

**PRELIMINARY LIMITED OFFERING MEMORANDUM DATED MARCH 2, 2022**

**NEW ISSUE**

**NOT RATED**

**THE BONDS ARE INITIALLY OFFERED ONLY TO “ACCREDITED INVESTORS” (AS DEFINED IN RULE 501 OF REGULATION PROMULGATED UNDER THE SECURITIES ACT OF 1933) AND “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933). SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”**

*In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described herein. See “TAX MATTERS — Tax Exemption” herein for a discussion of Bond Counsel’s opinion.*



**\$2,730,000\***

**CITY OF KYLE, TEXAS**

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

**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022**

**(PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT MAJOR IMPROVEMENT AREA PROJECT)**

**Dated Date: April 14, 2022**

**Interest to Accrue from Closing Date**

**Due: September 1, as shown on the inside cover**

The City of Kyle, Texas Special Assessment Revenue Bonds, Series 2022 (Plum Creek North Public Improvement District Major Improvement Area Project) (the “Bonds”), are being issued by the City of Kyle, 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 the inside cover page 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 of the City (the “City Council”) on March 22, 2022, and an Indenture of Trust, dated as of March 15, 2022 (the “Indenture”), entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Actual Costs of the Major Improvement Area Projects, (ii) paying capitalized 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) paying a portion of the costs incidental to the organization and administration of the Plum Creek North Public Improvement District (the “District”) and (v) paying the costs of issuance of the Bonds. See “authorized Improvements” and “APPENDIX B — Form of 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, consisting primarily of the Major Improvement Area Assessments levied against assessed parcels in the Major Improvement Area of the District in accordance with a Service and Assessment Plan and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. 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, are speculative in nature, 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 the Underwriter (identified below), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Bickerstaff Heath Delgado Acosta LLP, 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 Knight Law Firm, LLP, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP and for the Developer by its counsel, Metcalfe Wolff Stuart & Williams, LLP. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about April 14, 2022 (the “Closing Date”).

**FMSbonds, Inc.**

\* Preliminary; subject to change.

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion and amendment without notice. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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

CUSIP Prefix: \_\_\_\_\_<sup>(a)</sup>

\$2,730,000\*

CITY OF KYLE, TEXAS

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT MAJOR IMPROVEMENT AREA PROJECT)

\$ \_\_\_\_\_ % Term Bonds, Due September 1, 20 \_\_, Priced to Yield \_\_\_\_%; CUSIP \_\_\_\_<sup>(a)(b)(c)</sup>

\$ \_\_\_\_\_ % Term Bonds, Due September 1, 20 \_\_, Priced to Yield \_\_\_\_%; CUSIP \_\_\_\_<sup>(a)(b)(c)</sup>

- 
- (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 (“CGS”), 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 service provided by CGS. CUSIP numbers are provided for convenience of reference only. The City, the City’s Financial Advisor and the Underwriter do not take any responsibility for the accuracy of such numbers.
- (b) The Bonds are subject to redemption, in whole or in part, before their scheduled maturity, at the option of the City, on any date on or after September 1, 20 \_\_, such redemption date or dates to be fixed by the City, at the redemption price of 100% of principal amount thereof, plus accrued 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.”

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\* Preliminary; subject to change.

**CITY OF KYLE, TEXAS**

**CITY COUNCIL**

<u>Name</u>	<u>Place</u>	<u>Term Expires (November)</u>
Travis Mitchell	Mayor	2023
Dexter Ellison	Council Member (District 1)	2022
Yvonne Flores-Cale	Council Member (District 2)	2023
Robert Rizo	Mayor Pro-Tem, Council Member (District 3)	2022
Ashlee Bradshaw	Council Member (District 4)	2023
Daniela Parsley	Council Member (District 5)	2024
Michael Tobias	Council Member (District 6)	2024

