representations and warranties (Article VI), Party default and remedies in the event of default (Article VII), and general contract provisions (Article VIII).

Section 1.03. Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in Exhibit "A" attached hereto and made a part hereof.

ARTICLE II. APPORTIONMENT, LEVY, COLLECTION, OFFSET, AND USE OF ASSESSMENTS

Section 2.01. Preliminary Matters

(a) *Phased Project Development; Benefits of Authorized Improvements.* The Property is intended to be developed in phases, with multiple Improvement Areas as conceptually depicted in Exhibit "B-4". It is anticipated that, initially, Authorized Improvements will be constructed that benefit only Improvement Area #1 (the "**Improvement Area #1 Improvements**") or Improvement Area #2 (the "**Improvement Area #2 Improvements**"), while other Authorized Improvements will benefit the entire District (the "**Major Improvements**"). It is further anticipated that Authorized Improvements will be constructed in the future that benefit only a Future Improvement Area (the "**Future Improvement Area Improvements**").

(b) *Service and Assessment Plan.* The Developer acknowledges and agrees that the Service and Assessment Plan, which (among other things) describes the Authorized Improvements, the methodology for allocating the costs of the Authorized Improvements to parcels of land benefited by the Authorized Improvements, the levy of Assessments and amount of Assessments, must meet the requirements of the PID Act and be presented to the City Council for review and approval and be updated at least annually and in connection with the issuance of any series of PID Bonds, except if such PID Bonds are issued to refund an outstanding series of PID Bonds. Notwithstanding the above, it is hereby understood and acknowledged by the Parties that the Initial Assessments associated with the Initial PID Bonds are the only Assessments that can be addressed as of the date hereof with reasonable certainty in the Service and Assessment Plan. As a result, the Service and Assessment Plan will need to be amended over time as the areas covered by Future Improvement Area Bonds are developed and the Future Improvement Area Bonds are issued. The basic terms and methodology described in the Service and Assessment Plan will generally apply to the Future Improvement Area Bonds.

(c) *Assessments Generally; Initial Assessments and Subsequent Assessments.*

(i) Assessments have been or will be levied and imposed on Assessed Property, and adjustments to such Assessments (as and if necessary) will be made, in accordance herewith, the Service and Assessment Plan, and the PID Act. Assessments will bear a direct proportional relationship to and be less than or equal to the special benefit of, the Authorized Improvements whose costs are paid from the Assessment Revenues.

(ii) The Parties anticipate that, pursuant to the Initial Assessment Ordinance(s), Assessments will be assessed initially only for payment of a portion of the costs of the Major Improvements, the Improvement Area #1 Improvements, and the Improvement Area #2 Improvements (collectively, the “**Initial Assessments**”). As Project development progresses, the Parties intend that Assessments will be assessed on the Future Improvement Areas for the Future Improvement Area Improvements. The Initial Assessments are to be pledged as security for and are the sole source of payment of the Initial PID Bonds.

(iii) Prior to or contemporaneously with the City Council’s approval of the issuance of a series of PID Bonds subsequent to the issuance of the Initial PID Bonds, following receipt of a Bond Issuance Request as described in Section 2.02(b)(ii) below, the City will consider the adoption of an Assessment Ordinance that (i) approves an update to the Service and Assessment Plan identifying the costs of Future Improvement Area Improvements for a given Future Improvement Area and Assessments for the applicable Future Improvement Area, and (ii) levies said Assessments.

(iv) Subject to the City Council regular meeting schedule, and any applicable review processes reasonably imposed by the City, including compliance with any future bonds test, promptly following submission to the City of an updated Service and Assessment Plan describing Future Improvement Area Improvements and the estimated costs thereof or provided in connection with a Bond Issuance Request, acceptable in form and substance to the City and, with respect to matters therein that require its review and/or approval as provided in this Agreement (if any), the City Council shall consider an Assessment Ordinance. If an Assessment Ordinance is adopted, the City shall use reasonable, good faith efforts to expeditiously initiate and approve all necessary documents and orders required to effectuate and implement such Assessment Ordinance.

Section 2.02. Payment for Authorized Improvements

(a) *General.* As further described in Article IV, the Parties anticipate that the Actual Costs of Authorized Improvements shall be paid (i) from the proceeds of PID Bonds, (ii) to the extent of their availability, Assessment Revenues available after the payment of debt service on PID Bonds (“**Surplus Assessment Revenues**”) and (iii) the Developer Contribution (sources (i) through (iii), collectively, the “**Available Sources of Payment**” and, individually, an “**Available Source of Payment**”). The Assessment Revenues shall be the sole source of security for repayment of any PID Bonds. The Developer shall bear one hundred percent (100%) of that portion of the Actual Costs of the Authorized Improvements that are in excess of the amounts paid from the proceeds of PID Bonds or from Assessment Revenues. The Developer may be reimbursed for all or a portion of Actual Costs expended for the construction of the Authorized Improvements from Assessment Revenues, PID Bond proceeds or a combination thereof.

(b) *PID Bonds.* The Service and Assessment Plan contemplates the issuance of multiple series of PID Bonds.

(i) The initial issuance of PID Bonds is anticipated to include (1) Major Improvement Area Bonds (which will be secured by Assessments levied on the Major Improvement Area to cover the Major Improvement Area's and, therefore, each Future Improvement Area's respective, apportioned share of costs of the Major Improvements) and (2) Improvement Area #1-2 Bonds (which will be secured by Assessments levied on Improvement Area #1 to cover the costs of the Improvement Area #1 Projects and Assessments levied on Improvement Area #2 to cover the costs of the Improvement Area #2 Projects) (collectively, the "**Initial PID Bonds**").

(ii) The Parties intend and anticipate that, with respect to development of Future Improvement Areas, Future Improvement Area Bonds shall be issued at a later time. At any time in the future when development of the Project has progressed to the point that applicable conditions precedent to the issuance of Future Improvement Area Bonds specified herein, or in an Applicable Indenture, can be satisfied or the Developer is ready to construct Authorized Improvements for a given Future Improvement Area, Developer may deliver a written Bond Issuance Request to the City. Upon receipt, the City shall consider the request and, subject to satisfaction of applicable conditions precedent applicable to any such issuance (whether by contract or agreement or applicable law), place before City Council for consideration the issuance of PID Bonds in accordance with Sections 5.01 and 5.02 below. Approval of any future PID Bond issuance shall be accompanied or preceded by adoption of an Assessment Ordinance. The process for payments of the costs of the Future Improvement Area Improvements shall be in accordance with the terms of Section 4.01 and the Applicable Indenture.

(iii) THE PARTIES EXPRESSLY AGREE THAT EACH SERIES OF PID BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY SECURED SOLELY BY THE APPLICABLE "PLEGGED REVENUES" (AS DEFINED IN THE APPLICABLE INDENTURE PURSUANT TO WHICH THE APPLICABLE SERIES OF PID BONDS ARE ISSUED) AND ANY OTHER FUNDS HELD IN THE TRUST ESTATE THEREUNDER, AND AS AND TO THE EXTENT PROVIDED IN, SUCH INDENTURE. NO SERIES OF PID BONDS SHALL GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE ONLY SECURED FROM THE SOURCES IDENTIFIED IN THE APPLICABLE INDENTURE. EACH INDENTURE SHALL PROVIDE THAT THE OWNERS OF PID BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEGGED REVENUES IDENTIFIED IN, AND OTHER FUNDS HELD UNDER, THE APPLICABLE INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF THE PID BONDS TO PAY SUCH PID BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE APPLICABLE PLEGGED REVENUES.

(c) *Reimbursement Agreements.* The Parties may enter into Reimbursement Agreements for the purposes of providing for the reimbursement of all or a portion of Actual Costs

of Future Improvement Area Improvements not funded by Future Improvement Area Bonds from available Assessment Revenues from that Future Improvement Area. Upon satisfying any conditions precedent in this Agreement and the Applicable Indenture, the Developer may submit a PID Bond Request requesting that PID Bonds be issued to fund the City's obligations to reimburse the Developer under a Reimbursement Agreement.

(d) *Parity Bonds.* It is contemplated that Parity Bonds may be issued in the future for reimbursing the Actual Costs of Future Improvement Area Improvements covered by a Reimbursement Agreement following the issuance of a Future Improvement Area Bond that does not fully reimburse the Actual Cost of the Authorized Improvements for that Future Improvement Area. The Parity Bond would be secured by the portion of the Special Assessments not necessary to secure the initial Future Improvement Area Bond for the Future Improvement Area. The issuance of Parity Bonds shall follow the requirements of Article V below.

(e) *Priority of Reimbursements.* The payment of the Actual Costs from accounts held by the Applicable Trustee shall be made as set forth in the Applicable Indenture.

Section 2.03. Collection of Assessments

(a) The City shall collect the Assessments in a manner that is consistent with the City's policies and standard practices applicable to the collection of City ad valorem taxes and other special assessments. In furtherance of the foregoing, the City shall, as authorized by the PID Act and other applicable law, use best efforts to contract with the Williamson Tax Assessor-Collector's Office for the collection of Assessments so that (i) Assessments that have been levied and imposed as described in Section 2.01(c)(i) are continuously collected and (ii) the Assessments will be included on the ad valorem tax bill(s) for the owners of Assessed Property and will be collected as part of and in the same manner as ad valorem taxes.

(b) The City, to the extent permitted by applicable law, will not permit a reduction, abatement, or exemption in the Assessments due on any portion of any property subject to such Assessments within any Improvement Area until the applicable series of PID Bonds that are secured by and payable from the Assessment Revenues collected from the subject Improvement Area(s) and/or the Assessments are no longer outstanding (whether as a result of payment in full, defeasance or otherwise) or until the reimbursement obligation under the applicable Reimbursement Agreement is paid out in full pursuant to the terms therein.

(c) Upon collection, and notwithstanding anything to the contrary contained herein or in the Service and Assessment Plan, the Assessment Revenues annually collected under this Agreement and pursuant to any Assessment Ordinance will be deposited to the various accounts as established and specified in the Applicable Indenture or applicable Reimbursement Agreement.

Section 2.04. Approval and Recordation of Assessments through Landowner Agreement; Buyer Disclosures

(a) Concurrently with the City Council's adoption of an Assessment Ordinance for a given Improvement Area, the Developer and each other landowner within the Improvement Area, including any of the Consenting Parties, shall execute a "**Landowner Agreement**" (herein so

called and defined), which may be in agreement or certificate form, covering their respective portions of the Property that they own that is subject to assessment.

Each Landowner Agreement shall (i) include approval and acceptance of each owner of Assessed Property of the apportionment of Assessments in the Service and Assessment Plan occurring at the time of the Initial PID Bonds or in the future as to the portion of the Property covered by such Landowner Agreement, the City's levy and imposition of the Assessments on, such Assessed Property; (ii) evidence of the applicable Property owner's intent that, with respect to such Assessed Property, the Assessments be covenants running with the land that (1) bind any and all current and successor owners of the applicable portion of the Property to the Assessments, including applicable interest thereon, as and when due and payable thereunder and (2) provide that subsequent purchasers of such Assessed Property take their title subject thereto and expressly assume the terms and provisions of the Assessments levied and imposed on such Assessed Property; and (iii) provide that the liens on the subject Assessed Property created by the levy and imposition of the Assessments are a first and prior lien on such Assessed Property, subject only to liens for ad valorem taxes of the State (if any), municipality, county, or school district.

(b) The Developer must post signage along the main entry/exits located at the boundaries of the District that identifies the area as a public improvement district. All signage shall be clearly visible to all motorists entering and exiting the District. The Developer shall contractually obligate each commercial builder, including the Consenting Parties, who is in the business of constructing and/or selling residences to individual homebuyers (a "Builder") to prominently display signage utilizing language and information provided by the Administrator in the Builder's model homes, if any, located within the Property.

(c) The Developer shall comply and cause the Consenting Parties and each owner of any Assessed Property to comply with the notice provisions of Applicable Law, including specifically, Chapter 5 of the Texas Property Code, regarding any subsequent sale or conveyance of Assessed Property.

Section 2.05. Actual Costs

(a) The Developer shall, solely from the net proceeds of PID Bonds, Assessment Revenues, or both, be reimbursed for a portion of Actual Costs; provided, however, that, notwithstanding anything to the contrary herein contained, the Actual Costs of Authorized Improvements, may not be fully reimbursed from the aforementioned sources because the Actual Costs may exceed the available Assessment Revenues and/or PID Bond proceeds. A Developer reimbursement for Actual Costs as hereinbefore described shall constitute a "reimbursement" under the PID Act.

(b) The Parties agree that the City's reimbursement obligations described in Section 2.05(a) shall not, under any circumstances, give rise to or create a charge against the City's general credit or taxing power or a debt or other obligation of the City payable from any source other than the net proceeds of PID Bonds or Assessment Revenues.

(c) The Developer's right, title and interest to the payments of unreimbursed Actual Costs shall be the sole and exclusive property of Developer (or its Transferee, as defined below)

and no other third party shall have any claim or right to such funds unless Developer transfers its rights to its unreimbursed Actual Costs to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Developer, if any applicable Authorized Improvement to be constructed in accordance with this Agreement has been constructed and accepted by the City, has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with notice to) the City, all or any portion of Developer's right, title, or interest in and to payment of its unreimbursed Actual Costs (a "**Transfer**," and the person or entity to whom the transfer is made, a "**Transferee**") for the applicable Authorized Improvement. Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including (A) the name and address of the Transferee and (B) a representation by the Developer that the Transfer does not and will not result in the issuance of or security for municipal securities by any other state of the United States or political subdivision thereof, is provided to the City. Further, the City shall not be required to make partial payments to more than two (2) parties as a result of an assignment, and the City shall not be required to execute any consent or make any representations as a result of such assignment. The City may rely conclusively on any written notice of a Transfer provided by Developer without any obligation to investigate or confirm the Transfer

(d) Prior to the effective date of this Agreement, the Developer sold a portion of the land located in Improvement Area #1 to Saratoga and all of the land located within Improvement Area #2 to Meritage. Pursuant to separate contracts, the Developer and the Consenting Parties established the responsibilities, obligations and rights of each party relating to the financing and construction of the Authorized Improvements benefiting their respective property. For the avoidance of doubt, Developer represents that each Consenting Party has acknowledged and agreed that it will not request or demand any reimbursement from the City for any portion of Actual Costs expended by them and that it will rely solely on such Consenting Party's contracts with the Developer for any right, title and interest to receive payment for such Actual Costs expended by it, if any. The Parties agree that all reimbursements described herein shall be made solely to the Developer, or its Designated Successors and Assigns.

Section 2.06. Offset of Assessments

(a) In accordance with the TIRZ Creation Ordinance, the TIRZ Plan Ordinance and the TIRZ Agreement, the City has agreed to use a portion of TIRZ Increment Receipts generated from each Assessed Property to offset a portion of such property's Assessment allocable to Major Improvements by the TIRZ Annual Credit Amount. Such offset shall be calculated and enforced under the terms of the TIRZ Agreement, as further described in the Service and Assessment Plan and the TIRZ Plan. Upon the issuance of the Initial PID Bonds the City shall deposit TIRZ Increment Receipts, in the amount of the TIRZ Annual Credit Amount, with the Applicable Trustee for deposit to the Pledged Revenue Fund identified in the Applicable Indenture. Deposited TIRZ Increment Receipts will be used to pay a portion of the debt service on Initial PID Bonds due in such year, resulting from the application of the TIRZ Annual Credit Amount to the Annual Installments.

ARTICLE III. CONSTRUCTION AND ACQUISITION OF AUTHORIZED IMPROVEMENTS

Section 3.01. Acquisition, Construction, and Dedication of Authorized Improvements

(a) Authorized Improvements

(i) Developer shall construct, or cause the construction of, the Authorized Improvements utilizing commercially reasonable efforts and shall construct, or cause the construction of, the Authorized Improvements such that the Authorized Improvements shall be in a form that will allow the City to accept such Authorized Improvement in accordance with that City's standard regulations and procedures. Once the Developer begins construction of any Authorized Improvement or Segment, Developer shall use commercially reasonable efforts to complete said Authorized Improvement or Segment.

(ii) The Developer shall, prior to commencement of acquisition or construction efforts regarding a Authorized Improvement, deliver to the City, as applicable, with respect to the subject Authorized Improvement, evidence of approval of the City of the plans and specifications pursuant to which such Authorized Improvements will be constructed, accompanied by any permits or governmental approvals that are necessary to complete such construction or acquisition and evidence of any and all payment and performance bonds and insurance policies related to any of the foregoing as required by the provisions of this Agreement.

(iii) Notwithstanding anything contained herein to the contrary, the City will not release funds from any Available Sources of Payment for payment for the Actual Costs of the Authorized Improvements until the Developer has demonstrated to the City evidence of its compliance with this Section 3.01(b) and Section 4.03 below.

(b) Upon completion of an Authorized Improvement, the Developer will dedicate or cause to be dedicated the applicable Authorized Improvement thereof to the City. Dedication of an Authorized Improvement to the City shall be accompanied by Developer's or other applicable party's, assignment to the City of all of the Developer or other applicable party's rights in any warranties, guarantees, maintenance obligations or other evidences of contingent obligations of third persons with respect to such Authorized Improvement.

(c) The City Council's acceptance of Authorized Improvements shall be in accordance with the City standard rules and procedures for the acceptance of subdivision improvements, as modified by this Agreement.

Section 3.02. Designation of Construction Manager, Construction Engineers

(a) Authorized Improvements.

(i) With respect to the Authorized Improvements, the City hereby designates the Developer, or its Designated Successors and Assigns, as a Construction Manager (the "**Construction Manager**") with full responsibility for the design, the designation of easement locations, facilities site designations and acquisitions, supervision of

construction, and the bidding and letting of construction contracts for the construction of the Authorized Improvements in accordance with the provisions of this Article III, subject to the Annexation and Development Agreement, or the Service and Assessment Plan. The Developer may choose to subcontract out the duties of Construction Manager to a third party and the Developer's hiring of the initial subcontractor to serve as the Construction Manager shall not be deemed a change in the Construction Manager pursuant to the terms and conditions of this Article III.

(b) Inspection of the construction of Authorized Improvements shall be completed by a representative of the City.

(c) The Project Engineer is hereby the designated consulting engineer for the Authorized Improvements.

Section 3.03. Maintenance of Authorized Improvements, Warranties

(a) Unless otherwise provided for such responsibility to be assumed by or assigned to an acceptable third party, the Developer shall maintain or cause to be maintained the Authorized Improvements in good working order and safe condition until such Authorized Improvement is dedicated to and accepted by the City. Prior to such acceptance by the City, the Developer shall, at its own cost and expense, be responsible for performing or causing to be performed any required maintenance on its Authorized Improvements.

(b) On or before the acceptance by the City of an Authorized Improvement (or Segment thereof), the Developer shall assign or cause to be assigned to the City all of the its rights in any warranties, guarantees, maintenance obligations or other evidences of contingent obligations of third persons with respect to such Authorized Improvement (or Segment thereof) and shall provide or cause to be provided the City with a two year maintenance bond from the date of final acceptance of the Authorized Improvements that guarantee the costs of any repairs which may become necessary to any part of the construction work performed in connection with the Authorized Improvements for each Authorized Improvement to be accepted by the City.

Section 3.04. Regulatory Requirements

(a) Notwithstanding anything to the contrary contained herein, the Developer shall be responsible for the costs of designing, constructing, and obtaining the City's acceptance of their respective Authorized Improvements, in accordance with applicable local, state, and federal regulations, Project plans and specifications (as approved by the City), and good engineering practices.

(b) The City will cooperate with the Developer, to the extent reasonably possible without detriment to proper engineering, to review, comment, and revision on the review and approval of the engineering, design, plans, and specifications of all Authorized Improvements submitted by the Developer.