**CITY MANAGER**

Scott Sellers

**ASSISTANT CITY MANAGER**

James R. Earp, CPM

**ASSISTANT CITY MANAGER**

Jerry Hendrix

**ASSISTANT CITY MANAGER**

Amber Lewis

**CITY SECRETARY**

Jennifer Holm

**CITY FINANCE DIRECTOR**

Perwez A. Moheet, CPA

**PID ADMINISTRATOR**

P3Works, LLC

**FINANCIAL ADVISOR TO THE CITY**

RBC Capital Markets, LLC

**BOND COUNSEL**

Bickerstaff Heath Delgado Acosta LLP

**UNDERWRITER'S COUNSEL**

Orrick, Herrington & Sutcliffe LLP

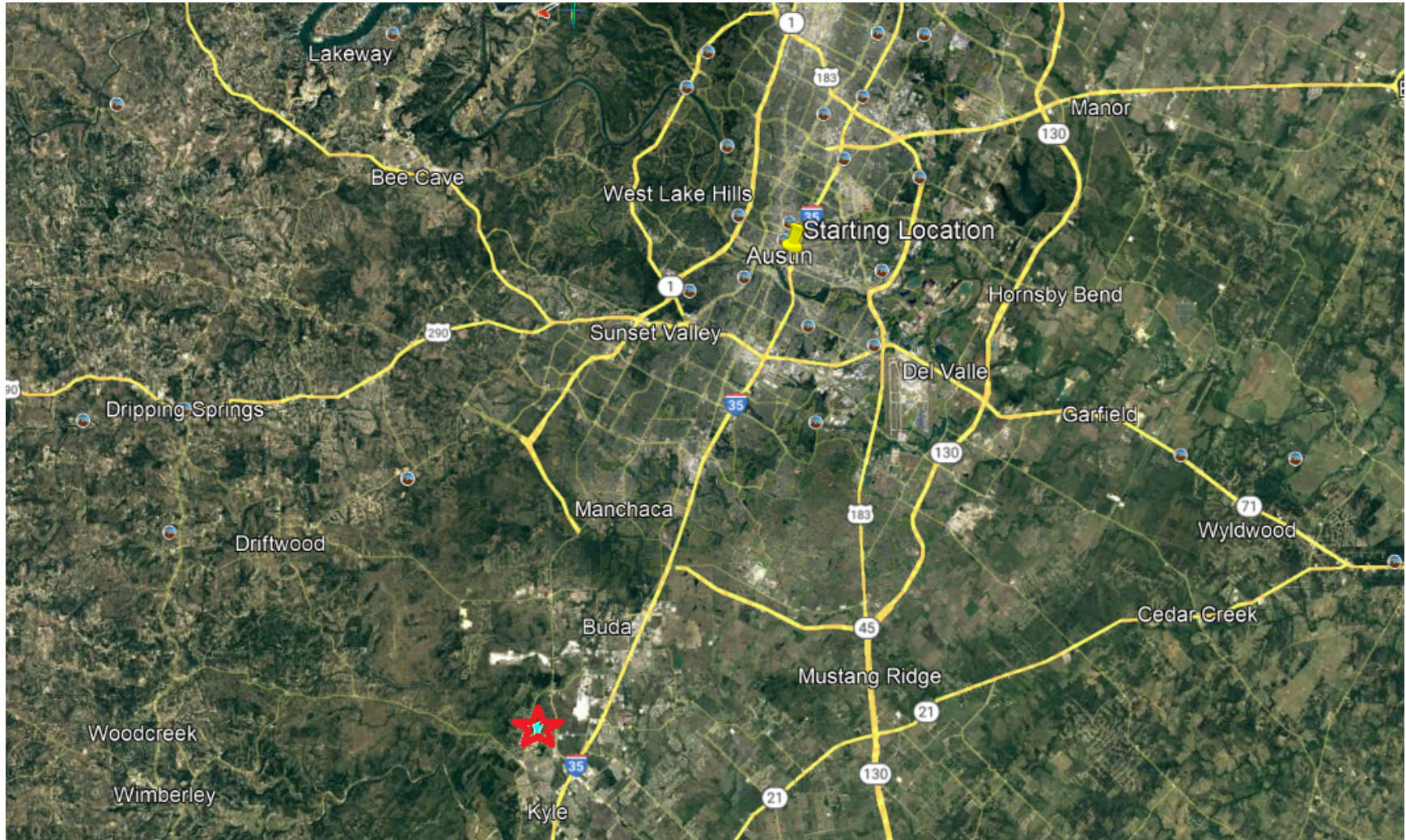
For additional information regarding the City, please contact:

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Kyle, Texas 78640  
(512) 262-3923  
ssellers@cityofkyle.com

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Managing Director  
RBC Capital Markets, LLC  
609 Main Street, Suite 3600  
Houston, Texas 77002  
(713) 651-3338  
chris.allen@rbccm.com

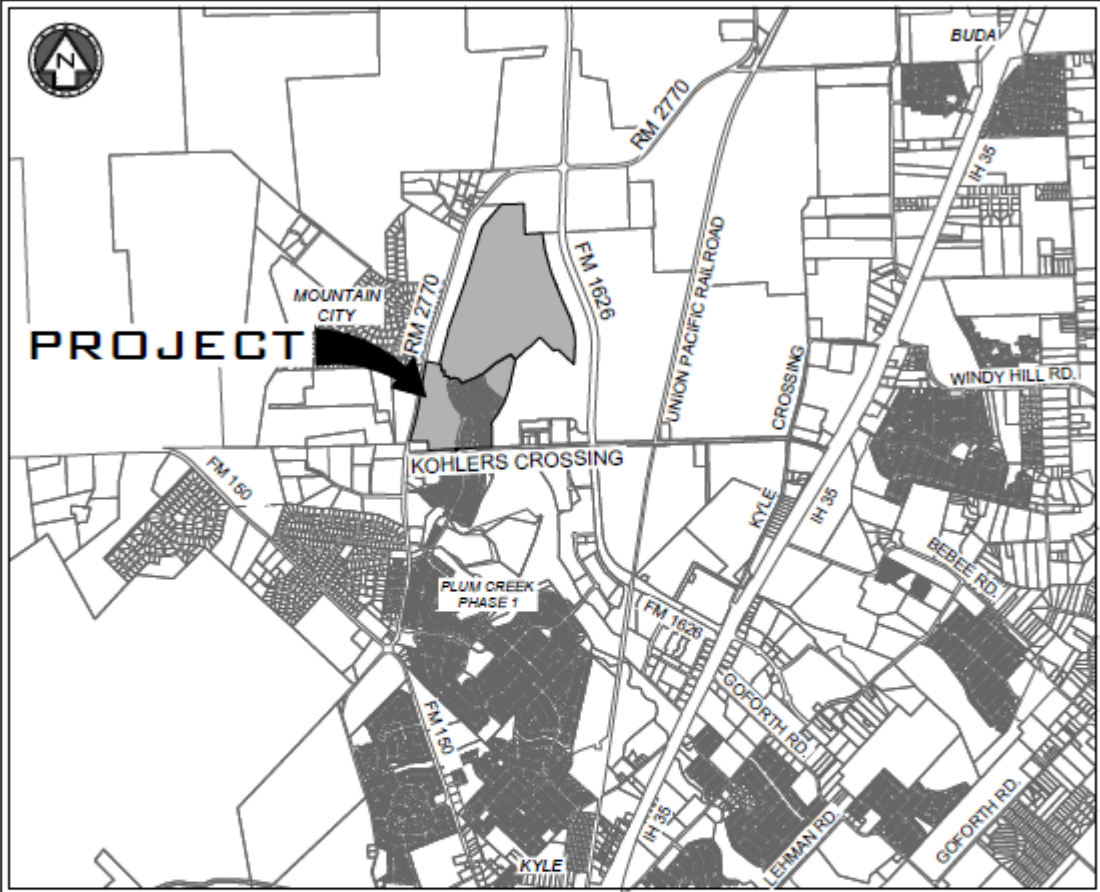


**REGIONAL LOCATION MAP OF THE DISTRICT**





AREA LOCATION MAP OF THE DISTRICT



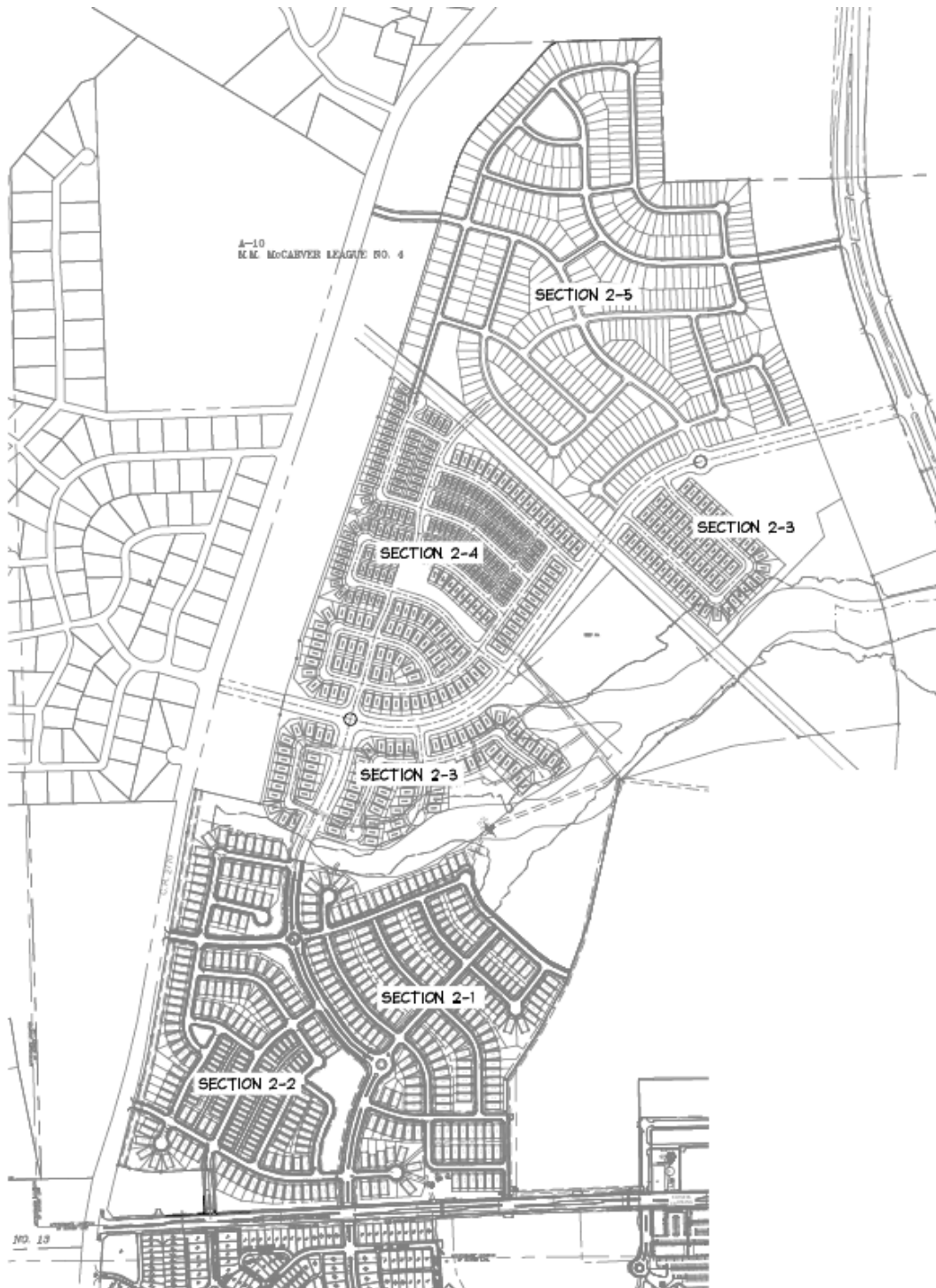
LOCATION MAP

N.T.S.

**LANDDEV**  
CONSULTING, LLC  
OFFICE: 512.872.6696  
FIRM NO. 16384

PLUM CREEK NORTH  
PUBLIC IMPROVEMENT DISTRICT  
LOCATION MAP

**MAP SHOWING CONCEPT PLAN OF THE DISTRICT\***



\* Improvement Area #1 is comprised of Sections 2-1 and 2-2. The Major Improvement Area is comprised on Sections 2-3, 2-4 and 2-5.

*FOR PURPOSES OF COMPLIANCE WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY 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.*

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 INITIAL PURCHASERS ARE 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 OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN. EACH PROSPECTIVE INITIAL 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 INITIAL 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 INITIAL PURCHASERS."

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 DEVELOPER, 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 DEVELOPER SINCE THE DATE HEREOF.

NONE OF THE CITY, THE UNDERWRITER OR THE DEVELOPER 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 OF 1933, 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



OF 1933. 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 NEITHER PLANS TO ISSUE ANY UPDATES OR REVISIONS NOR PLANS TO REQUEST THAT THE DEVELOPER PROVIDE 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.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER’S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS LIMITED OFFERING MEMORANDUM FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, THE RULE.