With respect to the construction of the Authorized Improvements, it is agreed that the Developer will be exempt from any public bidding or other purchasing and procurement policies pursuant to Texas Local Government Code Section 252.022(a)(9) which states that a project is

exempt from such policies if “paving drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements.” For Authorized Improvements that will commence construction after the Effective Date, the Developer will request bids from at least three (3) independent, competent contractors for the construction of their respective Authorized Improvements and provide copies of the bids to the City. The City may review the bids and provide input to the Developer on the bids. The City may also provide a list of bidders to the Developer for the Developer’s consideration of bid recipients.

The Authorized Improvements shall be bid based on the approved construction plans and specifications. A local bidder preference, a bidder that has its principal place of business located within the City may be given to a bid received for contracts for personal property or services in an amount greater than fifty thousand dollars (\$50,000.00) and less than five hundred thousand dollars (\$500,000.00) if the bid received is within five percent (5%) of the lowest bid. If the contract for personal property is in an amount equal to or greater than five hundred thousand dollars (\$500,000.00), a local bidder preference may be given to a bidder whose principal place of business is located within the City, if the bid received is within three percent (3%) of the lowest bid. The Developer will retain the final approval as to the award of all construction contracts for each’s Authorized Improvements, except as provided below. If the City Construction Representative refuses to approve any aspect affecting the award of a construction contract for an Authorized Improvement due to its determination that the selected contractor is not competent, the Developer may appeal such determination to the City Council. Such appeal shall be heard by the City Council no later than 20 days after an appeal is submitted to the City with documentation in support of such appeal attached.

Section 3.05. Additional Requirements for Authorized Improvements Funded with Assessment Revenues

The following additional requirements shall be applicable to all Authorized Improvements funded in accordance with the procedures set forth in this Agreement that begin construction following the issuance of the applicable PID Bonds:

(a) Prior to commencing construction of any Future Improvement Area Improvements, the Project Engineer shall review all plans and specifications, construction contract and related materials for the applicable Authorized Improvement, and shall certify to the Developer, the City, and the Applicable Trustee (as specified in the Applicable Indenture) that then available amount of funding from the Available Sources of Payment for such Future Improvement Area Improvements, together with evidence sufficient to the City of funds available to the Developer, the Consenting Parties or other builders responsible for the construction of such Future Improvement Area Improvements, as applicable, is sufficient to fund the full cost of design and construction of the applicable Authorized Improvement or Segment thereof.

(i) As of the effective date of this Agreement, design and construction of the Authorized Improvements has already commenced. The City and the Developer agree that the Available Sources of Payment for such Authorized Improvements, together with funds available to the Consenting Parties for the construction of such Authorized Improvements,

will be sufficient to fund the full cost of design and construction of such Authorized Improvements or Segment thereof.

(b) Each Construction Manager will maintain a quarterly updated accounting of funds disbursed, work progress and remaining funding needed to complete each Authorized Improvement or Segment applicable to that Construction Manager. Such accounting shall include a reconciliation of any un-advanced amounts out of the segregated accounts in the Applicable Project Fund under the Applicable Indenture, as compared to the remaining costs to complete each applicable Authorized Improvement. Each Construction Manager will provide such quarterly reports to the Developer, the City, and the Trustee.

(c) *Change Orders.* No change order (regardless of the amount) shall substantially change the character or nature of any Authorized Improvement.

Section 3.06. Insurance.

(a) All contractors, subcontractors, engineers, and consultants shall carry and maintain throughout the term of this Agreement (except as specifically noted below) the following insurance policies:

(i) Workers' compensation and employers' liability insurance coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act and minimum policy limits for employers' liability of \$1,000,000 bodily injury for each accident, \$1,000,000 bodily injury by disease policy limit and \$1,000,000 bodily injury by disease each employee. City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund. The insurance required by this subsection shall be in effect commencing not later than the commencement of construction of any portion of the Project.

(ii) Automobile liability insurance for all owned, non-owned, and hired motor vehicles used, with respect to the Property or the Project in a minimum amount of \$1,000,000, combined single limit.

(iii) Commercial general liability policy with a minimum limit of \$1,000,000 per occurrence for bodily injury and/or property damage, with a minimum aggregate of \$1,000,000 and blanket contractual coverage, independent contractors' coverage and explosion, collapse, and underground (X, C & U) coverage.

(iv) For contractors/subcontractors providing professional engineering, architectural or design services under this Agreement, engineers' professional liability insurance or other errors and omissions insurance coverage for the non-engineer professionals with a minimum limit of \$1,000,000 per claim and in the aggregate to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission committed or alleged to have been committed with respect to plans, maps, drawings, analyses, reports, surveys, change orders, designs or specifications prepared or alleged to have been prepared by the assured. The insurance required by this subsection shall be in effect commencing not later than the

commencement of submission to City for approval of permits for construction of any phase of the Project. The insurance will be renewed or extended as necessary to remain in force as for claims made for two (2) years after final acceptance of the applicable Projects by the City.

(v) For work that involves asbestos or any hazardous materials or risk of air, water or soil pollution, the following will be in addition to the other insurance required hereunder:

a. Asbestos abatement endorsement or pollution coverage to the commercial general liability policy with minimum bodily injury and property damage limits of \$1,000,000 per occurrence for coverages A&B and products/completed operations coverage with a separate aggregate of \$1,000,000. This policy cannot exclude asbestos or any hazardous materials or pollution and shall provide "occurrence" coverage without a sunset clause.

b. Pollution coverage in accordance with federal and state regulations requiring an MCS 90 endorsement with a \$5,000,000 limit when transporting asbestos in bulk in conveyances of gross vehicle weight rating of 10,000 pounds or more. All other transporters of asbestos shall provide either an MCS 90 endorsement with minimum limits of \$1,000,000 or an endorsement to their commercial general liability insurance policy that provides coverage for bodily injury and property damage arising out of the transportation of asbestos or other hazardous materials. The endorsement must, at a minimum, provide a \$1,000,000 limit of liability and cover events caused by the hazardous properties of airborne asbestos arising from fire, wind, hail, lightning, overturn of conveyance, collision with other vehicles or objects, and loading and unloading of conveyances.

(b) The insurance required under Section 3.06(a)(v) will only be required for the entity that is actually performing work involving asbestos or any hazardous materials or risk of air, water or soil pollution. For example, if the Developer's contractor (instead of the Developer) is performing such work, the contractor, not the Developer, will be required to carry such insurance. The insurance required by this subsection shall be in effect commencing not later than the commencement of each phase of construction if that phase will include work involving asbestos or any hazardous materials or risk of air, water or soil pollution.

(c) The Developer or Developer's contractor shall not cause or permit any insurance required hereunder to be canceled or lapse during the term of this Agreement. With respect to subsections 3.06(a)(i), (ii) and (iii), insurance coverage is to be written by companies duly authorized to do the business of insurance in the State of Texas at the time the policies are issued and will be written by companies with an A.M. Best rating of A-VII or better or otherwise approved in writing by the City. Additionally, with respect to subsections 3.06(a)(i), (ii) and (iii), all policies will contain a provision in favor of the City waiving subrogation and other rights of recovery against the City and will be endorsed to provide the City with a 30-day advance notice of cancellation or change in coverage, where permitted by policy language. The City will be an additional insured as its interests may appear on the commercial general and automobile liability policies. All policies will provide primary coverage as applicable, with any insurance maintained

by the City being excess and non-contributing. The Developer or Developer's contractor shall submit copies of all Insurance Policy Documents and certificates of insurance to the City providing evidence of insurance coverage required by this Agreement on or before the commencement of the Projects except that asbestos, hazardous waste, pollution, and professional engineers and other errors and omissions policy documents need not be provided until those covered by such insurance commence work on the Projects or as otherwise provided in this Agreement. Copies of all Insurance Policy Documents will be promptly delivered to the City at the time the policies are issued, including copies of any and all changed or new Insurance Policy Documents. The Developer or Developer's contractor will be responsible for (i) overseeing its contractors with respect to such contractors' obtaining and maintaining the insurance required hereunder and (ii) obtaining and keeping copies of such Insurance certificates evidencing the insurance coverages required hereunder.

(d) All endorsements, waivers, and notices of cancellation shall be in favor of the City and policies of commercial general liability and automobile insurance shall provide that City is an additional insured and certificates of insurance evidencing same will be delivered to the City as provided in the Notices Section of this Agreement or such other address as the City may notify the Developer or Developer's contractor in writing.

(e) The Developer or Developer's contractor shall be responsible for paying premiums, deductibles and self-insured retentions, if any, stated in the insurance policies to be carried hereunder by the Developer (not by its contractors and any subcontractors). All deductibles or self-insured retentions shall be disclosed on the Insurance Policy Documents. The insurance coverages required under this Agreement are required minimums and are not intended to limit or otherwise establish the responsibility or liability of the Developer under this Agreement.

(f) *Remedy.* Developer's sole remedies for nonperformance of this Article by the City shall be to seek specific performance, judicial injunction, or any legal damages directly arising from such nonperformance pursuant to the terms of this Agreement. Each party shall be responsible for payment of all costs of their respective attorney's fees.

Section 3.07. Payment and Performance Bonds for Authorized Improvements.

For each construction contract for any part of the Authorized Improvements, the Developer, or a third party contractor shall execute a performance bond in favor of the City and a payment bond for the construction and work covered by those contracts, which bonds shall be in accordance with Texas Government Code, Chapter 2253 and applicable City Regulations. The performance bond requirement will be reduced by an amount equal to any PID Bond funds held by the Trustee in the applicable account or subaccount of the Project Fund for the payment of such Authorized Improvement and any additional deposit made by the Developer at the time of the issuance of PID Bonds, if applicable, and agreed upon by the Developer and the City.

ARTICLE IV. PAYMENT FOR AUTHORIZED IMPROVEMENTS

Section 4.01. Limited Sources of Reimbursements

As provided in Section 2.02 and 2.05, Actual Costs of Authorized Improvements are payable by the City solely from the Available Sources of Payment. Notwithstanding Section 2.06 hereof, unless specifically approved by the City Council, no other funds, revenues, taxes, or income of any kind shall be used to pay the Actual Costs of Authorized Improvements. No obligation arising under this Agreement or under any agreement hereunder referenced, under any circumstances, shall give rise to or create a charge against the general credit or taxing power of the City or constitute a debt or other obligation of the City payable from any source other than those specifically identified in this Section 4.01.

Notwithstanding any provision of this Agreement to the contrary, the City makes no warranty, either express or implied, that the Assessment Revenues and PID Bond proceeds will be sufficient for the reimbursement of the Actual Costs of the Authorized Improvements; rather, the Parties anticipate that the Actual Costs will be greater than the Assessment Revenues and/or the PID Bond proceeds. The Developer shall bear one hundred percent (100%) of that portion of the Actual Costs that are in excess of Assessment Revenues and/or PID Bond proceeds for their respective Authorized Improvements.

Section 4.02. Co-Developers.

The Developer may, upon delivery to the City of fifteen days' prior written notice, enter into agreements with one or more real estate developers or builders, (each other developer or builder, a "**Co-Developer**"), to sell some or all of the Property or to develop all or a portion of the Property (which may result in the Co-Developer's acquisition or construction of certain Authorized Improvements in accordance with the provisions of this Agreement). Developer shall obligate any Co-Developer, to comply with the terms of this Agreement and the Annexation and Development Agreement, as applicable. The Developer may submit as Actual Costs for reimbursement such costs of acquiring or constructing Authorized Improvements paid by a Co-Developer and obtain reimbursement, on behalf of and for payment to such Co-Developer, for such Actual Costs. No Co-Developer shall have any right, unless such Co-Developer is a Designated Successor and Assign of the Developer, to request reimbursement for any Actual Costs expended by that Co-Developer. The City and Developer acknowledge and agree that the Consenting Parties are Co-Developers hereunder; however, any Certification for Payment relating to Authorized Improvements financed and constructed by a Consenting Party will be submitted to the City by the Developer. The Developer has not designated the Consenting Parties as its Designated Successors and Assigns. Developer has the obligation to ensure that any Co-Developer complies with the terms and provisions of this Agreement and the Annexation and Development Agreement.

Section 4.03. Payments for Authorized Improvements

(a) *General.* The following procedures set forth in this Section 4.03 shall apply to all Certification for Payments regardless of the Available Source of Payment from which funds are withdrawn to pay Actual Costs of Authorized Improvements that are the subject of such

Certification for Payment. These requirements are in addition to any conditions precedent specified in the Applicable Indenture for the release of funds from the Applicable Project Fund.

(i) *Certification for Payments.* Developer shall be entitled to submit a Certification for Payment and receive draws (not to exceed one (1) per month) from Available Sources of Payment based on the Actual Cost for completed Authorized Improvements pursuant to a Certification for Payment. Each Certification for Payment shall be in substantially the form attached hereto as Exhibit “D”, as may be modified by an Applicable Indenture and each shall be accompanied by the following:

(ii) A Bills Paid Affidavit from the contractor;

(iii) Copies of all supporting invoices with respect to such payment of Actual Costs to substantiate the Certification for Payment;

(iv) Waivers of liens for work on the applicable Authorized Improvements through the previous Certification for Payment and receipts for payment from the contractor and, if requested by the City, any subcontractors for the current Certification for Payment;

(v) Written evidence of satisfaction of the requirements of Section 3.01(b);

(vi) Written evidence that the Project Engineer has conducted a review, the results of which confirm that the subject Authorized Improvement was constructed in accordance with the plans and specifications therefor;

(vii) Written evidence from the Project Engineer verifying and approving the Actual Cost of such Authorized Improvements specified in the accompanying Certification for Payment; and

(viii) Certification from the Developer that, as of the date of such Certification for Payment, the representations and warranties herein made by the certifying Developer remain true, accurate, and complete, that there then exists no default or event of default hereunder, and that the certifying Developer is unaware of a fact, condition, or circumstance that could result, or with the passage of time will result, in a default or event of default hereunder.

The City and the Developer hereby agree that as Certifications for Payment are made by the Developer, processed by the City, and paid by the Trustee, any proceeds for PID Bonds contained within the Improvement Account within the Project Fund shall first be used to fund Certifications for Payment. Once funds in the Improvement Account within the Project Fund have been depleted, then funds contained within the Developer Improvement Account be used to fund any additional Certifications for Payment, as set forth in the Applicable Indenture. If any funds remain in the Developer Improvement Account after the completion of the Authorized Improvements, then the City shall promptly direct the Trustee to deliver to the Developer the remaining balance in the Developer Improvement Account as provide for in the Applicable Indenture. Notwithstanding the foregoing, the City and the Developer agree that there shall be no Developer Improvement Account in connection with the Initial PID Bonds.

(b) *Final Draw.* In addition to the requirements specified in Section 4.03(b), the following deliverables shall accompany a Certification for Payment that includes the final payment of the Actual Costs of an Authorized Improvement:

(i) Receipt of a two-year maintenance bond;

(ii) Evidence of acceptance by the City; and

(iii) Written evidence of the Developer's assignment to the City of the warranties and guaranties, as and if applicable, for the subject Authorized Improvement.

(c) *Payment of Certification for Payments.* Upon receipt of a complete Certification for Payment accompanied by the requisite deliverables identified in this Section 4.03, the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with the applicable governmental laws, rules and regulations and applicable plans therefore and with the terms of this Agreement and any agreement between the Parties related to the Project, and to verify and approve the Actual Costs of such work specified in such Certification for Payment. With respect to the Authorized Improvements, the Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. Within thirty (30) calendar days of its determination of receipt of a Certification for Payment that is compliant with the applicable provisions of this Agreement, the City shall either (i) execute the Certification for Payment in the applicable Certification for Payment evidencing its approval and forward the same to the Applicable Trustee or (ii) provide the Developer with written notification of disapproval of all or part of a Certification for Payment, specifying the basis for any such disapproval, as provided in Section 4.03(e) below.

(d) *Disapproval of Certification for Payment; Insufficiency of Available Sources of Payment.* If the City disapproves any Certification for Payment, the City shall provide a written explanation of the reasons for such disapproval so that the Developer may revise the Certification for Payment in accordance with City's comments and resubmit for City approval. The Parties shall use all reasonable efforts to resolve any disputes arising under a Certification for Payment; however, if the Parties are unable to resolve the dispute, then the City's determination of the dispute (as approved by the City Council) shall control. The City shall only disapprove a Certification for Payment in good faith with supporting evidence and documentation provided by PID Administrator sufficient to support the City's determination and if such Certification for Payment not compliant with the requirements of this Agreement.

Notwithstanding anything to the contrary contained herein, if the quarterly reconciliation provided by a Construction Manager pursuant to Section 3.05(b) above for a particular Authorized Improvement shows that the Available Sources of Payment are insufficient to fund the remaining design and construction costs of that Authorized Improvement after taking into consideration any contingencies, the City shall not be obligated to authorize payments of funds exceeding the combined balance of all Available Sources of Payment until such time as the Developer provides evidence satisfactory to the City that Developer has or will provide or cause to be provided funds

in an amount sufficient to fully fund the remaining design and construction costs of that Authorized Improvement.

Section 4.04. Reimbursement of Developer Expended Funds

Prior to the issuance of any PID Bonds, the Parties anticipate that the Developer will have expended funds for Bond Issuance Costs reimbursable under the PID Act, (the “**Developer Expended Funds**”). At least 15 business days prior to the closing date of the applicable PID Bond issuance, Developer shall submit to the City a Closing Disbursement Request, in the form attached hereto as Exhibit “F”. The City shall sign the Closing Disbursement Request and deliver said Closing Disbursement Request to the Trustee. At the closing of a series of PID Bonds from which Developer Expended Funds will be reimbursed, the Developer shall be reimbursed an amount equal to the Developer Expended Funds for the applicable PID Bond issuance and such amount shall be transferred to the Trustee for distribution to the Developer or Developer’s designee at the closing of the applicable PID Bond issuance.

ARTICLE V. PID BONDS AND REIMBURSEMENT AGREEMENTS

Section 5.01. Initial PID Bonds

(a) *Generally.* The City intends that the Actual Costs of the Authorized Improvements will be paid from the Available Sources of Payment in the order of priority specified in the Applicable Indenture or the respective Reimbursement Agreement (if any), as applicable.

(b) *City as Sole Issuer of PID Bonds; Limitation on Other Form of Indebtedness.* The Parties agree that the City shall, by ordinance of the City and pursuant to the terms of each Indenture, be the sole issuer of PID Bonds. The Parties further agree that PID Bonds are the sole form of capital market or tax-exempt indebtedness whose primary or sole source of security or repayment, in whole or in part, is Assessment Revenues.

Section 5.02. Subsequent PID Bonds Issuances

(a) From time to time during Project development, the Developer may submit Bond Issuance Requests to the City. Each Bond Issuance Request shall include the following information:

(i) Unless otherwise provided in an Applicable Indenture, evidence from an independent Appraiser acceptable to the City confirming that the “value to lien ratio” for the Property is, or exceeds 2 to 1;

(ii) A certification from the Developer that any future bonds test or additional bonds test set forth in an Applicable Indenture has been met;

(iii) A schedule indicating the Actual Costs on which the proceeds of the requested series of PID Bonds will be spent;

(iv) Supporting information including an “Engineer’s Opinion of Probable Cost”, therein so called, that is satisfactory to the City;

(v) A certification from the Developer that:

A. The Developer is not delinquent on any Assessments on any portion of the Property it owns;

B. The representations and warranties herein made by the Developer remain true, accurate, and complete in all material respects;

C. That there then exists no default or event of default hereunder; and

D. That the Developer is unaware of a fact, condition, or circumstance that could result, or with the passage of time will result, in a default or event of default hereunder; and

(vi) Any other financial analysis required pursuant to the terms of this Agreement or reasonably requested by the City, the PID Administrator, or the City's Financial Advisor.