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**TABLE OF CONTENTS**

INTRODUCTION .....	1	THE CITY .....	31
PLAN OF FINANCE .....	2	Background .....	31
Development Plan .....	2	City Government .....	32
Single-Family Residential Development .....	3	THE DISTRICT .....	32
The Bonds .....	3	General .....	32
Additional Indebtedness .....	3	Powers and Authority of the City .....	32
LIMITATIONS APPLICABLE TO INITIAL PURCHASERS .....	4	THE AUTHORIZED IMPROVEMENTS .....	32
DESCRIPTION OF THE BONDS .....	5	General .....	32
General Description .....	5	Authorized Improvements .....	33
Redemption Provisions .....	5	Costs of Authorized Improvements .....	34
BOOK-ENTRY-ONLY SYSTEM .....	7	Ownership and Maintenance of Major Improvement Area Projects .....	34
SECURITY FOR THE BONDS .....	9	THE DEVELOPMENT .....	35
General .....	9	Overview .....	35
Pledged Revenues .....	10	Development Plan and Status of Development .....	35
Collection and Deposit of Assessments .....	11	Financing and Reimbursement Agreement .....	38
Unconditional Levy of Major Improvement Area Assessments .....	11	Development Agreement .....	39
Perfected Security Interest .....	12	Site Development Agreement .....	43
Pledged Revenue Fund .....	12	Photographs of the Development .....	45
MIA Project Collection Fund .....	13	Amenities .....	47
Bond Fund .....	13	Zoning/Permitting .....	48
Project Fund .....	14	Education .....	48
Reserve Account of the Reserve Fund .....	14	Environmental .....	48
Additional Interest Reserve Account of the Reserve Fund .....	15	Utilities .....	49
Administrative Fund .....	16	THE DEVELOPER .....	49
Defeasance .....	16	General .....	49
Events of Default .....	17	Description of the Developer .....	49
Remedies in Event of Default .....	17	Executive Biography of Principals of Lennar Corp. ....	50
Restriction on Owner’s Actions .....	18	Executive Biography of Local Management of the Developer .....	51
Application of Revenues and Other Moneys after Event of Default .....	19	History and Financing of the District .....	51
Investment of Funds .....	19	THE PID ADMINISTRATOR .....	52
Against Encumbrances .....	20	BONDHOLDERS’ RISKS .....	53
Additional Obligations or Other Liens; Refunding Bonds .....	20	Infectious Disease Outbreak .....	54
SOURCES AND USES OF FUNDS .....	22	Assessment Limitations .....	55
DEBT SERVICE REQUIREMENTS .....	23	Recent Changes in State Law Regarding Public Improvement Districts .....	56
OVERLAPPING TAXES AND DEBT .....	24	Potential Future Changes in State Law Regarding Public Improvement Districts .....	56
ASSESSMENT PROCEDURES .....	25	General Risks of Real Estate Investment and Development .....	57
General .....	25	Risks Related to the Current Residential Real Estate Market .....	57
Assessment Methodology .....	26	Risks Related to Current Increase in Costs of Building Materials .....	58
Collection and Enforcement of Assessment Amounts .....	27	Competition .....	58
Assessment Amounts .....	28		
Prepayment of Assessments .....	29		
Priority of Lien .....	31		
Foreclosure Proceedings .....	31		

Tax-Exempt Status of the Bonds .....	58	The Developer .....	68
Bankruptcy .....	59	The Developer's Compliance with Prior	
Direct and Overlapping Indebtedness,		Undertakings .....	68
Assessments and Taxes .....	59	UNDERWRITING .....	68
Depletion of Reserve Account of the		REGISTRATION AND QUALIFICATION OF	
Reserve Fund.....	59	BONDS FOR SALE.....	69
Hazardous Substances .....	59	LEGAL INVESTMENTS AND ELIGIBILITY TO	
Regulation .....	60	SECURE PUBLIC FUNDS IN TEXAS.....	69
Availability of Utilities.....	60	INVESTMENTS .....	69
100-Year Flood Plain .....	60	Legal Investments.....	69
Risk from Weather Events.....	60	Investment Policies.....	71
Bondholders' Remedies and		Additional Provisions .....	71
Bankruptcy .....	60	INFORMATION RELATING TO THE	
Judicial Foreclosures .....	62	TRUSTEE.....	72
No Acceleration.....	62	SOURCES OF INFORMATION .....	72
Limited Secondary Market for the		General .....	72
Bonds.....	62	Developer .....	72
No Credit Rating .....	62	Experts.....	73
Bankruptcy Limitation to Bondholders'		Updating of Limited Offering	
Rights .....	62	Memorandum .....	73
Management and Ownership.....	63	FORWARD-LOOKING STATEMENTS.....	73
Dependence upon Developer.....	63	AUTHORIZATION AND APPROVAL.....	73
TAX MATTERS .....	63	APPENDIX A	General Information
Tax Exemption .....	63		Regarding the City and
Collateral Federal Income Tax		APPENDIX B	Surrounding Area
Consequences.....	64	APPENDIX C	Form of Indenture
Tax Accounting Treatment of Discount		APPENDIX D	Form of Service and
and Premium on Certain Bonds.....	64		Assessment Plan
State, Local and Foreign Taxes .....	65	APPENDIX E-1	Form of Opinion of Bond
Changes in Federal and State Tax Law .....	65		Counsel
LEGAL MATTERS .....	66	APPENDIX E-2	Form of Disclosure Agreement
Legal Proceedings .....	66		of Issuer
Legal Opinions .....	66	APPENDIX F	Form of Disclosure Agreement
Litigation — The City .....	66		of Developer
Litigation — The Developer.....	67	APPENDIX G	Financing and Reimbursement
SUITABILITY FOR INVESTMENT .....	67		Agreement and Form of First
ENFORCEABILITY OF REMEDIES .....	67		Amendment
NO RATING .....	67		Appraisal of the District
CONTINUING DISCLOSURE.....	67		
The City.....	67		
The City's Compliance with Prior			
Undertakings .....	68		