(b) The City hereby shall, upon receipt of a complete Bond Issuance Request, use diligent, good faith efforts to consider the requested PID Bonds as soon as reasonably practicable (with a goal of issuance of such requested PID Bonds within four (4) to six (6) months after receipt of such completed Bond Issuance Request). A Bond Issuance Request is considered complete for purposes of this Agreement when the City determines, within its reasonable discretion, that such Bond Issuance Request received from the Developer includes any and all reasonably requested information that is necessary and useful to the City for its determination that requested PID Bonds issuance is advisable (as generally described in Section 5.02(a) above). It is hereby agreed by the City that, with respect to the Initial PID Bonds, the Bond Issuance Request is deemed received and complete, and it will use diligent, good faith efforts to consider the issuance of the Initial PID Bonds within three (3) months of the Effective Date.

Section 5.03. Characteristics of All PID Bonds

(a) *Final Maturity.* No series of PID Bonds shall finally mature on a date that is later than the 30th anniversary of the date of its initial issuance.

(b) *Evidences of Legality.* No series of PID Bonds shall be issued unless:

(i) The statutory requirements established in the PID Act as conditions precedent to the issuance of obligations such as the PID Bonds have been satisfied;

(ii) The City shall receive at the time of issuance of a series of PID Bonds an opinion of nationally recognized bond counsel selected by the City stating in effect that the subject series of PID Bonds are legal and binding special, limited obligations of the City under Texas law; and

(iii) The City has received the approving opinion of the Attorney General of the State of Texas as required by the PID Act.

(c) *Method of Sale.* The PID Bonds shall be marketed and sold through negotiated sale to an approved third party selected by the City with the cooperation and assistance of the Developer or such other method of sale mutually agreed upon by the City and the Developer. In the event that the Parties cannot mutually agree to the method of sale, the City shall designate the method of sale. The Developer shall fully cooperate with the City with respect to the preparation of marketing/offering documents, such as preliminary and final official statements or offering memoranda and shall cause the Consenting Parties to cooperate with the City.

(d) *Denominations, Maturity, Interest, and Security.* Each series of PID Bonds shall be issued in the minimum denominations of \$100,000.00 or in multiples of \$1,000 in excess thereof, or as otherwise determined by the City and its Financial Advisor, shall mature and be pre-payable, and bear interest, all to be as described and provided in the Applicable Indenture.

Section 5.04. PID Bonds Proceeds; Project Fund; Excess Funds

(a) *Generally.* Subject to the other terms and provisions of this Section 5.04, the final and adopted versions of each PID Bond Ordinance and each Indenture (and all documents incorporated or approved therein) shall contain provisions relating to the withdrawal, application, and uses of the proceeds of the applicable series of PID Bonds when and as issued and delivered and otherwise contain such terms and provisions as are mutually approved by the City and the Developer.

(b) *Project Fund; Project Fund Disbursements.* Each Indenture will establish a Project Fund as a separate fund to be held by the Trustee under that Indenture. The portion of the proceeds of the series of PID Bonds issued pursuant to such Indenture to pay Actual Costs of the Authorized Improvements and Bond Issuance Costs shall be deposited upon issuance into separate accounts within the Applicable Project Fund as described in the Applicable Indenture.

PID Bonds proceeds held in the various segregated accounts of the Applicable Project Fund will be paid to the Developer by the Trustee to reimburse the Developer for Actual Costs of Authorized Improvements (as more particularly specified herein and in the Service and Assessment Plan) upon receipt of a completed Certification for Payment, as further described in accordance with Section 4.03 hereof. As specified in Section 4.03, payments will be made to the Developer periodically as Project development progresses.

(c) *Excess PID Bonds Proceeds.* If proceeds from PID Bonds are still available after all the Authorized Improvements identified in the Service and Assessment Plan are dedicated and Developer has been reimbursed for all eligible Actual Costs incurred in connection therewith, the remaining PID Bonds proceeds may, at the City's discretion, be utilized to finance other Authorized Improvements within the District and benefitting Assessed Property from which the Assessment Revenues securing the repayment of such series of PID Bonds are received and for which reimbursements are not being received by the Developer from other public sources or to redeem PID Bonds as provided in the Applicable Indenture.

Section 5.05. Reimbursement Fund for Reimbursing Actual Costs under Reimbursement Agreements

In any Reimbursement Agreement for a Future Improvement Area, the City shall authorize the creation of a separate “Reimbursement Fund”, to be maintained on the City’s books and records separate and apart from all other City funds and accounts or, if PID Bonds are issued, to be maintained by the Trustee. In accordance with the Reimbursement Agreement, the City shall deposit to each Reimbursement Fund the Surplus Assessment Revenues that remain after depositing such Assessment Revenues as required under the Applicable Indenture which revenues are the subject of the applicable Reimbursement Agreement.

From time to time and pursuant to the terms of the applicable Reimbursement Agreement and Applicable Indenture, the Developer may submit to the City a Certification for Payment for reimbursement for Actual Costs from funds at such time on deposit in the applicable Reimbursement Fund. The process for submission of a Certification for Payment from a Reimbursement Fund shall be as described in Section 4.03 above.

Section 5.06. Qualified Tax-Exempt Status.

(a) In any calendar year in which PID Bonds are issued, the Developer shall pay the Additional Costs the City may incur in the issuance of City obligations (the “**City Obligations**”) as described in this Section 5.06 if the City Obligations are deemed not to qualify for the designation of “qualified tax-exempt obligations” (“**QTEO**”) as defined in section 265(b)(3) of the Internal Revenue Code of 1986, as amended, as a result of the issuance of PID Bonds by the City in any given year. The City shall deposit all funds for the payment of such Additional Costs received under this Section into a segregated account of the City, and such funds shall remain separate and apart from all other funds and accounts of the City until December 31 of the calendar year in which the PID Bonds are issued, at which time the City is authorized to utilize such funds for any purpose permitted by law. Additionally, the City will provide the Developer on an annual basis no later than November 15th each year the projected amount of City Obligations to be issued in the upcoming year based on its annual budget process.

(b) In the event the City issues PID Bonds prior to the issuance of City Obligations, the City, with assistance from its Financial Advisor, shall calculate the estimated Additional Costs based on the market conditions as they exist approximately forty-five (45) days prior using independent third party public pricing information to the date of the pricing of the PID Bonds (the “**Estimated Additional Costs**”), the City shall provide a written invoice to the Developer, and the Developer shall have 10 days to review and provide input on the calculation to the City. The Developer shall pay such Estimated Additional Costs to the City on or before the earlier of (i) ten (10) business days after the date of the City's invoice or (ii) fifteen (15) business days prior to pricing the PID Bonds. The City shall not be required to price or sell any issue of PID Bonds until the Developer has paid to the City the Estimated Additional Costs related to the PID Bonds then being issued. The Estimated Additional Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Upon the City's approval of the City Obligations, the City's Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as non-QTEO (the “**Actual Increased Costs**”). The City will, within five (5) business days of the issuance of the City Obligations, notify the Developer of the Actual Increased Costs.

In the event the Actual Increased Costs are less than the Estimated Additional Costs, the City will refund to the Developer the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased Costs. If the Actual Increased Costs are more than the Estimated Additional Costs, the Developer will pay to the City the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased Costs. If the Developer does not pay the City the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased Costs, the Developer shall not be paid any reimbursement amounts under any Reimbursement Agreement(s) related to the District or the Project until such payment is made in full.

(c) In the event the City issues City Obligations prior to the issuance of PID Bonds, the City's Financial Advisor shall calculate the estimated Additional Costs based on the market conditions as they exist approximately forty-five (45) days prior to the date of the pricing using independent third party public pricing information of the City Obligations (the **“Estimated Additional City Obligation Costs”**), the City shall provide a written invoice to the Developer, and the Developer shall have 10 days to review and provide input on the calculation to the City. The Developer shall pay such Estimated Additional City Obligation Costs to the City at least fifteen (15) days prior to pricing the City Obligations. If the Developer has not paid the Estimated Additional City Obligation Costs to the City by the required time, the City, at its option, may elect to designate such City Obligations as QTEO, and the City shall not be required to issue any PID Bonds in such calendar year. The Estimated Additional City Obligation Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Upon the City's approval of the City Obligations, the City's Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as non-QTEO (the **“Actual Increased City Obligation Costs”**). The City will, within five (5) business days of the issuance of the City Obligations, notify the Developer of the Actual Increased City Obligation Costs. In the event the Actual Increased City Obligation Costs are less than the Estimated Additional City Obligation Costs, the City will refund to the Developer the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased City Obligation Costs. If the Actual Increased City Obligation Costs are more than the Estimated Additional City Obligation Costs, the Developer will pay to the City the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased City Obligation Costs. If the Developer does not pay the City the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased City Obligation Costs, the Developer shall not be paid any reimbursement amounts under any Reimbursement Agreement(s) related to the District or the Project until such payment is made in full.

(d) To the extent the Developer has (have) paid Additional Costs for any particular calendar year, any such Additional Costs paid subsequently by Developer to the City applicable to the same calendar year shall be reimbursed by the City to the Developer as necessary so as to put all the Developer so paying for the same calendar year in the proportion set forth in subsection (e), below, said reimbursement to be made by the City within ten (10) business days after its receipt of such subsequent payments of such Additional Costs.

(e) The City shall charge Additional Costs attributable to any other developer or the Developer on whose behalf the City has issued debt in the same manner as described in this Section 5.06, and the Developer shall only be liable for its portion of the Additional Costs under this provision, and if any Additional Costs in excess of the Developer's portion had already been paid to the City under this provision, then such excess of Additional Costs shall be reimbursed to the Developer. The portion owed by the Developer shall be determined by dividing the total bond proceeds from any debt issued on behalf of the Developer in such calendar year by the total bond proceeds from any debt issued by the City for the benefit of all developers or Developer(s) (including the Developer) in such calendar year.

Section 5.08. Amenity Center.

The Developer shall construct or cause to be constructed an amenity center with the Property, which shall include, among other things, an in-ground swimming pool, play area and restrooms, within the District (the “**Amenity Center**”). The Amenity Center shall be required to be completed in a good and workmanlike manner in accordance with applicable City regulations in connection with development of Improvement Area #1 and Improvement Area #2. The Developer may not submit a Bond Issuance Request to the City to issue any PID Bonds after the Initial PID Bonds, including any Future Improvement Area Bonds, and no PID Bonds after the Initial PID Bonds shall be issued, until the Amenity Center has been completed in a good and workmanlike manner in accordance with applicable City regulations, unless the City agrees to waive such construction.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES

Section 6.01. Representations and Warranties of City.

The City makes the following representation and warranty for the benefit of the Developer:

(a) The City is a Type A general law municipality and political subdivision of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State.

(b) The City has full legal right, power and authority under the PID Act and other applicable law (i) to enter into, execute and deliver this Agreement, (ii) to adopt the Assessment Ordinances, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

Section 6.02. Representations, Warranties, and Covenants of Developer

(a) The Developer makes the following representations, warranties and covenants for the benefit of the City:

(i) The Developer represents and warrants that the Developer is a limited partnership duly organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, has the authority to conduct business in Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(ii) The Developer represents and warrants that the Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Developer.

(iii) The Developer represents and warrants that this Agreement is a valid and enforceable obligation of the Developer and is enforceable against the Developer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(iv) The Developer covenants that once it commences construction of a Authorized Improvement it will use its reasonable and diligent efforts to do all things which may be lawfully required of it in order to cause such Authorized Improvements to be completed in accordance with this Agreement.

(v) The Developer covenants that it shall not commit any act in, upon or to the Property or the Project in violation of any valid law, ordinance, rule, regulation, or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the Property or the Project.

(vi) The Developer represents and warrants that (i) it shall not request payment from the City for the acquisition or payment of the costs of any Authorized Improvements that are not part of the Project, and (ii) it shall diligently follow all procedures set forth in this Agreement with respect to a Certification for Payment.

(vii) For a period of four (4) years after (i) the final Acceptance Date of each applicable Authorized Improvement, or (ii) claims filed upon completion, whichever is later, the Developer covenants to maintain proper books of record and account for the Authorized Improvements and all costs related thereto. The Developer covenants that such accounting books will be maintained in accordance with sound accounting practices and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 72 hours' notice.

(viii) The Developer shall cooperate with the City and its Underwriter in preparing an offering document for the sale of PID Bonds.

(ix) The Developer shall provide the information required pursuant to a Continuing Disclosure Agreement executed by the Developer in connection with the applicable series of PID Bonds.

(x) The Developer covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable the City to execute and deliver a tax certificate satisfactory to Bond Counsel and counsel for the Underwriter.

(xi) Developer further covenants that (i) such facts and estimates shall be based on its reasonable expectations on the date of issuance of the PID Bonds and shall be, to the best of the knowledge of the officers of the Developer providing such facts and estimates,

true, correct and complete as of that date, and (ii) the Developer shall make reasonable inquiries to ensure such truth, correctness and completeness. The Developer covenants that it shall not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the PID Bond proceeds (within the meaning of Section 148 of the Tax Code) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

Section 6.03. Boycotts; Foreign Business Engagements

(a) Foreign Business Engagements. The Developer represents that neither it nor any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,

<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>,

<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal or Texas law and excludes the Developer and its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405 and exists to make a profit.

(b) Israel Boycott. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405 and exists to make a profit.

(c) Firearm Entity Boycotts. To the extent this Agreement constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002,

Texas Government Code, (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

- (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate against a firearm entity or firearm trade association during the term of this Agreement.

The foregoing verification is made solely to enable the City to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association," "firearm entity," and "firearm trade association" shall have the meanings assigned to such terms in Section 2274.001(3), 2247.001(6) and 2274.001(7), Texas Government Code (as added by SB 19), respectively. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405 and exists to make a profit.

(d) Energy Company Boycotts. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405 and exists to make a profit.

Section 6.04. Form 1295

Developer has delivered the Certificate of Interested Parties Form 1295 ("**Form 1295**") and certification of filing generated by the Texas Ethics Commission's electronic portal, signed by an authorized agent, prior to the execution of this Agreement by the City and Developer. Developer and the City understand that none of the City or any City representative, consultant, or advisor have the ability to verify the information included in Form 1295, and none of the City or any City employee, official consultant, or advisor have an obligation, nor have undertaken any responsibility, for advising Developer with respect to the proper completion of Form 1295 other than providing the identification numbers required for the completion of Form 1295.

ARTICLE VII. DEFAULT AND REMEDIES

Section 7.01. Default and Remedies

(a) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

(b) Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within thirty (30) calendar days of the receipt of such notice (or five (5) calendar days in the case of a monetary default), subject, however, in the case of non-monetary default, to the terms and provisions of subparagraph (c). Upon a breach of this Agreement, the non-defaulting Party in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained (and/or an action for mandamus as and if appropriate). Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Article VII or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other Party. Notwithstanding any provision contained herein to the contrary, the Developer shall not be required to construct any portion of the Authorized Improvements (or take any other action related to or in furtherance of same) if the City is in default under this Agreement.

(c) Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, but are not limited to, pending litigation, acts of God, war, acts of civil disobedience, widespread pestilence or disease, pandemic or epidemic, fire or other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or tornadoes, labor action, strikes, changes in the law affecting the obligations of the Parties hereunder, or similar acts), the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing “force majeure” events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a “force majeure” event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Article.

Section 7.02. Indemnification and Hold Harmless by Developer

THE DEVELOPER HEREBY COVENANTS AND AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY CITY, AND THE PAST, PRESENT AND FUTURE OFFICERS, AGENTS, SERVANTS AND EMPLOYEES THEREOF, FROM AND AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS (TOGETHER, "THIRD PARTY CLAIMS" OR "TPC") AGAINST THE CITY, WHETHER THREATENED, ANTICIPATED, OR ASSERTED, INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEY'S FEES, RELATED EXPENSES, EXPERT WITNESS FEES, CONSULTANT FEES, AND OTHER COSTS, ARISING OUT OF THE NEGLIGENCE OR OTHER WRONGFUL CONDUCT OF THE DEVELOPER, (INCLUDING THE NEGLIGENCE OF THE DEVELOPER'S EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, MATERIALMEN, AND AGENTS) OCCURRING DURING THE CONSTRUCTION OF ANY PORTION OF THE AUTHORIZED IMPROVEMENTS; AND IT IS EXPRESSLY UNDERSTOOD THAT SUCH TPC SHALL, EXCEPT AS MODIFIED BELOW, INCLUDE TPC EVEN IF CAUSED BY THE CITY'S OWN CONCURRENT (BUT NOT GROSS) NEGLIGENCE. THE DEVELOPER SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE CITY AGAINST TPC CAUSED BY THE CITY'S SOLE NEGLIGENCE. IF THE CITY INCURS TPC THAT ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF THE DEVELOPER AND THE CITY, THE DEVELOPER'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL TPC AND EXPENSES EQUIVALENT TO THE DEVELOPER'S OWN PERCENTAGE OF RESPONSIBILITY. THE OBLIGATIONS UNDER THIS SECTION 7.02 SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

Section 7.03 Claims and Release

(a) If the City notifies the Developer of any Third Party Claim, the Developer shall assume on behalf of the City and conduct with due diligence and in good faith the investigation and defense thereof and the response thereto with counsel selected by the Developer but reasonably satisfactory to the City; provided, that City has the right to be represented by advisory counsel of their own selection and at their own expense; and provided further, that if any such Third Party Claim involves the Developer and the City and the City has been advised in writing by counsel that there may be legal defenses available to it which are inconsistent with those available to the Developer, then City has the right to select separate counsel to participate in the investigation and defense of and response to such Claim on City's own behalf, and the Developer shall pay or reimburse the City for all reasonable legal fees and costs incurred by the City because of the selection of such separate counsel. It is hereby understood and agreed that if any Third Party Claim is caused by the City's gross negligence, the City shall provide and pay for its own legal counsel.

(b) Other than to the extent caused by an event of default by the City, the Developer hereby releases the City with respect to all Claims regarding any alleged, established or admitted negligent or wrongful act or omission of the City, or any agents, contractors, representatives or employees of the City, **INCLUDING ALL CLAIMS CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF THE CITY** but excluding Claims to the extent caused by the gross negligence or willful misconduct of the City. The provisions of this Section will survive the expiration or earlier termination of this Agreement.

ARTICLE VIII. GENERAL PROVISIONS

Section 8.01. Notices.

Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to City: City of Liberty Hill
926 Loop 332 (physical address)
P.O. Box 1920 (mailing address)
Liberty Hill, Texas 78642
Attn: Mayor and City Council of Liberty Hill
Facsimile: (512) 778-5418

With a copy to: Alan Bojorquez,
Bojorquez Law Firm, PC
11675 Jollyville Road, Suite 300
Austin, Texas 78759
Phone: (512) 250-0411
Email: Alan@texasmunicipallawyers.com

If to Developer: 366 TX 29, LTD
Attn: Wyatt Henderson
15443 Knoll Trail Drive, Suite 130
Dallas, TX 75248

With a copy to: Metcalfe Wolff Stuart & Williams, LLP
Attn: Steve Metcalfe
221 W. 6th, Suite 1300
Austin, Texas 78701
Facsimile: (512) 404-2209

If to Trustee: BOKF, NA
5956 Sherry Lane
Dallas, Texas 75225
Attn: Kathy McQuiston
Telephone: (214) 932-3061
Email: kmcquiston@bokf.com

Section 8.02. Fee Arrangement

(a) All fees of legal counsel related to the issuance of the applicable PID Bonds including fees for the preparation of customary bond documents and the obtaining of Attorney General approval for the PID Bonds, will be paid at closing from the proceeds of the PID Bonds.

(b) All fees related to the approval and implementation of the TIRZ shall be paid pursuant to the Fee Agreement.

(c) Pursuant to a separate agreement, the City may contract with a third party to serve as the PID Administrator and to administer the PID. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts set forth in the Service and Assessment Plan.

Section 8.03. Assignment

(a) This Agreement and the rights and obligations of the Developer hereunder may be assigned by the Developer upon fifteen (15) days prior written notice to City to any entity which is (i) the successor by merger or otherwise to all or substantially all of the Developer's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (ii) any entity which may have acquired all of the outstanding stock or ownership of assets of the Developer without the consent of the City, provided that the assignee assumes all of the obligations of the Developer hereunder.