**PRELIMINARY LIMITED OFFERING MEMORANDUM**

**\$2,730,000\***

**CITY OF KYLE, TEXAS**

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

**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022**

**(PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT**

**MAJOR IMPROVEMENT AREA PROJECT)**

**INTRODUCTION**

The purpose of this Limited Offering Memorandum, including the cover page, the inside cover and the appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Kyle, Texas (the “City”), of its \$2,730,000\* aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Plum Creek North 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 INITIALLY TO AND ARE BEING SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. 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, 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 March 22, 2022 (the “Bond Ordinance”), and an Indenture of Trust, dated as of March 15, 2022 (the “Indenture”), expected to be entered into by and between the City and BOKF, NA, 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 (the “Major Improvement Area Assessments”) levied against assessed parcels (the “Major Improvement Area Assessed Property”) located within the Major Improvement Area (as defined herein) of the Plum Creek North Public Improvement District (the “District”), pursuant to a separate ordinance adopted by the City Council on November 16, 2021 (the “Assessment Ordinance”), all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

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, except as otherwise noted in “ASSESSMENT PROCEDURES,” 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 Developer (as defined herein), the PID Administrator (as defined herein), the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Financing and Reimbursement Agreement (as defined herein), the Development Agreement (as defined herein) and the Site Development Agreement (as defined herein), 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, telephone number (214) 302-2246. The form of 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

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\* Preliminary; subject to change.

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

### Development Plan

The District consists of approximately 389.19 acres making up a portion of the northern phase of a larger master planned mixed-use community known as Plum Creek (the “Development”). The southern phase and the remaining portion of the northern phase of the Development are not included within the boundaries of the District. See “THE DEVELOPMENT — Site Development Agreement – Site Development Agreement Plan.” Lennar Homes of Texas Land and Construction, LTD., a Texas limited partnership (the “Developer”), an affiliate of Lennar Corporation, owns all of the land within the District, with the exception of 13 lots that have been sold to homeowners, as of February 15, 2022, as described herein. The Developer plans to develop the District in three phases or improvement areas (each an “Improvement Area”). Such development began with the construction of certain public improvements benefiting the entire District (as further described under “THE AUTHORIZED IMPROVEMENTS — Authorized Improvements – Major Improvements, the “Major Improvements”) and certain public improvements (the “Improvement Area #1 Improvements”) benefiting only the first Improvement Area (“Improvement Area #1”). The Developer anticipates that it will follow with the construction of certain internal public improvements only benefiting future Improvement Areas (the “Future Improvement Areas”) within the District (the “Future Improvement Area Improvements”) based on market demand. The Future Improvement Area Improvements, the Major Improvements and the Improvement Area #1 Improvements are collectively hereinafter referred to as the “Public Improvements.” The land within the District other than Improvement Area #1 is hereinafter referred to as the “Major Improvement Area.” Improvement Area #1 and the Major Improvement Area are further divided into “Sections.” Improvement Area #1 consists of Sections 2-1 and 2-2. The Major Improvement Area consists of Sections 2-3, 2-4 and 2-5. See “THE DEVELOPMENT.” The boundaries of the District and each Section are shown in the “MAP SHOWING CONCEPT PLAN OF THE DISTRICT.”