(b) For assignments not covered by (a) above, the Developer may assign this Agreement from time to time to any party that (i) does not owe delinquent taxes or fees to the City, (ii) is not in material default (beyond any applicable notice and cure period) under any development or financing agreement with the City and (iii) has the experience, expertise and the financial capacity and ability to perform the duties or obligations so assigned under this Agreement. The Developer shall provide the City thirty (30) days prior written notice of any such assignment. If the City has objections to such assignment satisfying the requirements described above, the City shall provide written notice of such objections to the Developer within ten (10) days of receiving the assignment notice from the Developer. The Developer will not be released from its obligations under this Agreement if the City objects to the assignment as described above and such objections are not resolved by and between the Developer and the City; provided, however, the City shall not unreasonably withhold the Developer release from its obligations under this Agreement.

(c) Upon any such assignment, the Developer shall be deemed to be automatically released of any obligations under this Agreement.

(d) Any assignment must be in writing, set forth the assigned rights and obligations and be executed by the proposed assignee. A copy of the assignment document must be delivered to the County.

(e) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a sale or assignment to a Designated Successor or Assign unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to a Designated Successor or Assign.

(f) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a Transfer unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is deemed to be a Transfer.

Section 8.04. No Personal Liability

None of the City's elected or appointed officials or any of their or the City's respective officers, employees, consultants, or representatives shall incur any liability hereunder to the Developer, or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

Section 8.05. Term of Agreement

This Agreement shall terminate on the date on which the City and the Developer discharge all of their obligations hereunder. In the case of any termination of this Agreement and/or dissolution of the District, the obligation of any Party to pay any Project Costs expended prior to the termination of this Agreement and/or dissolution of the District and remaining unpaid shall survive such termination and/or dissolution.

Section 8.06. Construction of Certain Terms

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

- (a) Words importing a gender do not exclude any other gender.
- (b) Words importing the singular include the plural and vice versa.
- (c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.
- (d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.
- (e) A reference to any Party includes, with respect to Developer, its Designated Successors and Assigns, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually.
- (f) All references in this Agreement to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to "Exhibits" are to the designated Exhibits to this Agreement.
- (g) The words "herein," "hereof," "hereto," "hereby," "hereunder," and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.

(h) The words “including” and “includes,” and words of similar import, are deemed to be followed by the phrase “without limitation.”

(i) Unless the context otherwise requires, a reference to the “Property,” the “Authorized Improvements,” or the “District” is deemed to be followed by the phrase “or a portion thereof.”

(j) Every “request,” “order,” “demand,” “direction,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” “approval,” “waiver,” “identification,” or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.

(k) The Parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Agreement.

Section 8.07. Table of Contents; Titles and Headings

The titles of the articles, and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 8.08. Conflict; Amendments.

In the event of any conflict between this Agreement, an Indenture or the Annexation and Development Agreement: (1) first, the provisions and intent of any Applicable Indenture shall control, (2) second, the provisions and intent of this Agreement shall control subject only to the terms of any Applicable Indenture, (3) third, the provisions and intent of the Annexation and Development Agreement shall control subject only to (1) and (2). This Agreement may be amended, modified, revised or changed by written instrument executed by the Parties.

Section 8.09. Time

In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 8.10. Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

Section 8.11. Entire Agreement

This Agreement contains the entire agreement of the Parties.

Section 8.12. Severability; Waiver

If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 8.13. Developer as Independent Contractor

In performing under this Agreement, it is mutually understood that the Developer is acting as independent contractors, and not as agents of the City.

Section 8.14. Supplemental Agreements

Other agreements and details concerning the obligations of the Parties under and with respect to this Agreement are included in the Service and Assessment Plan and each Assessment Ordinance, PID Bond Ordinance, and each Indenture.

Section 8.15. Sales and Use Tax Exemptions.

(a) The Parties understand that, as municipally and publicly owned and acquired properties, all costs of materials, other properties and services used in constructing the Authorized Improvements to be acquired by the City are exempt under the current Tax Code from sales and use taxes levied by the State of Texas, or by any city, county, special district, or other political subdivision of the State, as set forth in Section 151.309 of Tax Code and 34 Tex. Admin. Code, sec. 3.291.

(b) Upon request of the Developer, and to the extent provided by law, the City will provide such certifications to the Developer and/or to suppliers and contractors as may be required to assure the exemptions claimed herein.

(c) The City and the Developer shall cooperate in structuring the construction contracts for the Authorized Improvements to comply with requirements (including those set forth in 34 Tex. Admin. Code, sec. 3.291) for exemption from sales and use taxes.

Section 8.16. Applicable Venue and Law

THIS AGREEMENT SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS AND THE OBLIGATIONS OF THE PARTIES HERETO ARE AND SHALL BE PERFORMABLE IN THE COUNTY WHEREIN THE PROPERTY IS LOCATED, AND IF LEGAL ACTION IS NECESSARY BY

EITHER PARTY WITH RESPECT TO THE ENFORCEMENT OF ANY TERM OF THIS AGREEMENT, EXCLUSIVE VENUE FOR SAME SHALL LIE IN THE COURTS OF WILLIAMSON COUNTY, TEXAS. BY EXECUTING THIS AGREEMENT, EACH PARTY HERETO EXPRESSLY (a) CONSENTS AND SUBMITS TO PERSONAL JURISDICTION AND VENUE CONSISTENT WITH THE PREVIOUS SENTENCE, (b) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL CLAIMS AND DEFENSES THAT SUCH JURISDICTION AND VENUE ARE NOT PROPER OR CONVENIENT, AND (c) CONSENTS TO THE SERVICE OF PROCESS IN ANY MANNER AUTHORIZED BY TEXAS LAW.

Section 8.17. No Third-Party Beneficiaries

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein shall give or be construed to give any person or entity, other than the parties hereto and their respective successors and permitted assigns, any legal or equitable rights hereunder.

Section 8.18. Reservation of Rights

To the extent not inconsistent with this Agreement, each party reserves all rights, privileges, and immunities under applicable laws.

Section 8.19. No Joint Venture

It is acknowledged and agreed by the parties hereto that the terms of this Agreement are not intended to and shall not be deemed to create a partnership of joint venture among parties. Neither party shall have any authority to act on behalf of the other party under any circumstances.

Section 8.20. Exhibits

The following exhibits are attached to and incorporated into this Agreement for all purposes:

Exhibit A	-	Definitions
Exhibit B	-	Property
Exhibit B-1	-	Developer Property
Exhibit B-2	-	Meritage Property
Exhibit B-3	-	Saratoga Property
Exhibit B-4	-	Improvement Area Map
Exhibit C	-	<i>[Intentionally Deleted]</i>
Exhibit D-1	-	Form of Developer Certification for Payment
Exhibit E	-	<i>[Intentionally Deleted]</i>
Exhibit F	-	Closing Disbursement Request

[Rest of Page Intentionally Blank]

LIBERTY HILL, TEXAS
a Texas political subdivision

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the ____ day of _____, 2021 by _____, Mayor of the City of Liberty Hill, Texas on behalf of said City.

(SEAL)

Notary Public, State of Texas

Name printed or typed
Commission Expires: _____

[Signatures Continue on Next Page]

366 TX 29, LTD
a Texas limited partnership

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the ____ day of ____, 2021 by _____, as _____ of 366 TX 29, Ltd., a Texas limited partnership, on behalf of said limited partnership.

(SEAL)

Notary Public, State of Texas

Name printed or typed
Commission Expires: _____

It is hereby acknowledged that the Consenting Parties are executing this Agreement solely due to the fact that they are each an owner of a portion of the Property and, except for its obligations expressly set forth under the Landowner's Agreement, the Consenting Parties have no rights, duties, or obligations to the City, the Developer, or otherwise in connection with this Agreement, unless or until that Consenting Party is assigned additional rights in connection with this Agreement by assignment or otherwise.

Meritage Homes of Texas, LLC
an Arizona limited liability company

By: _____
Name: _____
Title: _____

JNC Development, Inc.,
a Texas corporation

By: _____
Name: _____
Title: _____

Exhibit “A”

DEFINITIONS

Unless the context requires otherwise, and in addition to the terms defined above, each of the following terms and phrases used in this Agreement has the meaning ascribed thereto below:

“Actual Cost(s)” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Developer: (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities. Actual Costs shall not include general contractor’s fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to 4% of the costs incurred. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

“Actual Increased City Obligation Costs” has the meaning given in Section 5.06(c).

“Actual Increased Costs” has the meaning given in Section 5.06(b).

“Additional Costs” means any additional costs the City incurs issuing City Obligations.

“Additional Named Insured” means a person, organization, or governmental entity identified as an insured party in the policy declarations or an addendum to the policy decorations for a certificate of insurance.

“Agreement” has the meaning given in the introductory paragraph to this Agreement.

“Annexation and Development Agreement” has the meaning given in the recitals to this Agreement.

“Annual Collection Costs” means the actual or budgeted costs and expenses related to the creation and operation of the District, including, but not limited to, costs and expenses for: (1) the PID Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the PID Act with respect to the administration of a Reimbursement Agreement and the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not

expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installments” shall have the meaning given in the Service and Assessment Plan.

“Annual Service Plan Update” means an update to the Service and Assessment Plan prepared no less frequently than annually by the PID Administrator and approved by the City Council.

“Applicable Indenture” means an Indenture authorizing a series of PID Bonds the proceeds from which are used to reimburse the Developer for Actual Costs of particular Authorized Improvements.

“Applicable PID Bond Security” means the PID Bond Security securing the repayment of a particular series of PID Bonds.

“Applicable Project Fund” means the Project Fund established and maintained under an Applicable Indenture.

“Applicable Trustee” means the Trustee under an Applicable Indenture.

“Appraiser” means a duly qualified, licensed appraiser in the State of Texas selected by the City to perform appraisal services relative to the District.

“Assessment Revenues” means the monies collected from Assessments, including, interest, expenses, or penalties on Assessments, prepayments, and foreclosure proceeds, of the Assessments.

“Assessments” means the assessments levied against Assessed Property in the District, as provided for in the applicable Assessment Ordinance and in the Service and Assessment Plan, including any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

“Assessed Property” means for any year, Parcels within the District against which a Assessment is levied.

“Assessment Ordinance” means the Initial Assessment Ordinances and each ordinance subsequently adopted by the City Council approving the Service and Assessment Plan (or such amendments to the Service and Assessment Plan) and levying the Assessments, as required by Article II of this Agreement.

“Attorney General” means the Texas Attorney General’s Office.

“Authorized Improvements” means collectively any and all improvements which are included in the Service and Assessment Plan, are authorized by Section 372.003 of the PID Act, and for which Assessments are levied and imposed against the Assessed Property receiving a special benefit from such improvements.

“Available Sources of Payment” has the meaning given in Section 2.02.

“Bond Issuance Costs” means costs relating to the authorization, sale and issuance of the PID Bonds including printing costs; costs of reproducing and binding documents; closing costs; filing and recording fees; initial fees, expenses and charges of the Trustee, including its first annual administration fee; expenses incurred by the City or Developer in connection with the issuance of the PID Bonds; Financial Advisor fees; the SAP Consultant fees; the bond (underwriter’s) discount or underwriting fee; legal fees and charges, including bond counsel; charges for execution, transportation and safekeeping of the PID Bonds; and other costs, charges and fees in connection with the issuance of the PID Bonds.

“Bond Issuance Request” means written request made by Developer to the City in good faith as evidenced by the Developer’s expenditure of necessary amounts for financial analysis, appraisals, legal counsel, and other professional services and due diligence necessary to support the request to the full degree that the City Council may act on it and levy and impose Assessments and issue PID Bonds.

“Builder(s)” means Meritage and Saratoga.

“Certification for Payment” means the certificates so defined in the Indenture and in the forms depicted on Exhibit “D”, attached hereto, as may be modified by the Indenture.

“City” has the meaning given in the introductory paragraph to this Agreement.

“Council” has the meaning given in the introductory paragraph to this Agreement.

“City Obligations” has the meaning given in Section 5.06(a).

“Closing Disbursement Request” has the meaning given in Section 4.04 generally in the form attached hereto as Exhibit “F”.

“Co-Developer” has the meaning given in Section 4.02 of this Agreement.

“Consenting Parties” has the meaning given in the introductory paragraph to this Agreement.

“Construction Manager” means an entity responsible for the construction of the applicable Authorized Improvements, and initially means the Developer.

“Designated Successors and Assigns” shall mean an entity to which Developer assigns (in writing) its rights and obligations contained in this Agreement pursuant to Section 8.03 related to all or a portion of the Property.

“Developer” has the meaning given in the introductory paragraph to this Agreement.

“Developer Contribution” shall mean the funds expended by the Developer or provided by the Developer for the payment of any portion of the Actual Cost of the Authorized Improvements that are in excess of the amounts paid from the proceeds of PID Bonds or from Assessment

Revenues, which may include funds delivered to the Trustee to be deposited into the appropriate account, and funds provided by the Consenting Parties, pursuant to a completion agreement, if applicable.

“Developer Expended Funds” has the meaning given in Section 4.04.

“Developer Improvement Account” means an account of the same name established pursuant to the terms of the Applicable Indenture.

“District” has the meaning given in the recitals to this Agreement.

“Effective Date” has the meaning given in the introductory paragraph to this Agreement.

“Estimated Additional City Obligation Costs” has the meaning given in Section 5.06(c).

“Estimated Additional Costs” has the meaning given in Section 5.06(b).

“Fee Agreement” means that certain Agreement for Payment of Review and Development Expenses Incurred by the City of Liberty Hill, Texas for the Butler Farms Public Improvement District (PID) and Butler Farms Tax Increment and Reinvestment Zone (TIRZ) effective July 23, 2018, as amended.

“Financial Advisor” means Specialized Public Finance, Inc., or the municipal advisory firm selected by the City.

“Form 1295” has the meaning given in Section 6.04.

“Future Improvement Area” means a distinct portion of the Major Improvement Area described by metes and bounds and developed as an individual Improvement Area at a future time, with such area(s) to be described and designated in future Annual Service Plan Updates.

“Future Improvement Area Bonds” mean PID Bonds issued to finance Future Improvement Area Improvements and Bond Issuance Costs, as applicable, related to such Future Improvement Area Bonds. If issued, Future Improvement Area Bonds will be secured by and paid from only the Future Improvement Area Assessments levied on Parcels located within the Future Improvement Area benefitting from the Future Improvement Area Improvements and Bond Issuance Costs being financed.

“Future Improvement Area Improvements” mean Authorized Improvements which only benefit the applicable Future Improvement Area.

“Improvement Account” means an account of the same name established pursuant to the terms of the Applicable Indenture.

“Improvement Area” means Improvement Area #1, Improvement Area #2, any and all Future Improvement Areas, or the Major Improvement Area.

“Improvement Area #1-2 Bonds” mean those certain “City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2021 (Butler Farms Public Improvement District, Improvement Area #1-2 Project)”, that are secured by Assessments levied on Improvement Area #1 and Assessments levied on Improvement Area #2 as described in Section 2.02(b)(i).

“Improvement Area #1” means approximately 41.186 acres located within the District, as shown on Exhibit “B”.

“Improvement Area #1 Improvements” has the meaning given in Section 2.01(a).

“Improvement Area #1 Projects” means, collectively, the Improvement Area #1 Improvements and Improvement Area #1’s allocable share of the Major Improvements

“Improvement Area #2” means approximately 48.421 acres located within the District, as shown on Exhibit “B”.

“Improvement Area #2 Improvements” has the meaning given in Section 2.01(a).

“Improvement Area #2 Projects” means, collectively, the Improvement Area #2 Improvements and Improvement Area #2’s allocable share of the Major Improvements

“Indenture” means an Indenture of Trust between the City and Trustee relating to a series of PID Bonds, as it may be amended from time to time.

“Initial Assessment Ordinances” means the ordinances adopted by the City Council on December 13, 2021 pursuant to which the City imposed Assessments on Assessed Property within the District to produce Assessment Revenues to secure the repayment of the Initial PID Bonds.

“Initial City PID Costs” means those costs expended by the City pursuant to the Fee Agreement.

“Initial PID Bonds” has the meaning given in Section 2.02(b)(i).

“Initial Assessments” has the meaning given in Section 2.01(c)(ii).

“Landowner Agreement” means an agreement described in Section 2.04.

“Major Improvement Area” means approximately 276.836 acres located within the District, as shown on Exhibit “B”.

“Major Improvement Area Bonds” mean those certain “City of Liberty Hill, Texas, Special Assessment Revenue Bonds, Series 2021 (Butler Farms Public Improvement District, Major Improvement Area Project)”, that are secured by Assessments levied on the Major Improvement Area as described in Section 2.02(b)(i).

“Major Improvements” mean the Authorized Improvements that benefit the entire District and are allocated pro rata to Improvement Area #1, Improvement Area #2, and the Major Improvement Area.

“Meritage” has the meaning given in the introductory paragraph of this Agreement.

“Parcel” means a property identified by either a tax map identification number assigned by the Williamson Central Appraisal District for real property tax purpose, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the Official Public Records of Williamson County, or by any other means determined by the City.

“Parity Bonds” means bonds secured by Assessments pledged to payment of prior PID Bonds and issued pursuant to the same Indenture as such prior PID Bonds.

“Party” or “Parties” has the meaning given in the introductory paragraph to this Agreement.

“PID Act” means Chapter 372, Texas Local Government Code, as amended.

“PID Administrator” means the City or the person or independent firm designated by the City who shall have the responsibilities provided for herein and in the Service and Assessment Plan. The initial PID Administrator will be P3Works, LLC.

“PID Bond Ordinance” means and refers to the ordinance or ordinances of the City that will authorize and approve the issuance and sale of one or more series of PID Bonds and provide for their security and payment under the terms of the Applicable Indenture related to such series of PID Bonds.

“PID Bond Security” means the funds that are to be pledged in or pursuant to the applicable PID Bond Ordinance and the Indenture to the payment of the debt service requirements on the particular series of PID Bonds, consisting of Assessment Revenues, including earnings and income derived from the investment or deposit of Assessment Revenues in the special funds or accounts created and established in the Indenture for the payment of and pledged as security for the particular series of PID Bonds, unless such earnings are required to be deposited into a rebate fund for payment to the federal government.

“PID Bonds” means each evidences of indebtedness to be issued by the City, the proceeds of which may provide funds for any required reserves and amounts necessary to pay the Bond Issuance Costs, and to be secured by a pledge of the Applicable PID Bond Security pursuant to the authority granted in the PID Act, and as required by this Agreement for the purposes of (i) financing the Actual Costs of the Authorized Improvements, including reimbursing the Developer Expended Funds paid prior to the issuance of a series of PID Bonds. PID Bonds include the Improvement Area #1-2 Bonds, the Major Improvement Area Bonds, Future Improvement Area Bonds, if any, and Parity Bonds, if any.

“Project” has the meaning given in the recitals to this Agreement.

“Project Costs” means the total of all Actual Costs.

“Project Engineer” means the civil engineer or firm of civil engineers selected by the Developer to perform the duties set forth herein.

“Project Fund” means the separate and unique fund established by the City under such name pursuant to the applicable Indenture as described in Section 5.02 hereof.

“Property” has the meaning given in the recitals to this Agreement.

“QTEO” has the meaning given in Section 5.06(a).

“Reimbursement Agreement” means (whether one or more) an agreement that (i) provides for construction and dedication of an Authorized Improvement, or Segment thereof, to the City prior to the Developer being paid out of the proceeds of the respective PID Bonds, whereby all or a portion of the Actual Costs will be paid to Developer initially from Assessment Revenues (and ultimately from PID Bonds) to reimburse the Developer for Actual Costs paid by the Developer that are eligible to be paid with proceeds of a series of PID Bonds or (ii) provides for the reimbursement of the Actual Costs of Future Improvement Area Improvements covered by a Reimbursement Agreement following the issuance of Future Improvement Area Bonds that do not fully reimburse the Actual Costs of the Authorized Improvements for that Future Improvement Area. The form of Reimbursement Agreement shall be reasonably acceptable to both City and Developer.

“Regulatory Requirements” means the requirements and provisions of any state, federal or local law, and any permits, rules, orders or regulations issued or adopted from time to time by any regulatory authority, state, federal or other, having jurisdiction over the Authorized Improvements.

“Saratoga” has the meaning given in the introductory paragraph of this Agreement.

“Segment” or “Segments” means the discrete portions of the Authorized Improvements identified as such in the Service and Assessment Plan.

“Service and Assessment Plan” means Butler Farms Public Improvement District Service and Assessment Plan (as may be (and is in fact anticipated to be) supplemented, amended, or amended and restated from time to time), to be initially adopted by the City, for the purpose of assessing allocated Actual Costs against property located within the boundaries of the District having terms, provisions and findings approved and agreed to by the Developer, as required by Article II of this Agreement.

“State” means the State of Texas.

“TIRZ” means Tax Increment Reinvestment Zone Number 3, Liberty Hill, Texas Butler Farms TIRZ

“TIRZ Agreement” means the TIRZ Agreement between the City, the board of directors of the TIRZ, and the Developer, effective as of December 8, 2021

“TIRZ Annual Credit Amount” shall have the meaning given to such term in the Service and Assessment Plan.

“TIRZ Increment Receipts” shall have the meaning given in the Service and Assessment Plan.

“TIRZ Plan” means the Tax Increment Reinvestment Zone Number 3 Butler Farms TIRZ Project and Financing Plan, dated December 8, 2021 as the same may be amended from time to time.

“Transfer” has the meaning given in Section 2.05(c).

“Transferee” has the meaning given in Section 2.05(c).

“Trustee” means the trustee under the Indentures, and any successor thereto permitted under the Indentures and any other Trustee under a future Indenture.

“Underwriter” means the underwriter or syndicate of underwriters that purchases, in a negotiated sale, a series of PID Bonds.

Exhibit "B"

PROPERTY

Steven Warner Womack, RPLS, PLS, NCEES

National Council of Examiners for Engineering and Surveying #1928
Texas Registered Professional Land Surveyor #5026
North Carolina Professional Land Surveyor #L-6043
E-Mail: SWRPLS@gmail.com
(612) 638-0220

METES AND BOUNDS DESCRIPTION

366.488 ACRES OF LAND, MORE OR LESS, OUT OF THE JOHN B. BERRY SURVEY, ABSTRACT NO. 56 IN WILLIAMSON COUNTY, TEXAS, AND BEING THE REMAINDER OF THE TRACT OF LAND CONVEYED TO THE BUTLER FAMILY PARTNERSHIP, LTD. BY INSTRUMENT RECORDED IN DOCUMENT NO. 2010087926, save and except THE FOLLOWING TRACTS: 10.00 ACRES DESCRIBED IN DOCUMENT NO. 2018102000, 45.00 ACRES DESCRIBED IN DOCUMENT NO. 2015108887, 45.00 ACRES DESCRIBED IN DOCUMENT NO. 2018108892 AND 80.00 ACRES DESCRIBED IN DOCUMENT NO. 2016028473 IN THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS AND AS SHOWN ON THE ATTACHED SKETCH:

Beginning at an iron rod found on the north right-of-way of Hwy 29 at the southeast corner of an 80.00 acre tract described in Document No. 2016028473, for the Point of Beginning and southwest corner of the herein described tract;

Thence N 17 deg 41 min 20sec E a distance of 1532.01 feet to an iron rod found at the most easterly corner of the said 80.00 acre tract, for an interior ell corner of the herein described tract;

Thence N 24 deg 12 min 19 sec W a distance of 1219.52 feet to an iron rod found at the northeast corner of the said 80.00 acre tract, being also on the south line of a 16.747 acre tract conveyed to Mark Rummert by instrument of record in Document No. 9611531, for a westerly corner of the herein described tract;

Thence N 70 deg 08 min 21 sec E a distance of 55.28 feet to an iron rod found at the southwest corner of a 50 foot wide access easement recorded in Document No. 9706653, being also the southeast corner of the said 16.747 acre tract and the southeast southwest corner of a 132.225 acre tract conveyed to Dinah Brothers by instrument of record in Document No. 2008063553;

Thence N 69 deg 38 min 20 sec E a distance of 49.87 feet to an iron rod found at the southeast corner of the said easement and the southeast southeast corner of the said 132.225 acre tract, for an interior ell corner of the herein described tract;

Thence N 21 deg 08 min 02 sec W a distance of 701.41 feet to an iron rod found at the northeast corner of the said easement, for a point on the westerly line of the herein described tract;

Thence N 20 deg 56 min 40 sec W a distance of 60.67 feet to an iron rod found at an interior ell corner of the said 132.225 acre tract, for a westerly corner of the herein described tract;

Thence with the common line between the said 132.225 acre tract and the herein described tract the following courses and distances;

N 69 deg 25 min 31 sec E a distance of 1345.10 feet to an iron rod found;

N 04 deg 02 min 05 sec W a distance of 774.14 feet to an iron rod found;

S 69 deg 32 min 49 sec W a distance of 388.38 feet to a steel pipe fence corner post found;

N 19 deg 44 min 41 sec W a distance of 935.24 feet to an iron rod found on the south line of a 250.0 acre tract conveyed to Stacy Browning Estate by instrument of record in Document No. 2006073171, being also the northeast corner of the said 132.225 acre tract, for the northwest corner of the herein described tract;

Page 1 of 2

EW\Wak\PROJECTS\03-123 330-345 ac Parks Tract\095 Acres Tract\FieldNotes.docx

The Texas Board of Professional Land Surveying regulates all Registered Professional Land Surveyors in the State of Texas.

They may be contacted at Building A, Suite 156, 12160 Park 33 Circle, Austin, Texas 78753, (512) 339-5261.

Thence with the common line between the said 250.0 acre tract and the herein described tract the following courses and distances;

N 69 deg 40 min 00 sec E a distance of 954.84 feet to an iron rod found;

N 69 deg 41 min 03 sec E a distance of 380.64 feet to an iron rod found;

N 67 deg 53 min 27 sec E a distance of 681.43 feet to an iron rod found;

N 68 deg 45 min 12 sec E a distance of 401.39 feet to an iron rod found at the northwest corner of a 22.0 acre tract conveyed to Robert Harris by instrument of record in Volume 1062, Page 562, for the northeast corner of the herein described tract;

Thence S 20 deg 45 min 01 sec E a distance of 4616.96 feet to a cedar post fence corner found at the northeast corner of a 99.0 acre tract conveyed to Lacey Hall Revocable Living Trust by instrument of record in Document No. 9819014, for the southeast corner of the herein described tract;

Thence S 69 deg 23 min 00 sec W a distance of 1733.68 feet to a cedar post fence corner found at the northwest corner of the said 99.0 acre tract and the northmost corner of a 45.0 acre tract, for an interior ell corner of the herein described tract;

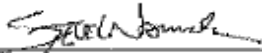
Thence S 52 deg 39 min 58 sec W a distance of 2538.30 feet to an iron rod found on the said north right-of-way of Hwy 29 at the southwest corner of the said 45.00 acre tract and the southmost corner of the herein described tract;

Thence with the said right-of-way line the following courses and distances:

With a curve to the left whose radius=1005.40 feet, Tangents=105.19 feet, Arc=209.63 feet and whose Chord bears N 58 deg 45 min 44 sec W a distance of 209.25 feet to an iron rod found;

With a curve to the right whose radius=2249.61 feet, Tangents=180.28 feet, Arc=359.79 feet and whose Chord bears N 64 deg 36 min 43 sec W a distance of 359.41 to an iron rod found;

N 64 deg 36 min 50 sec W a distance of 70.53 feet to the Point of Beginning and containing 366.455 acres of land, more or less.



Steven W. Womack
Registered Professional Land Surveyor
No. 5025, State of Texas

25 April 2017
Date



Exhibit "B-1"

Developer Owned Property

BEING A DESCRIPTION OF A TRACT OF LAND CONTAINING 366.4641 ACRES (15,963,175 SQUARE FEET) OUT OF THE JOHN B. BERRY SURVEY, ABSTRACT NO. 56, IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A CALLED 546.33 ACRE TRACT OF LAND CONVEYED TO BUTLER FAMILY PARTNERSHIP, LTD. IN DOCUMENT NO. 2010087926 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS (O.P.R.W.C.T.), SAID 366.4641 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2-inch iron rod with "RPLS 5025" cap found in the southwest line of said 546.33 acre tract, same being the northeast right-of-way line of Highway 29 (right-of-way width varies), at the south corner of a called 80.00 acre tract of land conveyed to 3AM Ventures, LLC in Document No. 2016028473 (O.P.R.W.C.T.), for the southwest corner and **POINT OF BEGINNING** hereof;

THENCE, crossing said 546.33 acre tract with the east line of said 80.00 acre tract, the following two (2) courses and distances:

- 1) **N17°41'30"E**, a distance of **1,532.13** feet to a 1/2-inch iron rod with "RPLS 5025" cap found for an angle point hereof, and
- 2) **N24°12'30"W**, a distance of **1,219.76** feet to a 1/2-inch iron rod with "RPLS 5025" cap found for an angle point hereof, being the northeast corner of said 80.00 acre tract, and being in the northwest line of said 546.33 acre tract, same being the southeast line of a called 16.92 acre tract conveyed to Rachel Osterloh, et ux. in Document No. 2015020206 (O.P.R.W.C.T.);

THENCE, with the common line of said 546.33 acre tract and said 16.92 acre tract, **N69°47'24"E**, a distance of **55.34** feet to a 1/2-inch iron rod found for an angle point hereof, being the east corner of said 16.92 acre tract, same being the easterly south corner of a called 134.741 acre tract conveyed to Dinah Beth Brothers in Document No. 2008063553 (O.P.R.W.C.T.);

THENCE, with the common line of said 546.33 acre tract and said 134.741 acre tract, the following seven (7) courses and distances:

- 1) **N70°05'25"E**, a distance of **49.84** feet to a 1/2-inch iron rod with "RPLS 5025" cap found for an angle point hereof,
- 2) **N21°07'49"W**, a distance of **701.45** feet to a 1/2-inch iron rod found for an angle point hereof,
- 3) **N20°53'28"W**, a distance of **60.64** feet to a 1/2-inch iron rod with "RPLS 5785" cap found for an angle point hereof,
- 4) **N69°24'55"E**, a distance of **1,344.86** feet to a 1/2-inch iron rod found for an angle point hereof,
- 5) **N04°00'11"W**, a distance of **774.04** feet to a 1/2-inch iron rod found for an angle point hereof,

- 6) **S69°33'52"W**, a distance of **388.52** feet to a 2" steel fence corner post found for an angle point hereof, and
- 7) **N19°44'16"W**, a distance of **935.31** feet to a 1/2-inch iron rod with "RPLS 5025" cap found for the northwest corner hereof, being the northwest corner of said 546.33 acre tract, same being the northernmost corner of said 134.741 acre tract, also being in the southeast line of a called 250.00 acre tract described in Document No. 2006073171 (O.P.R.W.C.T.);

THENCE, with the northwest line of said 546.33 acre tract, same being the southeast line of said 250.00 acre tract, the following four (4) courses and distances:

- 1) **N69°41'18"E**, a distance of **955.17** feet to a 1/2-inch iron rod found for an angle point hereof,
- 2) **N69°39'26"E**, a distance of **380.56** feet to a 1/2-inch iron rod found for an angle point hereof,
- 3) **N67°54'51"E**, a distance of **681.59** feet to a 1/2-inch iron rod found for an angle point hereof, and
- 4) **N68°42'12"E**, a distance of **401.14** feet to a 1/2-inch iron rod found for the northernmost corner hereof, being the northernmost corner of said 546.33 acre tract, and being the northwest corner of a called 22.005 acre tract conveyed to Jack R. Campbell in Volume 1062, Page 562 of the of the Official Records of Williamson County, Texas (O.R.W.C.T.);

THENCE, with the northeast line of said 546.33 acre tract, in part being the southwest line of said 22.005 acre tract, and part being the southwest line of a called 22.005 acre tract conveyed to Robert L. Harris in Document No. 2015031715 (O.P.R.W.C.T.) and described in Volume 817, Page 299 of the Deed Records Williamson County, Texas (D.R.W.C.T.), and part being southwest line of a called 11.544 acre tract conveyed to Robert L. Harris and Edena Harris in Volume 1456, Page 72 (O.R.W.C.T.), and part being the southwest line of a called 20.00 acre tract conveyed to Robert L. Harris and Edena B. Harris in Volume 2272, Page 749 (O.R.W.C.T.) and described in Volume 817, Page 319 (D.R.W.C.T.), and part being the southwest line of a called 20.00 acre tract conveyed to Robert L. Harris and Edena B. Harris in Volume 2272, Page 747 (O.R.W.C.T.) and described in Volume 817, Page 284 (D.R.W.C.T.), and part being the southwest line of a called 94.57 acre tract described in Volume 816, Page 349 (D.R.W.C.T.) and a portion conveyed in Document No. 2015075886 (O.P.R.W.C.T.), **S20°44'38"E**, a distance of **4,617.74** feet to a 6" cedar fence corner post found in the southwest line of said 94.57 acre tract, for the easternmost corner hereof, same being the easternmost corner of said 546.33 acre tract, also being the north corner of a called 100 acre tract conveyed to Leroy O. Hall and Thelma M. Hall Revocable Living Trust in Document No. 9819014 (O.R.W.C.T.);

THENCE, with the common line of said 546.33 acre tract and said 100 acre tract, **S69°23'02"W**, a distance of **1,733.09** feet to a 6" cedar fence corner post found for an angle point hereof, and being the west corner of said 100 acre tract, same being the north corner of a called 45.00 acre tract conveyed to Saraja, LLC in Document No. 2015108887 (O.P.R.W.C.T.);

THENCE, crossing said 546.33 acre tract with the northwest line of said 45.00 acre tract, **S52°40'43"W**, a distance of **2,538.65** feet to a 1/2-inch iron rod found for the southernmost corner hereof, and being the west corner of said 45.00 acre tract, same being in the southwest line of said 546.33 acre tract and in the northeast right-of-way line of Highway 29;

THENCE, with the common line of said 546.33 acre tract and Highway 29, the following three (3) courses and distances:

- 1) Along the arc of a curve to the left, whose radius is **1,005.40** feet, whose arc length is **209.79** feet and whose chord bears **N58°44'55"W**, a distance of **209.41** feet to a 1/2-inch iron rod with "3DS Land Surveying" cap found for a non-tangent point of compound curvature hereof;
- 2) Along the arc of a curve to the left, whose radius is **2,249.81** feet, whose arc length is **359.71** feet and whose chord bears **N64°38'13"W**, a distance of **359.33** feet to a 1/2-inch iron rod found for an angle point hereof, and
- 3) **N64°23'37"W**, a distance of **70.52** feet to the **POINT OF BEGINNING** hereof, and containing 366.4641 Acres (15,963,175 Square Feet) more or less.

SAVE AND EXCEPT FOR THAT CERTAIN 45.954 ACRES OF LAND DESCRIBED IN THE ADMINISTRATOR'S SPECIAL WARRANTY DEED TO BUTLER FAMILY PARTNERSHIP, LTD. OF RECORD IN DOCUMENT NO. 2010087926, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 45.954 ACRES, ALSO BEING A PORTION OF A CERTAIN CALLED 366.455 ACRE TRACT OF LAND DESCRIBED IN THE DEED OF TRUST RECORDED IN DOCUMENT NO. 2020023667, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 45.954 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2-inch iron rod found in the curving northeast right-of-way line of State Highway 29, a variable-width right-of-way, in the southwest line of the said 546.33 acre tract, at the southwest corner of the said 366.455 acre tract, same being the northwest corner of a certain called 45.00 acre tract of land described in the Special Warranty Deed to Saraja, LLC of record in Document No. 2015108887, Official Public Records of Williamson County, Texas;

THENCE N 14°25'59" E, leaving the curving northeast right-of-way line of said State Highway 29, crossing the said 546.33 acre tract and the said 366.455 acre tract, a distance of 2,714.15 feet to a calculated point for the most southerly southwest corner and **POINT OF BEGINNING** of the tract described herein;

THENCE, crossing the said 546.33 acre tract and the said 366.455 acre tract, with the west and south lines of the tract described herein, the following fifteen (15) courses and distances:

1. N 00°11'36" W, a distance of 132.00 feet to a calculated angle point,
2. N 89°48'24" E, a distance of 5.03 feet to a calculated angle point,

3. N 00°11'36" W, a distance of 50.00 feet to a calculated angle point,
4. S 89°48'24" W, a distance of 70.00 feet to a calculated point-of-curvature,
5. with the arc of a curve to the right, having a radius of 15.00 feet, an arc distance of 23.56 feet, and a chord which bears N 45°11'36" W, a distance of 21.21 feet to a calculated point-of-tangency,
6. N 00°11'36" W, a distance of 35.15 feet to a calculated point-of-curvature,
7. with the arc of a curve to the left, having a radius of 205.00 feet, an arc distance of 28.31 feet, and a chord which bears N 04°08'56" W, a distance of 28.28 feet to a calculated point for a non-tangent end of curve,
8. S 81°53'43" W, a distance of 50.00 feet to a calculated point of non-tangent curvature,
9. with the arc of a curve to the left, having a radius of 155.00 feet, an arc distance of 80.92 feet, and a chord which bears N 23°03'41" W, a distance of 80.01 feet to a calculated point of non-tangency,
10. S 72°47'55" W, a distance of 189.60 feet to a calculated angle point,
11. S 58°30'07" W, a distance of 292.23 feet to a calculated point for the most westerly southwest corner of the tract described herein, from which a ½-inch iron rod with a plastic cap stamped "RPLS 5025" found at a re-entrant corner of the said 546.33 acre tract, same being a re-entrant corner of the said 366.455 acre tract, at a southeast corner of a certain called 134.741 acre tract of land designated as Tract 1 and described in the Warranty Deed with Vendor's Lien to Dinah Beth Brothers of record in Document No. 2008063553, Official Public Records of Williamson County, Texas, bears N 75°11'25" W, a distance of 605.88 feet,
12. N 44°05'01" W, a distance of 257.32 feet to a calculated angle point,
13. N 34°41'44" W, a distance of 113.90 feet to a calculated angle point,
14. N 28°17'28" W, a distance of 113.82 feet to a calculated angle point, and
15. N 20°21'04" W, a distance of 653.69 feet to a calculated point in a north line of the said 546.33 acre tract, in a north line of the said 366.455 tract, and in a south line of the said 134.741 acre tract, for the most westerly northwest corner of the tract described herein, from which a ½-inch iron rod with a plastic cap stamped "RPLS 5025" found at a northwest corner of the said 546.33 acre tract and a northwest corner of the said 366.455 acre tract, same being a re-entrant corner of the said 134.741 acre tract bears S 69°25'22" W, a distance of 357.99 feet;

THENCE, with a north and a west line of the said 546.33 acre tract, with a north and a west line of the said 366.455 acre tract, with a south and an east line of the said 134.741 acre tract, with a north and west line of the tract described herein, the following two (2) courses and distances:

1. N 69°25'22" E, a distance of 987.23 feet to a ½-inch iron rod found at a re-entrant corner of the said 546.33 acre tract and the said 366.455 acre tract, same being the most easterly southeast corner of the said 134.741 acre tract, for a re-entrant corner of the tract described herein, and
2. N 04°01'23" W, a distance of 17.40 feet to a calculated point for a northwest corner of the tract described herein, from which a ½-inch iron rod found at a re-entrant corner of the said 546.33 acre tract and the said 366.455 acre tract, same being a northeast corner of the said 134.741 acre tract bears N 04°01'23" W, a distance of 756.57 feet;