The Developer finished construction of the utility and road Improvement Area #1 Projects (as defined herein) to serve Section 2-1 of Improvement Area #1 in December of 2020 and the remaining Improvement Area #1 Projects to serve Section 2-1 of Improvement Area #1 in October of 2021. The Developer began construction of the Improvement Area #1 Improvements and the Major Improvements to serve Section 2-2 of Improvement Area #1 in July of 2021. The Developer expects to complete (i) the Improvement Area #1 Improvements and a portion of the Major Improvements to serve Section 2-2 of Improvement Area #1 by the first quarter of 2022 and (ii) the remaining Major Improvements to serve Section 2-2 of Improvement Area #1 by November of 2022. The Developer expects to complete construction of the Major Improvements to serve the Major Improvement Area by 2024.

In addition to the Public Improvements, the Developer is constructing the Amenities (as defined herein), which will be available for use by the residents within the District. The Developer expects to complete construction of certain Amenities by May of 2022 and the remaining Amenities by August of 2024. See “THE DEVELOPMENT — Amenities.”

The total cost of the Major Improvement Area’s allocable share of the Major Improvements (the “Major Improvement Area Projects”) is forecasted to be approximately \$2,095,887\*. The City will finance or pay the Developer for a portion of the actual costs, paid or incurred by or on behalf of the Developer, of the Major Improvement Area Projects in the approximate amount of \$2,046,695\* through the issuance of the Bonds. The balance of the costs of the Major Improvement Area Projects will be or has been financed by the Developer without reimbursement by the City. As of February 15, 2022, the Developer has spent approximately \$14,498,564.50 on constructing the Public Improvements, of which \$642,006.59 is attributable to the Major Improvement Area Projects. The City and the Developer entered into the Plum Creek North Public Improvement District Financing and Reimbursement Agreement (as amended, the “Financing and Reimbursement Agreement”), which provides, in part, for the deposit of the Major Improvement Area Assessments and the proceeds from the issuance and sale of the Bonds, and the payment of the actual costs of the Major Improvement Area Projects. See “SECURITY FOR THE BONDS,” “THE AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER — History and

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\* Preliminary; subject to change.

Financing of the District,” “APPENDIX C — Form of Service and Assessment Plan” and “APPENDIX F — Financing and Reimbursement Agreement and Form of First Amendment.”

### **Single-Family Residential Development**

The District is expected to include approximately 1,216 single family residential lots, consisting of the following four lot types: 35’ lot (“Lot Type 1”), 43’ lot (“Lot Type 2”), 50’ lot (“Lot Type 3”) and 55’ lot (“Lot Type 4”). Improvement Area #1 is expected to include approximately 403 lots, consisting of 64 Lot Type 1, 48 Lot Type 2, 227 Lot Type 3 and 64 Lot Type 4. The Major Improvement Area is expected to include approximately 813 lots, consisting of 70 Lot Type 1, 142 Lot Type 2, 426 Lot Type 3 and 175 Lot Type 4. The Developer is and expects to be the only homebuilder in the District. The Developer began construction of homes in Section 2-1 of Improvement Area #1 in February of 2020 and, as of February 15, 2022, has 161 homes under contract with end-users and 13 homes closed with end-users. See “THE DEVELOPMENT.”

### **The Bonds**

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Actual Costs of the Major Improvement Area Projects, (ii) paying capitalized 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) paying a portion of the costs incidental to the organization and administration of the District and (v) paying the costs of issuance of the Bonds (collectively, and as more fully defined herein under “THE AUTHORIZED IMPROVEMENTS,” the “Authorized Improvements”). See “SOURCES AND USES OF FUNDS,” “THE AUTHORIZED IMPROVEMENTS” and “APPENDIX B — Form of Indenture.”

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of Assessments, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

**The Bonds shall never constitute an indebtedness or general obligation of the City, the State of Texas (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.**

### **Additional Indebtedness**

Concurrently with the issuance of the Bonds, the City expects to issue its \$6,385,000\* Special Assessment Revenue Bonds, Series 2022 (Plum Creek North Improvement District Improvement Area #1 Project) (the “IA #1 Bonds”) to (i) finance the costs of the Improvement Area #1 Improvements and Improvement Area #1’s allocable share of the Major Improvements (collectively, the “Improvement Area #1 Projects”), (ii) pay capitalized interest on the IA #1 Bonds during and after the period of acquisition and construction of the Improvement Area #1 Projects, (iii) fund a reserve account for payment of principal of and interest on the IA #1 Bonds, (iv) pay a portion of the costs incidental to the organization and administration of the District, and (v) pay the costs of issuance of the IA #1 Bonds. The IA #1 Bonds will be secured by assessments levied against assessable property within Improvement Area #1 only (the “IA #1 Assessments”). Landowners in Improvement Area #1 do not pay Major Improvement Area Assessments. **The IA #1 Assessments are not security for the Bonds.**