THENCE, leaving the east line of the said 134.741 acre tract, crossing the said 546.33 acre tract and the said 366.455 acre tract, with the north, east and south lines of the tract described herein, the following thirty (30) courses and distances:

1. S 71°50'45" E, a distance of 154.16 feet to a calculated point of non-tangent curvature,
2. with the arc of a curve to the left, having a radius of 155.00 feet, an arc distance of 29.51 feet, and a chord which bears N 12°41'59" E, a distance of 29.47 feet to a calculated point of compound curvature,
3. with the arc of a curve to the left, having a radius of 25.00 feet, an arc distance of 27.22 feet, and a chord which bears N 23°56'36" W, a distance of 25.89 feet to a calculated point of reverse curvature,
4. with the arc of a curve to the right, having a radius of 60.00 feet, an arc distance of 300.96 feet, and a chord which bears N 88°33'52" E, a distance of 71.05 feet to a calculated point of reverse curvature,
5. with the arc of a curve to the left, having a radius of 25.00 feet, an arc distance of 21.29 feet, and a chord which bears S 27°51'35" W, a distance of 20.66 feet to a calculated point of reverse curvature,
6. with the arc of a curve to the right, having a radius of 205.00 feet, an arc distance of 23.50 feet, and a chord which bears S 06°44'31" W, a distance of 23.48 feet to a calculated point for a non-tangent end of curve,
7. S 79°58'28" E, a distance of 123.05 feet to a calculated angle point,
8. S 14°15'49" W, a distance of 40.50 feet to a calculated angle point,
9. S 75°44'11" E, a distance of 122.93 feet to a calculated point of non-tangent curvature,

10. with the arc of a curve to the left, having a radius of 445.00 feet, an arc distance of 29.16 feet, and a chord which bears N 12°23'11" E, a distance of 29.16 feet to a calculated point for a non-tangent end of curve,
11. S 79°29'28" E, a distance of 50.00 feet to a calculated point of non-tangent curvature,
12. with the arc of a curve to the right, having a radius of 495.00 feet, an arc distance of 47.93 feet, and a chord which bears S 13°16'58" W, a distance of 47.91 feet to a calculated point for a non-tangent end of curve,
13. S 73°56'37" E, a distance of 136.98 feet to a calculated angle point,
14. S 07°57'35" W, a distance of 73.38 feet to a calculated point of non-tangent curvature,
15. with the arc of a curve to the right, having a radius of 225.00 feet, an arc distance of 33.13 feet, and a chord which bears N 71°02'57" W, a distance of 33.10 feet to a calculated point for a non-tangent end of curve,
16. S 23°10'10" W, a distance of 50.00 feet to a calculated angle point,
17. S 25°47'59" W, a distance of 163.75 feet to a calculated angle point,
18. S 89°43'56" E, a distance of 296.94 feet to a calculated angle point,
19. S 87°11'41" E, a distance of 244.29 feet to a calculated angle point,
20. S 02°48'19" W, a distance of 120.58 feet to a calculated angle point,
21. S 87°11'41" E, a distance of 8.47 feet to a calculated angle point,
22. S 01°05'14" W, a distance of 50.02 feet to a calculated point of non-tangent curvature,
23. with the arc of a curve to the right, having a radius of 13.50 feet, an arc distance of 21.21 feet, and a chord which bears S 42°11'41" E, a distance of 19.09 feet to a calculated point-of-tangency,
24. S 02°48'19" W, a distance of 428.64 feet to a calculated point-of-curvature,
25. with the arc of a curve to the right, having a radius of 435.00 feet, an arc distance of 653.70 feet, and a chord which bears S 45°51'22" W, a distance of 593.90 feet to a calculated point of compound curvature,
26. with the arc of a curve to the right, having a radius of 187.00 feet, an arc distance of 11.47 feet, and a chord which bears N 89°20'10" W, a distance of 11.47 feet to a calculated point-of-tangency,

27. N 87°34'45" W, a distance of 224.16 feet to a calculated angle point,
28. N 78°12'05" W, a distance of 18.41 feet to a calculated point-of-curvature,
29. with the arc of a curve to the left, having a radius of 216.00 feet, an arc distance of 9.86 feet, and a chord which bears N 88°53'10" W, a distance of 9.85 feet to a calculated point-of-tangency, and
30. S 89°48'24" W, a distance of 123.91 feet to the **POINT OF BEGINNING** and containing 45.954 acres of land, more or less.

FURTHER SAVED AND EXCEPTED THAT CERTAIN 95.55 ACRES OF LAND IN THE JOHN B. BERRY SURVEY, ABSTRACT NO. 56, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 546.33 ACRE TRACT OF LAND DESCRIBED IN THE ADMINISTRATOR'S SPECIAL WARRANTY DEED TO BUTLER FAMILY PARTNERSHIP, LTD. OF RECORD IN DOCUMENT NO. 2010087926, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 95.555 ACRES, ALSO BEING A PORTION OF A CERTAIN CALLED 366.455 ACRES DESCRIBED IN THE DEED OF TRUST RECORDED IN DOCUMENT NO. 2020023667, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 95.555 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a ½-inch iron rod found in the curving northeast right-of-way line of State Highway 29, a variable-width right-of-way, in the southwest line of the said 546.33 acre tract, at the southwest corner of the said 366.455 acre tract, at the northwest corner of a certain called 45.00 acre tract described in the deed to Saraja, LLC of record in Document No. 2015108887, Official Public Records of Williamson County, Texas;

THENCE N 52°40'32" E, leaving the curving northeast right-of-way line of said State Highway 29, crossing the said 546.33 acre tract, with the south line of the said 366.455 acre tract, with the northwest line of the said 45.00 acre tract, a distance of 2,302.20 feet to a calculated point for the southwest corner and **POINT OF BEGINNING** of the tract described herein;

THENCE leaving the northwest line of the said 45.00 acre tract, crossing the said 546.33 acre tract and the said 366.455 acre tract, with the west and north lines of the tract described herein, the following forty-nine (49) courses and distances:

1. N 20°57'17" W, a distance of 173.51 feet to a calculated angle point,
2. N 19°23'17" W, a distance of 81.94 feet to a calculated angle point,
3. N 20°57'17" W, a distance of 138.07 feet to a calculated angle point,
4. N 17°24'12" W, a distance of 292.21 feet to a calculated angle point,

5. N 15°56'58" E, a distance of 200.02 feet to a calculated angle point,
6. S 74°03'02" E, a distance of 200.00 feet to a calculated angle point,
7. S 81°07'58" E, a distance of 76.12 feet to a calculated angle point,
8. N 69°04'37" E, a distance of 45.82 feet to a calculated angle point,
9. N 20°57'17" W, a distance of 170.00 feet to a calculated angle point,
10. N 69°18'57" E, a distance of 105.07 feet to a calculated point-of-curvature,
11. with the arc of a curve to the right, having a radius of 15.00 feet, an arc distance of 23.49 feet, and a chord which bears S 65°49'10" E, a distance of 21.16 feet to a calculated point for a non-tangent end of curve,
12. S 20°57'17" E, a distance of 17.33 feet to a calculate angle point,
13. N 69°12'37" E, a distance of 50.00 feet to a calculate angle point,
14. N 20°57'17" W, a distance of 97.02 feet to a calculate angle point,
15. S 69°32'34" W, a distance of 50.00 feet to a calculated point for a non-tangent curve,
16. with a curve to the right, having a radius of 15.00 feet, an arc distance of 23.61 feet, and a chord which bears S 24°13'33" W, a distance of 21.25 feet to a calculated point-of-tangency,
17. S 69°18'57" W, a distance of 107.23 feet to a calculate angle point,
18. N 16°17'55" W, a distance of 125.42 feet to a calculated angle point,
19. N 06°15'56" E, a distance of 521.64 feet to a calculated angle point,
20. N 29°41'39" W, a distance of 214.69 feet to a calculated angle point,
21. N 09°59'21" W, a distance of 74.87 feet to a calculated angle point,
22. N 01°05'48" E, a distance of 175.39 feet to a calculated angle point,
23. N 88°54'12" W, a distance of 200.35 feet to a calculated angle point,
24. N 05°29'27" E, a distance of 50.15 feet to a calculated angle point,
25. S 88°54'12" E, a distance of 189.26 feet to a calculated angle point,

26. N 14°12'32" W, a distance of 109.14 feet to a calculated angle point,
27. N 01°41'30" E, a distance of 203.33 feet to a calculate angle point,
28. N 25°18'15" E, a distance of 185.11 feet to a calculate angle point,
29. N 08°21'54" W, a distance of 200.00 feet to a calculate angle point,
30. N 35°54'33" W, a distance of 85.46 feet to a calculate angle point,
31. N 00°19'19" W, a distance of 175.96 feet to a calculate angle point,
32. N 11°21'23" W, a distance of 100.14 feet to a calculate angle point,
33. N 81°38'05" E, a distance of 120.00 feet to a calculate angle point,
34. N 68°32'59" E, a distance of 50.00 feet to a calculated point of a non-tangent curve,
35. with the arc of a curve to the right, having a radius of 825.00 feet, an arc distance of 138.49 feet, and a chord which bears S 16°38'28" E, a distance of 138.33 feet to a calculated point of reverse curvature,
36. with the arc of a curve to the left, having a radius of 15.00 feet, an arc distance of 22.93 feet, and a chord which bears S 55°37'37" E, a distance of 20.76 feet to a calculated point-of-tangency,
37. N 80°34'42" E, a distance of 38.62 feet to a calculated point-of-curvature,
38. with the arc of a curve to the left, having a radius of 670.00 feet, an arc distance of 83.36 feet, and a chord which bears N 77°00'50" E, a distance of 83.31 feet to a calculated point for a non-tangent end of curve,
39. N 19°04'21" W, a distance of 169.35 feet to a calculate angle point,
40. N 28°26'27" W, a distance of 352.03 feet to a calculate angle point,
41. N 60°57'35" E, a distance of 211.25 feet to a calculate angle point,
42. N 74°10'23" E, a distance of 166.35 feet to a calculate angle point,
43. S 23°58'12" E, a distance of 167.10 feet to a calculate angle point,
44. S 12°17'42" E, a distance of 161.34 feet to a calculate angle point,
45. S 21°27'30" E, a distance of 210.02 feet to a calculate angle point,

46. N 69°18'57" E, a distance of 116.67 feet to a calculated point-of-curvature,
47. with the arc of a curve to the left, having a radius of 15.00 feet, an arc distance of 23.58 feet, and a chord which bears N 24°17'09" E, a distance of 21.22 feet to a calculated point-of-tangency,
48. N 20°44'38" W, a distance of 10.01 feet to a calculate angle point, and
49. N 69°40'57" E, a distance of 185.00 feet to a calculated point in the east line of the said 546.33 acre tract and the said 366.455 acre tract, in the west line of a certain called 22.005 acre tract designated as Tract 1 and conveyed in the Executor's Deed to Edna Bray Harris of record in Document No. 2018052583, Official Public Records of Williamson County, Texas, and described in the deed to Robert L. Harris of record in Volume 1456, Page 72, Official Records of Williamson County, Texas, for a northeast corner of the tract described herein;

THENCE S 20°44'37" E, with the east line of the said 546.33 acre tract and the said 366.455 acre tract, with the west line of the said 22.005 acre tract, with the west lines of Tract 5 (11.544 acres), Tract 4 (20.00 acres) and Tract 3 (20.00 acres) conveyed in the said Executor's Deed to Edna Bray Harris of record in said Document No. 2018052583, Official Public Records of Williamson County, Texas, and described in a deed to Veterans' Land Board of the State of Texas of record in said Volume 817, Page 319, Deed Records of Williamson County, Texas, and the west line of a certain called 94.57 acre tract, save and except 10.00 acres and 15.00 acres, conveyed in the deed to 1047 Liberty Hill Series, a Series of Lechow Investments LLC, of record in Document No. 2015075887, Official Public Records of Williamson County, Texas, and described in the deed to John D. Pope and wife, Ada L. Pope of record in Volume 816, Page 349, Deed Records of Williamson County, Texas, with an east line of the tract described herein, a distance of 2,721.12 feet to a 6-inch cedar fence post found in the west line of the said 94.57 acre tract, at the easterly southeast corner of the said 546.33 acre tract, at the southeast corner of the said 366.455 acre tract, same being the northeast corner of a certain called 100 acre tract described in the deed to Leroy O. Hall and Thelma M. Hall Revocable Living Trust of record in Document No. 9819014, Official Records of Williamson County, Texas, for the easterly southeast corner of the tract described herein, from which a 60-d nail found for reference bears N 60°03'01" E, a distance of 0.74 feet;

THENCE S 69°22'46" W, with a south line of the said 546.33 acre tract and the said 366.455 acre tract, and the north line of the said 100 acre tract, with the south line of the tract described herein, a distance of 1,733.10 feet to a 6-inch cedar fence post found at the northwest corner of the said 100 acre tract and the northeast corner of the said 45.00 acre tract, same being a re-entrant corner of the said 546.33 acre tract, at an angle point in the south line of the said 366.455 acre tract, for an angle point in the south line of the tract described herein;

THENCE S 52°40'32" W, crossing the said 546.33 acre tract, continuing with the south line of the said 366.445 acre tract, with the north line of the said 45.00 acre tract, continuing with the south line of the tract described herein, a distance of 236.34 feet to the **POINT OF BEGINNING** and containing 95.555 acres of land, more or less.

Exhibit "B-2"

Meritage Owned Property

Exhibit A

Real Property Legal Description

DESCRIPTION OF 95.555 ACRES OF LAND IN THE JOHN B. BERRY SURVEY, ABSTRACT NO. 56, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 546.33 ACRE TRACT OF LAND DESCRIBED IN THE ADMINISTRATOR'S SPECIAL WARRANTY DEED TO BUTLER FAMILY PARTNERSHIP, LTD. OF RECORD IN DOCUMENT NO. 2010087926, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 95.555 ACRES, ALSO BEING A PORTION OF A CERTAIN CALLED 366.455 ACRES DESCRIBED IN THE DEED OF TRUST RECORDED IN DOCUMENT NO. 2020023667, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 95.555 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a ½-inch iron rod found in the curving northeast right-of-way line of State Highway 29, a variable-width right-of-way, in the southwest line of the said 546.33 acre tract, at the southwest corner of the said 366.455 acre tract, at the northwest corner of a certain called 45.00 acre tract described in the deed to Saraja, LLC of record in Document No. 2015108887, Official Public Records of Williamson County, Texas;

THENCE N 52°40'32" E, leaving the curving northeast right-of-way line of said State Highway 29, crossing the said 546.33 acre tract, with the south line of the said 366.455 acre tract, with the northwest line of the said 45.00 acre tract, a distance of 2,302.20 feet to a calculated point for the southwest corner and **POINT OF BEGINNING** of the tract described herein;

THENCE leaving the northwest line of the said 45.00 acre tract, crossing the said 546.33 acre tract and the said 366.455 acre tract, with the west and north lines of the tract described herein, the following forty-nine (49) courses and distances:

1. N 20°57'17" W, a distance of 173.51 feet to a calculated angle point,
2. N 19°23'17" W, a distance of 81.94 feet to a calculated angle point,
3. N 20°57'17" W, a distance of 138.07 feet to a calculated angle point,
4. N 17°24'12" W, a distance of 292.21 feet to a calculated angle point,
5. N 15°56'58" E, a distance of 200.02 feet to a calculated angle point,
6. S 74°03'02" E, a distance of 200.00 feet to a calculated angle point,
7. S 81°07'58" E, a distance of 76.12 feet to a calculated angle point,
8. N 69°04'37" E, a distance of 45.82 feet to a calculated angle point,
9. N 20°57'17" W, a distance of 170.00 feet to a calculated angle point,
10. N 69°18'57" E, a distance of 105.07 feet to a calculated point-of-curvature,

11. with the arc of a curve to the right, having a radius of 15.00 feet, an arc distance of 23.49 feet, and a chord which bears S 65°49'10" E, a distance of 21.16 feet to a calculated point for a non-tangent end of curve,
12. S 20°57'17" E, a distance of 17.33 feet to a calculate angle point,
13. N 69°12'37" E, a distance of 50.00 feet to a calculate angle point,
14. N 20°57'17" W, a distance of 97.02 feet to a calculate angle point,
15. S 69°32'34" W, a distance of 50.00 feet to a calculated point for a non-tangent curve,
16. with a curve to the right, having a radius of 15.00 feet, an arc distance of 23.61 feet, and a chord which bears S 24°13'33" W, a distance of 21.25 feet to a calculated point-of-tangency,
17. S 69°18'57" W, a distance of 107.23 feet to a calculate angle point,
18. N 16°17'55" W, a distance of 125.42 feet to a calculated angle point,
19. N 06°15'56" E, a distance of 521.64 feet to a calculated angle point,
20. N 29°41'39" W, a distance of 214.69 feet to a calculated angle point,
21. N 09°59'21" W, a distance of 74.87 feet to a calculated angle point,
22. N 01°05'48" E, a distance of 175.39 feet to a calculated angle point,
23. N 88°54'12" W, a distance of 200.35 feet to a calculated angle point,
24. N 05°29'27" E, a distance of 50.15 feet to a calculated angle point,
25. S 88°54'12" E, a distance of 189.26 feet to a calculated angle point,
26. N 14°12'32" W, a distance of 109.14 feet to a calculated angle point,
27. N 01°41'30" E, a distance of 203.33 feet to a calculate angle point,
28. N 25°18'15" E, a distance of 185.11 feet to a calculate angle point,
29. N 08°21'54" W, a distance of 200.00 feet to a calculate angle point,
30. N 35°54'33" W, a distance of 85.46 feet to a calculate angle point,
31. N 00°19'19" W, a distance of 175.96 feet to a calculate angle point,
32. N 11°21'23" W, a distance of 100.14 feet to a calculate angle point,
33. N 81°38'05" E, a distance of 120.00 feet to a calculate angle point,
34. N 68°32'59" E, a distance of 50.00 feet to a calculated point of a non-tangent curve,

35. with the arc of a curve to the right, having a radius of 825.00 feet, an arc distance of 138.49 feet, and a chord which bears S 16°38'28" E, a distance of 138.33 feet to a calculated point of reverse curvature,
36. with the arc of a curve to the left, having a radius of 15.00 feet, an arc distance of 22.93 feet, and a chord which bears S 55°37'37" E, a distance of 20.76 feet to a calculated point-of-tangency,
37. N 80°34'42" E, a distance of 38.62 feet to a calculated point-of-curvature,
38. with the arc of a curve to the left, having a radius of 670.00 feet, an arc distance of 83.36 feet, and a chord which bears N 77°00'50" E, a distance of 83.31 feet to a calculated point for a non-tangent end of curve,
39. N 19°04'21" W, a distance of 169.35 feet to a calculate angle point,
40. N 28°26'27" W, a distance of 352.03 feet to a calculate angle point,
41. N 60°57'35" E, a distance of 211.25 feet to a calculate angle point,
42. N 74°10'23" E, a distance of 166.35 feet to a calculate angle point,
43. S 23°58'12" E, a distance of 167.10 feet to a calculate angle point,
44. S 12°17'42" E, a distance of 161.34 feet to a calculate angle point,
45. S 21°27'30" E, a distance of 210.02 feet to a calculate angle point,
46. N 69°18'57" E, a distance of 116.67 feet to a calculated point-of-curvature,
47. with the arc of a curve to the left, having a radius of 15.00 feet, an arc distance of 23.58 feet, and a chord which bears N 24°17'09" E, a distance of 21.22 feet to a calculated point-of-tangency,
48. N 20°44'38" W, a distance of 10.01 feet to a calculate angle point, and
49. N 69°40'57" E, a distance of 185.00 feet to a calculated point in the east line of the said 546.33 acre tract and the said 366.455 acre tract, in the west line of a certain called 22.005 acre tract designated as Tract 1 and conveyed in the Executor's Deed to Edna Bray Harris of record in Document No. 2018052583, Official Public Records of Williamson County, Texas, and described in the deed to Robert L. Harris of record in Volume 1456, Page 72, Official Records of Williamson County, Texas, for a northeast corner of the tract described herein;

THENCE S 20°44'37" E, with the east line of the said 546.33 acre tract and the said 366.455 acre tract, with the west line of the said 22.005 acre tract, with the west lines of Tract 5 (11.544 acres), Tract 4 (20.00 acres) and Tract 3 (20.00 acres) conveyed in the said Executor's Deed to Edna Bray Harris of record in said Document No. 2018052583, Official Public Records of Williamson County, Texas, and described in a deed to Veterans' Land Board of the State of Texas of record in said Volume 817, Page 319, Deed Records of Williamson County, Texas, and the west line of a certain called 94.57 acre tract, save and except 10.00 acres and 15.00 acres, conveyed in the deed to 1047 Liberty Hill Series, a Series of Lechow Investments LLC, of record in Document No. 2015075887, Official Public Records of Williamson County, Texas, and described in the deed to John D. Pope and wife, Ada L. Pope of record in Volume 816, Page 349, Deed Records of Williamson County, Texas, with an east line of the tract

described herein, a distance of 2,721.12 feet to a 6-inch cedar fence post found in the west line of the said 94.57 acre tract, at the easterly southeast corner of the said 546.33 acre tract, at the southeast corner of the said 366.455 acre tract, same being the northeast corner of a certain called 100 acre tract described in the deed to Leroy O. Hall and Thelma M. Hall Revocable Living Trust of record in Document No. 9819014, Official Records of Williamson County, Texas, for the easterly southeast corner of the tract described herein, from which a 60-d nail found for reference bears N 60°03'01" E, a distance of 0.74 feet;

THENCE S 69°22'46" W, with a south line of the said 546.33 acre tract and the said 366.455 acre tract, and the north line of the said 100 acre tract, with the south line of the tract described herein, a distance of 1,733.10 feet to a 6-inch cedar fence post found at the northwest corner of the said 100 acre tract and the northeast corner of the said 45.00 acre tract, same being a re-entrant corner of the said 546.33 acre tract, at an angle point in the south line of the said 366.455 acre tract, for an angle point in the south line of the tract described herein;

THENCE S 52°40'32" W, crossing the said 546.33 acre tract, continuing with the south line of the said 366.445 acre tract, with the north line of the said 45.00 acre tract, continuing with the south line of the tract described herein, a distance of 236.34 feet to the **POINT OF BEGINNING** and containing 95.555 acres of land, more or less.

Unofficial Document

Exhibit "B-3"

Saratoga Owned Property

DESCRIPTION OF 45.954 ACRES OF LAND IN THE JOHN B. BERRY SURVEY, ABSTRACT NO. 56, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 546.33 ACRE TRACT OF LAND DESCRIBED IN THE ADMINISTRATOR'S SPECIAL WARRANTY DEED TO BUTLER FAMILY PARTNERSHIP, LTD. OF RECORD IN DOCUMENT NO. 2010087926, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 45.954 ACRES, ALSO BEING A PORTION OF A CERTAIN CALLED 366.455 ACRE TRACT OF LAND DESCRIBED IN THE DEED OF TRUST RECORDED IN DOCUMENT NO. 2020023667, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 45.954 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a ½-inch iron rod found in the curving northeast right-of-way line of State Highway 29, a variable-width right-of-way, in the southwest line of the said 546.33 acre tract, at the southwest corner of the said 366.455 acre tract, same being the northwest corner of a certain called 45.00 acre tract of land described in the Special Warranty Deed to Saraja, LLC of record in Document No. 2015108887, Official Public Records of Williamson County, Texas;

THENCE N 14°25'59" E, leaving the curving northeast right-of-way line of said State Highway 29, crossing the said 546.33 acre tract and the said 366.455 acre tract, a distance of 2,714.15 feet to a calculated point for the most southerly southwest corner and **POINT OF BEGINNING** of the tract described herein;

THENCE, crossing the said 546.33 acre tract and the said 366.455 acre tract, with the west and south lines of the tract described herein, the following fifteen (15) courses and distances:

16. N 00°11'36" W, a distance of 132.00 feet to a calculated angle point,
17. N 89°48'24" E, a distance of 5.03 feet to a calculated angle point,
18. N 00°11'36" W, a distance of 50.00 feet to a calculated angle point,
19. S 89°48'24" W, a distance of 70.00 feet to a calculated point-of-curvature,
20. with the arc of a curve to the right, having a radius of 15.00 feet, an arc distance of 23.56 feet, and a chord which bears N 45°11'36" W, a distance of 21.21 feet to a calculated point-of-tangency,
21. N 00°11'36" W, a distance of 35.15 feet to a calculated point-of-curvature,
22. with the arc of a curve to the left, having a radius of 205.00 feet, an arc distance of 28.31 feet, and a chord which bears N 04°08'56" W, a distance of 28.28 feet to a calculated point for a non-tangent end of curve,
23. S 81°53'43" W, a distance of 50.00 feet to a calculated point of non-tangent curvature,
24. with the arc of a curve to the left, having a radius of 155.00 feet, an arc distance of 80.92 feet, and a chord which bears N 23°03'41" W, a distance of 80.01 feet to a calculated point of non-tangency,
25. S 72°47'55" W, a distance of 189.60 feet to a calculated angle point,

26. S 58°30'07" W, a distance of 292.23 feet to a calculated point for the most westerly southwest corner of the tract described herein, from which a ½-inch iron rod with a plastic cap stamped "RPLS 5025" found at a re-entrant corner of the said 546.33 acre tract, same being a re-entrant corner of the said 366.455 acre tract, at a southeast corner of a certain called 134.741 acre tract of land designated as Tract 1 and described in the Warranty Deed with Vendor's Lien to Dinah Beth Brothers of record in Document No. 2008063553, Official Public Records of Williamson County, Texas, bears N 75°11'25" W, a distance of 605.88 feet,
27. N 44°05'01" W, a distance of 257.32 feet to a calculated angle point,
28. N 34°41'44" W, a distance of 113.90 feet to a calculated angle point,
29. N 28°17'28" W, a distance of 113.82 feet to a calculated angle point, and
30. N 20°21'04" W, a distance of 653.69 feet to a calculated point in a north line of the said 546.33 acre tract, in a north line of the said 366.455 tract, and in a south line of the said 134.741 acre tract, for the most westerly northwest corner of the tract described herein, from which a ½-inch iron rod with a plastic cap stamped "RPLS 5025" found at a northwest corner of the said 546.33 acre tract and a northwest corner of the said 366.455 acre tract, same being a re-entrant corner of the said 134.741 acre tract bears S 69°25'22" W, a distance of 357.99 feet;

THENCE, with a north and a west line of the said 546.33 acre tract, with a north and a west line of the said 366.455 acre tract, with a south and an east line of the said 134.741 acre tract, with a north and west line of the tract described herein, the following two (2) courses and distances:

3. N 69°25'22" E, a distance of 987.23 feet to a ½-inch iron rod found at a re-entrant corner of the said 546.33 acre tract and the said 366.455 acre tract, same being the most easterly southeast corner of the said 134.741 acre tract, for a re-entrant corner of the tract described herein, and
4. N 04°01'23" W, a distance of 17.40 feet to a calculated point for a northwest corner of the tract described herein, from which a ½-inch iron rod found at a re-entrant corner of the said 546.33 acre tract and the said 366.455 acre tract, same being a northeast corner of the said 134.741 acre tract bears N 04°01'23" W, a distance of 756.57 feet;

THENCE, leaving the east line of the said 134.741 acre tract, crossing the said 546.33 acre tract and the said 366.455 acre tract, with the north, east and south lines of the tract described herein, the following thirty (30) courses and distances:

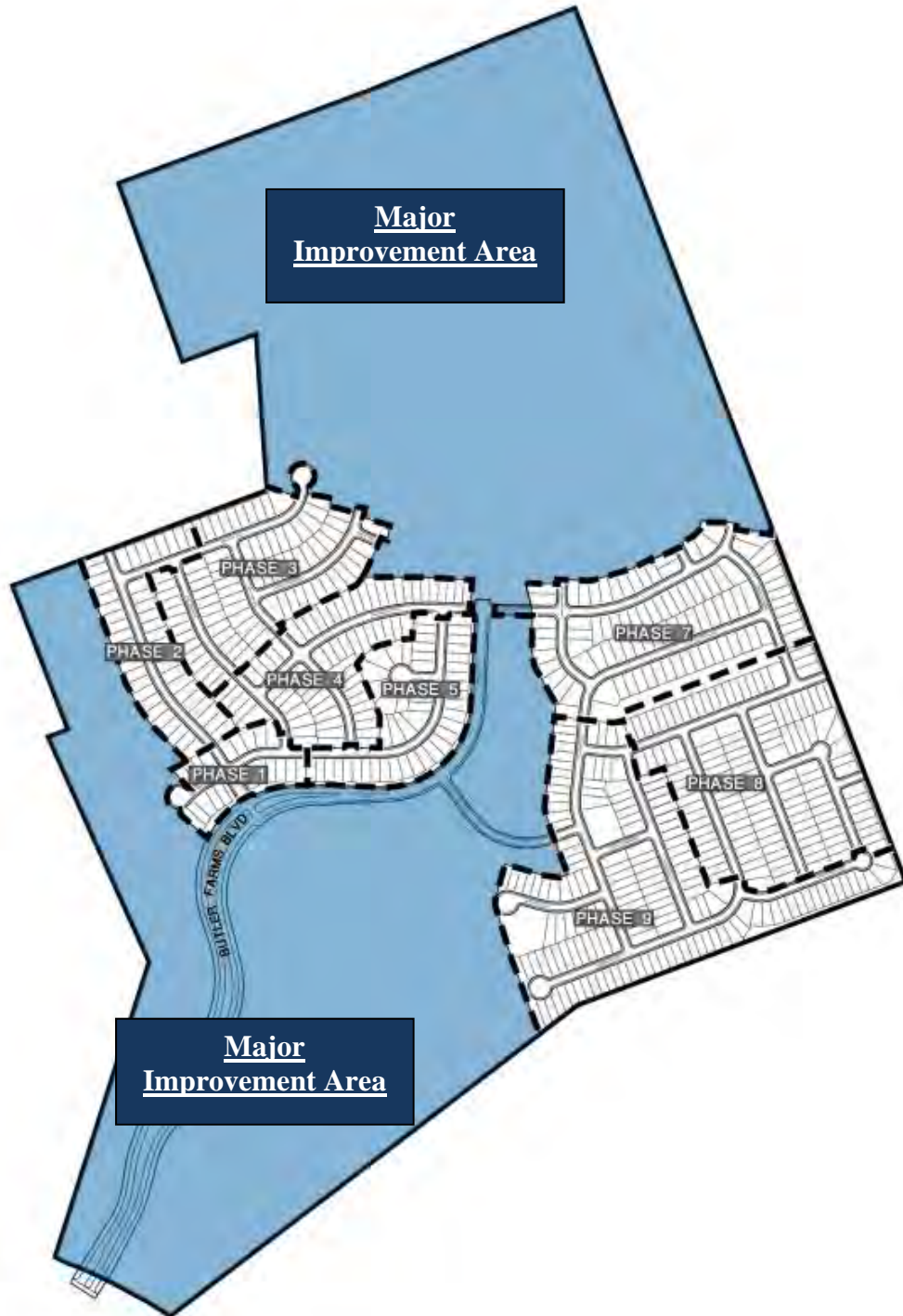
31. S 71°50'45" E, a distance of 154.16 feet to a calculated point of non-tangent curvature,
32. with the arc of a curve to the left, having a radius of 155.00 feet, an arc distance of 29.51 feet, and a chord which bears N 12°41'59" E, a distance of 29.47 feet to a calculated point of compound curvature,
33. with the arc of a curve to the left, having a radius of 25.00 feet, an arc distance of 27.22 feet, and a chord which bears N 23°56'36" W, a distance of 25.89 feet to a calculated point of reverse curvature,
34. with the arc of a curve to the right, having a radius of 60.00 feet, an arc distance of 300.96 feet, and a chord which bears N 88°33'52" E, a distance of 71.05 feet to a calculated point of reverse curvature,

35. with the arc of a curve to the left, having a radius of 25.00 feet, an arc distance of 21.29 feet, and a chord which bears S 27°51'35" W, a distance of 20.66 feet to a calculated point of reverse curvature,
36. with the arc of a curve to the right, having a radius of 205.00 feet, an arc distance of 23.50 feet, and a chord which bears S 06°44'31" W, a distance of 23.48 feet to a calculated point for a non-tangent end of curve,
37. S 79°58'28" E, a distance of 123.05 feet to a calculated angle point,
38. S 14°15'49" W, a distance of 40.50 feet to a calculated angle point,
39. S 75°44'11" E, a distance of 122.93 feet to a calculated point of non-tangent curvature,
40. with the arc of a curve to the left, having a radius of 445.00 feet, an arc distance of 29.16 feet, and a chord which bears N 12°23'11" E, a distance of 29.16 feet to a calculated point for a non-tangent end of curve,
41. S 79°29'28" E, a distance of 50.00 feet to a calculated point of non-tangent curvature,
42. with the arc of a curve to the right, having a radius of 495.00 feet, an arc distance of 47.93 feet, and a chord which bears S 13°16'58" W, a distance of 47.91 feet to a calculated point for a non-tangent end of curve,
43. S 73°56'37" E, a distance of 136.98 feet to a calculated angle point,
44. S 07°57'35" W, a distance of 73.38 feet to a calculated point of non-tangent curvature,
45. with the arc of a curve to the right, having a radius of 225.00 feet, an arc distance of 33.13 feet, and a chord which bears N 71°02'57" W, a distance of 33.10 feet to a calculated point for a non-tangent end of curve,
46. S 23°10'10" W, a distance of 50.00 feet to a calculated angle point,
47. S 25°47'59" W, a distance of 163.75 feet to a calculated angle point,
48. S 89°43'56" E, a distance of 296.94 feet to a calculated angle point,
49. S 87°11'41" E, a distance of 244.29 feet to a calculated angle point,
50. S 02°48'19" W, a distance of 120.58 feet to a calculated angle point,
51. S 87°11'41" E, a distance of 8.47 feet to a calculated angle point,
52. S 01°05'14" W, a distance of 50.02 feet to a calculated point of non-tangent curvature,
53. with the arc of a curve to the right, having a radius of 13.50 feet, an arc distance of 21.21 feet, and a chord which bears S 42°11'41" E, a distance of 19.09 feet to a calculated point-of-tangency,
54. S 02°48'19" W, a distance of 428.64 feet to a calculated point-of-curvature,

55. with the arc of a curve to the right, having a radius of 435.00 feet, an arc distance of 653.70 feet, and a chord which bears S 45°51'22" W, a distance of 593.90 feet to a calculated point of compound curvature,
56. with the arc of a curve to the right, having a radius of 187.00 feet, an arc distance of 11.47 feet, and a chord which bears N 89°20'10" W, a distance of 11.47 feet to a calculated point-of-tangency,
57. N 87°34'45" W, a distance of 224.16 feet to a calculated angle point,
58. N 78°12'05" W, a distance of 18.41 feet to a calculated point-of-curvature,
59. with the arc of a curve to the left, having a radius of 216.00 feet, an arc distance of 9.86 feet, and a chord which bears N 88°53'10" W, a distance of 9.85 feet to a calculated point-of-tangency, and
60. S 89°48'24" W, a distance of 123.91 feet to the **POINT OF BEGINNING** and containing 45.954 acres of land, more or less.

Exhibit "B-4"

Improvement Area Map



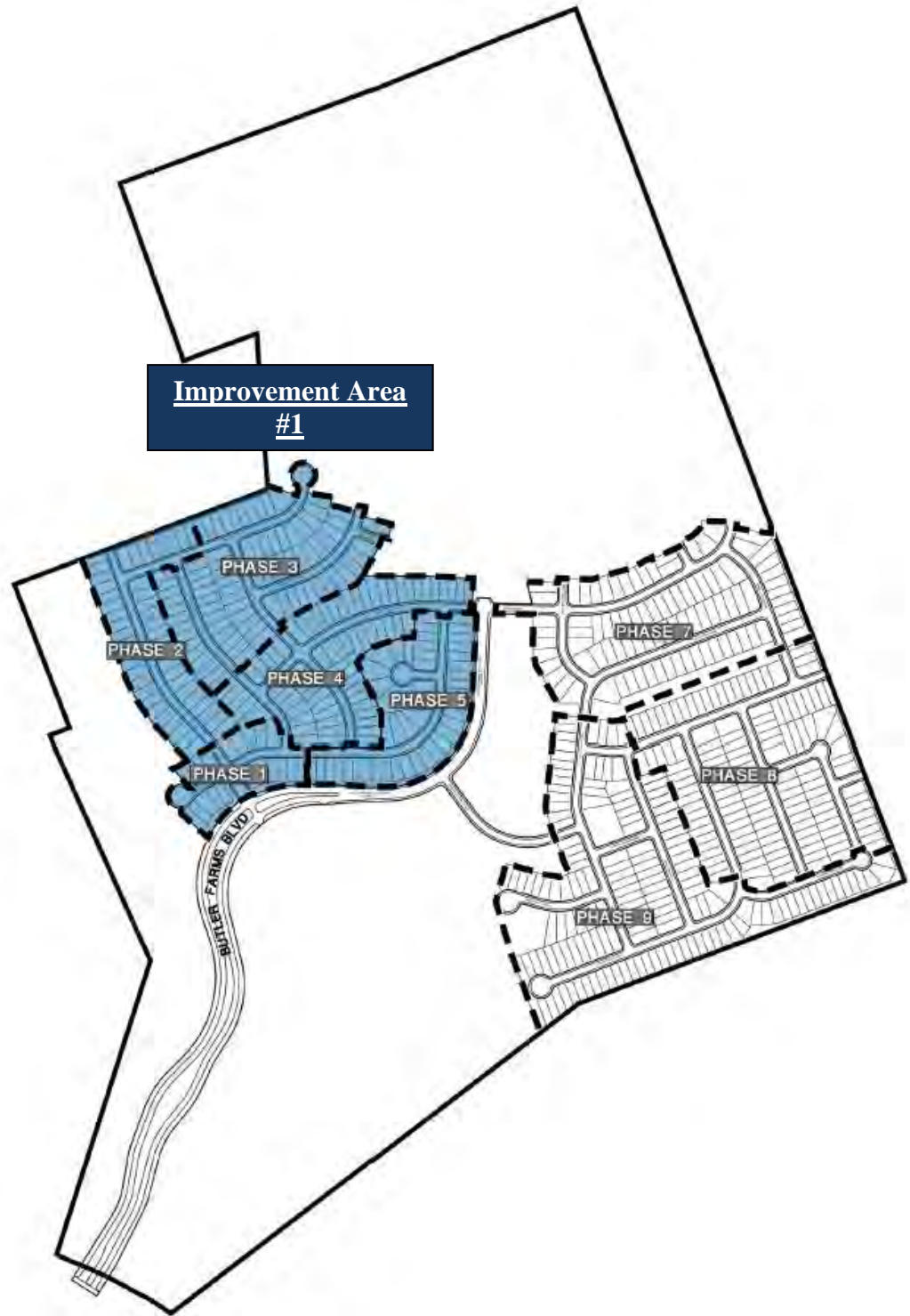


Exhibit B-4

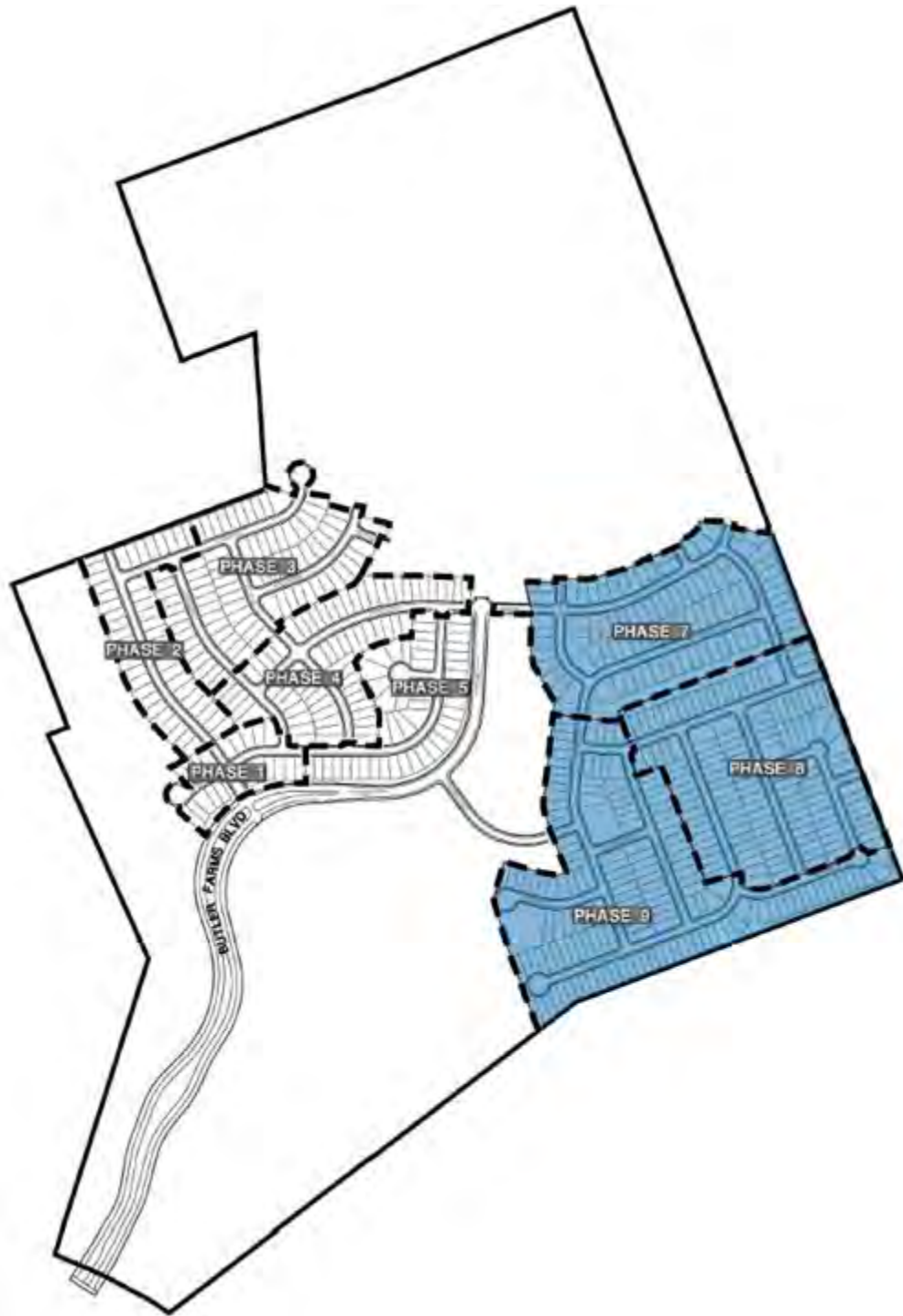


Exhibit B-4

Exhibit “C”

[Intentionally Deleted]

Exhibit “D”

**FORM OF CERTIFICATION FOR PAYMENT
(BUTLER FARMS PUBLIC IMPROVEMENT DISTRICT)**

FORM OF CERTIFICATION FOR PAYMENT

(Certification for Payment – Butler Farms Major Improvement Area)

CERTIFICATION FOR PAYMENT FORM NO. _____

The undersigned _____ (the “**Construction Manager**”) requests payment from the Improvement Account of the Project Fund from the City of Liberty Hill, Texas (the “**City**”) in the amount of \$_____ for labor, design, materials, fees, and/or other general costs related to the acquisition or construction of certain Major Improvement Area Projects providing a special benefit to property within the Butler Farms Public Improvement District (the “**District**”). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust between the City and BOKF, NA, as trustee (the “**Indenture**”).

In connection with the above referenced payment, the Construction Manager represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Construction Manager, is qualified to execute this Certification for Payment Form No. _____ on behalf of the Construction Manager, and is knowledgeable as to the matters set forth herein.
2. The work described in Attachment A has been completed in the percentages stated therein.
3. The Certification for Payment for the below referenced Major Improvement Area Projects has not been the subject of any prior Certification for Payment submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
4. The amounts listed for Actual Costs of the Major Improvement Area Projects, as set forth in Attachment A, is a true and accurate representation of the Actual Costs associated with the acquisition, design or construction of said Major Improvement Area Projects, and such costs (i) are in compliance with the Financing Agreement, and (ii) are consistent with the Service and Assessment Plan.
5. The allocation of the Actual Costs of the Authorized Improvements, as set forth in Attachment A, between the Improvement Areas are in compliance with the percentage allocation set forth in the Service and Assessment Plan.

6. Following is an itemized list of all deposits to and disbursements from the Improvement Account.

<u>Account</u>	<u>Deposits</u>	<u>Disbursements</u>
Improvement Account	\$	\$
		Certification for Payment Form No. ____
	\$	\$
		Certification for Payment Form No. ____
Total	\$	\$

7. The Construction Manager is in compliance with the terms and provisions of the Financing Agreement, the Service and Assessment Plan, the Development Agreement, and the Continuing Disclosure Agreement of the Developer.
8. The Construction Manager has timely paid all ad valorem taxes and annual installments of Major Improvement Area Assessments it owes or an entity under common control with the Construction Manager owes, located in the District and has no outstanding delinquencies for such taxes and assessments.
9. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.
10. The work with respect to the Major Improvement Area Projects referenced below (or its Segment) has been completed, and the City has inspected [and accepted] such Major Improvement Area Projects (or its completed Segment). ***[Include bracketed language if final progress payment for such Major Improvement Area Project]***
11. The Construction Manager agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.
12. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for the Major Improvement Area Projects identified may be paid until the work with respect to such Major Improvement Area Projects (or Segment thereof) has been completed and the City has accepted such Major Improvement Area Projects (or Segment thereof). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Major Improvement Area Projects (or Segment thereof).
13. [Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.][***Include bracketed language if final progress payment for such Major Improvement Area Project***]

14. Attached hereto as Attachment C are invoices, receipts, purchase orders, change orders, and similar instruments, which are in sufficient detail to allow the City to verify the Actual Costs for which payment is requested.
15. Also attached hereto as Attachment D are any lender consents or approvals that the Construction Manager may be required to obtain under any loan documents relating to the District.
16. Pursuant to the Financing Agreement, after receiving this Certification for Payment, the City has inspected [and accepted] the completed Major Improvement Area Projects and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations. ***[Include bracketed language if final progress payment for such Major Improvement Area Project]***
17. The Developer confirms that payment of the amounts requested in this Certification for Payment, taking into account all prior payments for the Major Improvement Area Projects and the amount of work related to the Major Improvement Area Projects remaining to be completed as of the date of this Certification for Payment will not cause the amounts on deposit in the Improvement Account available to pay Actual Costs of the Major Improvement Area Projects to fall below the amount necessary to complete the remaining Major Improvement Area Projects.

(Signature pages follow)

I hereby declare that the above representations and warranties are true and correct.

366 TX 29, LTD,
a Texas limited partnership, as
CONSTRUCTION MANAGER

By:

Name: _____

Title: Manager

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

[CFS CIVIL GROUP, LLC]

By:
Name: _____
Title: _____

APPROVAL OF CERTIFICATION FOR PAYMENT BY CITY

The City is in receipt of the attached Certification for Payment Form No. ____, acknowledges the Certification for Payment, acknowledges that the Major Improvement Area Projects (or its Segment) covered by the certificate have been inspected by the City, and otherwise finds the Certification for Payment Form No. ____ to be in order. After reviewing the Certification for Payment Form, the City approves the Certification for Payment Form No. ____ and shall direct the Trustee to make payment from the Improvement Account of the Project Fund to the Construction Manager or to any person designated by the Construction Manager.

CITY OF LIBERTY HILL, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT A TO CERTIFICATION FOR PAYMENT FORM NO. ____

<u>Segment</u>	Description of Work Completed under this Certification for Payment	Type of Authorized Improvement (Internal Improvement, Major Improvement)	Total Actual Costs of Authorized Improvements \$	Percentage and Amount of Actual Costs Allocated to Improvement Area #1 %	Percentage and Amount of Actual Costs Allocated to Improvement Area #2 \$	Percentage and Amount of Actual Costs Allocated to Major Improvement Area %

ATTACHMENT B TO CERTIFICATION FOR PAYMENT FORM NO. _____

*[Include Attachment B bracketed if final progress payment for such
Major Improvement Area Project]*

[bills paid affidavit and release of liens - attached]

ATTACHMENT D TO CERTIFICATION FOR PAYMENT FORM NO. _____

[lender consents or approvals - attached]

FORM OF CERTIFICATION FOR PAYMENT

(Certification for Payment – Butler Farms Improvement Area #1 and 2)

CERTIFICATION FOR PAYMENT FORM NO.

The undersigned _____ (the “**Construction Manager**”) requests payment from the [_____ Major Improvement Subaccount of the Project Fund][_____ Internal Improvement Subaccount of the Project Fund] from the City of Liberty Hill, Texas (the “**City**”) in the amount of \$_____ for labor, design, materials, fees, and/or other general costs related to the acquisition or construction of certain Improvement Area #1 and 2 Projects providing a special benefit to property within the Butler Farms Public Improvement District (the “**District**”). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust between the City and BOKF, NA, as trustee (the “**Indenture**”).

In connection with the above referenced payment, the Construction Manager represents and warrants to the City as follows:

18. The undersigned is a duly authorized officer of the Construction Manager, is qualified to execute this Certification for Payment Form No. _____ on behalf of the Construction Manager and is knowledgeable as to the matters set forth herein.
19. The work described in Attachment A has been completed in the percentages stated therein.
20. The Certification for Payment for the below referenced Improvement Area #1 and 2 Projects has not been the subject of any prior Certification for Payment submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
21. The amounts listed for Actual Costs of the Improvement Area #1 and 2 Projects, as set forth in Attachment A, is a true and accurate representation of the Actual Costs associated with the acquisition, design or construction of said Improvement Area #1 and 2 Projects, and such costs (i) are in compliance with the Financing Agreement, and (ii) are consistent with the Service and Assessment Plan.
22. The allocation of the Actual Costs of the Authorized Improvements, as set forth in Attachment A, between the Improvement Areas are in compliance with the percentage allocation set forth in the Service and Assessment Plan.
23. Following is an itemized list of all deposits to and disbursements from each Subaccount of the (i) Improvement Area #1 Improvement Account of the Project Fund, and (ii) Improvement Area #2 Improvement Account of the Project Fund.

24.

<u>Account</u>	<u>Deposits</u>	<u>Disbursements</u>	<u>Improvement Area to which Disbursements Were Allocated</u>
Improvement Area #1 Internal Improvement Subaccount	\$	\$	Certification for Payment Form No. ____
	\$	\$	Certification for Payment Form No. ____
Total	\$	\$	
Improvement Area #1 Major Improvement Subaccount	\$	\$	Certification for Payment Form No. ____
	\$	\$	Certification for Payment Form No. ____
Total	\$	\$	
Improvement Area #2 Internal Improvement Subaccount	\$	\$	Certification for Payment Form No. ____
	\$	\$	Certification for Payment Form No. ____
Total	\$	\$	
Improvement Area #2 Major Improvement Subaccount	\$	\$	Certification for Payment Form No. ____
	\$	\$	Certification for Payment Form No. ____
Total	\$	\$	

25. The Construction Manager is in compliance with the terms and provisions of the Financing Agreement, the Service and Assessment Plan, the Development Agreement, and the Continuing Disclosure Agreement of the Developer.

26. The Construction Manager has timely paid all ad valorem taxes and annual installments of Improvement Area #1 and 2 Assessments it owes or an entity under common control with the Construction Manager owes, located in the District and has no outstanding delinquencies for such taxes and assessments.

27. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

28. The work with respect to the [Improvement Area #1 Improvements][Improvement Area #2 Improvements][Improvement Area #1 Major Improvements][Improvement Area #2 Major Improvements] referenced below (or its Segment) has been completed, and the City has inspected [and accepted] such [Improvement Area #1 Improvements][Improvement Area #2 Improvements] [Improvement Area #1 Major Improvements][Improvement Area #2 Major Improvements] (or its completed Segment). ***[Include bracketed language if final progress payment for such Improvement Area #1 and 2 Project]***
29. The Construction Manager agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.
30. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for the [Improvement Area #1 Improvements][Improvement Area #2 Improvements] [Improvement Area #1 Major Improvements] [Improvement Area #2 Major Improvements] identified may be paid until the work with respect to such [Improvement Area #1 Improvements][Improvement Area #2 Improvements][Improvement Area #1 Major Improvements][Improvement Area #2 Major Improvements] (or Segment thereof) has been completed and the City has accepted such [Improvement Area #1 Improvements][Improvement Area #2 Improvements] [Improvement Area #1 Major Improvements][Improvement Area #2 Major Improvements] (or Segment thereof). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such [Improvement Area #1 Improvements][Improvement Area #2 Improvements][Improvement Area #1 Major Improvements][Improvement Area #2 Major Improvements] (or Segment thereof).
31. [Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.]***[Include bracketed language if final progress payment for such Improvement Area #1 and 2 Project]***
32. Attached hereto as Attachment C are invoices, receipts, purchase orders, change orders, and similar instruments, which are in sufficient detail to allow the City to verify the Actual Costs for which payment is requested.
33. Also attached hereto as Attachment D are any lender consents or approvals that the Construction Manager may be required to obtain under any loan documents relating to the District.
34. Pursuant to the Financing Agreement, after receiving this Certification for Payment, the City has inspected [and accepted] the completed [Improvement Area #1 Improvements][Improvement Area #2 Improvements][Improvement Area #1 Major Improvements][Improvement Area #2 Major Improvements] and confirmed that said work has been completed in accordance with approved

plans and all applicable governmental laws, rules, and regulations. ***[Include bracketed language if final progress payment for such Improvement Area #1 and 2 Project]***

35. [TO BE USED IF REQUESTING FUNDS FOR COMPLETED MAJOR IMPROVEMENTS: The Developer confirms that payment of the amounts requested in this Certification for Payment, taking into account all prior payments for the [Improvement Area #1 Major Improvements][Improvement Area #2 Major Improvements] and the amount of work related to the [Improvement Area #1 Major Improvements][Improvement Area #2 Major Improvements] remaining to be completed as of the date of this Certification for Payment will not cause the amounts on deposit in Accounts or Subaccounts of the Project Fund available to pay Actual Costs of the [Improvement Area #1 Major Improvements][Improvement Area #2 Major Improvements] to fall below the amount necessary to complete the remaining [Improvement Area #1 Major Improvements][Improvement Area #2 Major Improvements].]
36. [TO BE USED IF REQUESTING FUNDS FOR COMPLETED IMPROVEMENT AREA #1 IMPROVEMENTS: Saratoga is in compliance with and has provided the “Evidence of Available Funds” to the Trustee as required under, the Builder Projects Completion Agreement between the Trustee and Saratoga.]
37. [TO BE USED IF REQUESTING FUNDS FOR COMPLETED IMPROVEMENT AREA #2 IMPROVEMENTS: The Developer confirms that payment of the amounts requested in this Certification for Payment, taking into account all prior payments for the Improvement Area #2 Improvements and the amount of work related to the Improvement Area #2 Improvements remaining to be completed as of the date of this Certification for Payment will not cause the amounts on deposit in Accounts or Subaccounts of the Project Fund available to pay Actual Costs of the Improvement Area #2 Improvements, plus the amount of funds provided by Meritage to the Trustee as the “Evidence of Available Funds” under the Builder Projects Completion Agreement between the Trustee and Meritage that is currently available to Meritage to complete the remaining Improvement Area #2 Improvements, to fall below the amount necessary to complete the remaining Improvement Area #2 Improvements.]

(Signature pages follow)

I hereby declare that the above representations and warranties are true and correct.

366 TX 29, LTD,
a Texas limited partnership, as
CONSTRUCTION MANAGER

By:

Name: _____

Title: Manager

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

[CFS CIVIL GROUP, LLC]

By: _____
Name: _____
Title: _____

APPROVAL OF CERTIFICATION FOR PAYMENT BY CITY

The City is in receipt of the attached Certification for Payment Form No. ____, acknowledges the Certification for Payment, acknowledges that the [Improvement Area #1 Improvements][Improvement Area #2 Improvements][Improvement Area #1 Major Improvements][Improvement Area #2 Major Improvements] (or its Segment) covered by the certificate have been inspected by the City, and otherwise finds the Certification for Payment Form No. ____ to be in order. After reviewing the Certification for Payment Form, the City approves the Certification for Payment Form No. ____ and shall direct the Trustee to make payment from the appropriate Subaccount of the [Improvement Area #1 Account of the Project Fund][Improvement Area #2 Account of the Project Fund] to the Construction Manager or to any person designated by the Construction Manager.

CITY OF LIBERTY HILL, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT B TO CERTIFICATION FOR PAYMENT FORM NO. _____

*[Include Attachment B bracketed if final progress payment for such
Improvement Area #1 and 2 Project]*

[bills paid affidavit and release of liens - attached]

ATTACHMENT D TO CERTIFICATION FOR PAYMENT FORM NO. _____

[lender consents or approvals - attached]

Exhibit “E”

[Intentionally Deleted]

Exhibit “F”

CLOSING DISBURSEMENT REQUEST

The undersigned is a lawfully authorized representative for 366 TX 29, LTD. (the “**Developer**”) and requests payment from the Costs of Issuance Account of the Project Fund (as defined in the Indenture of Trust (the “**Indenture**”) related to the Bonds (as defined below) between the City of Liberty Hill, Texas (the “**City**”) and [_____], as trustee (the “**Bond Trustee**”) from Bond Trustee in the amount of _____ (\$_____) upon the delivery of the [title of bonds] (the “**Bonds**”) for costs incurred relating to the issuance and sale of the Bonds for the Butler Farms Public Improvement District (the “**District**”), as follows. Capitalized undefined terms shall have the meanings ascribed thereto in Butler Farms Public Improvement District Financing Agreement between the Developer and the City of Liberty Hill, Texas (the “**City**”) dated as of _____ (the “**PID Financing Agreement**”).

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer and is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced Bond Issuance Costs at the time of the delivery of the Bonds has not been the subject of any prior Closing Disbursement Request submitted to the City.

3. The amount listed for the below itemized costs is a true and accurate representation of the Bond Issuance Costs incurred by Developer at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan. The itemized costs are as follows:

[insert itemized list of costs here and attached invoices]

TOTAL REQUESTED: \$_____

4. The Developer is in compliance with the terms and provisions of the PID Financing Agreement, the Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture, the PID Financing Agreement and [the Reimbursement Agreement] for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete its review.

Payments requested hereunder shall be made as directed below:

[Information regarding Payee, amount, and deposit instructions]

I hereby declare that the above representations and warranties are true and correct.

366 TX 29, LTD.

A Texas limited partnership

By: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the Certificate submitted to the Bond Trustee directing payments to be made from Costs Issuance Account of the Project Fund upon delivery of the Bonds.

LIBERTY HILL, TEXAS

By: _____
Name: _____
Title: _____

Date: _____

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APPENDIX H

PHOTOGRAPHS OF DEVELOPMENT IN THE DISTRICT

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Development in Improvement Areas #1-2 of the District





Development in Improvement Areas #1-2 of the District





Development in Improvement Areas #1-2 of the District





Development in Improvement Areas #1-2 of the District





Development in Improvement Areas #1-2 of the District



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