The City expects to issue one or more series of future phased bonds (each such series of bonds a “Future Improvement Area Bond”) to finance the cost of Future Improvement Area Improvements benefiting specific Future Improvement Areas within the Major Improvement Area as the development proceeds. The estimated costs of the Future Improvement Area Improvements will be determined as the Future Improvement Areas of the District are developed, and the Service and Assessment Plan will be updated to identify the improvements authorized by the PID Act to be financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments (the “Future Improvement Area Assessments”) levied pursuant to the PID

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\* Preliminary; subject to change.



Act on assessable property within the applicable Future Improvement Area of the District (the “Future Improvement Area Assessed Property”) that benefit from the Future Improvement Area Improvements being financed.

**The Bonds, the IA #1 Bonds, and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities secured by separate assessments. The IA #1 Bonds, any Refunding Bonds (as defined herein), and any Future Improvement Area Bonds to be issued by the City are not offered pursuant to this Limited Offering Memorandum. Investors interested in purchasing any of these other City obligations should refer to the offering documents related thereto, when and if available.**

#### 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 of 1933 and “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933. Each initial purchaser of the Bonds (each, an “Investor”) will be deemed to have acknowledged, represented and warranted to the City as follows:

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute the investment letter 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 of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, 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 the Bonds 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 of 1933 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 gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that the 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 by 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 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 Bonds and 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.

## 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 to the Underwriter (the “Closing Date”) 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 is the initial 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 or (B) any Bonds or any portion thereof that have been defeased in part; provided, however, that upon receipt by the Paying Agent/Registrar of written evidence that the Bonds have received an Investment Grade Rating, Authorized Denomination shall mean \$1,000 or any integral multiple thereof, notwithstanding any subsequent downgrade, suspension or withdrawal of such rating. 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 Bonds before their scheduled maturity date, in whole or in part, in amounts equal to Authorized Denominations, on or after September 1, 20\_\_, 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 of redemption (the “Redemption Price”).

Extraordinary Optional Redemption. The City reserves the right and option to redeem the 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 (including related transfers to the Redemption Fund made pursuant to the Indenture). The City shall notify the Trustee in writing at least 45 days before the scheduled extraordinary optional redemption date fixed by the City, or such other time period as the Trustee and the City shall mutually agree. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments.

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.

In lieu of redeeming the Bonds with the funds described in this Section, the City may purchase the Bonds in the open market of the maturity to be redeemed at the price not in excess of that provided in the Indenture.

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

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\* Preliminary; subject to change.

purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedules:

<u>\$</u>	<u>Bonds Maturing September 1, 20</u>	<u>Sinking Fund</u>
<u>Redemption Date</u>		<u>Installment</u>
September 1, 20__		\$
September 1, 20__ †		

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† Stated Maturity

<u>\$</u>	<u>Bonds Maturing September 1, 20</u>	<u>Sinking Fund</u>
<u>Redemption Date</u>		<u>Installment</u>
September 1, 20__		\$
September 1, 20__		
September 1, 20__ †		

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† Stated Maturity

At least 45 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select by lot, a principal amount of Bonds of such maturity equal to the Sinking Fund Installment 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 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 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 required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 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.

*Partial Redemption.* If less than all of the Bonds are to be redeemed pursuant to the Indenture, Bonds shall be redeemed in increments 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.

In selecting the Bonds to be redeemed pursuant to the mandatory sinking fund redemption provisions, the Trustee may select Bonds in any method that results in a random selection.

In selecting the Bonds to be redeemed pursuant to the optional redemption provisions, the Trustee may rely on the directions provided in a City Certificate.

If less than all of the Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond, as applicable, to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

Upon surrender of any Bond for redemption in part, the Trustee, in accordance with the provisions of the Indenture, shall authenticate and deliver and exchange the Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, which shall be an Authorized Denomination. A new

Bond representing the unredeemed balance of such Bond shall be issued to the Owner thereof, such exchange being without charge.

Notice of Redemption. Upon written direction of the City to the Trustee of the exercise of any redemption provision under the Indenture, the Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 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, and subject to the Indenture, 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 or the principal of and interest on the Bonds, as applicable, 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.

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 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 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. Upon written direction from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

### **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 DTC, 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 (as defined herein), 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 SEC, 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"). Direct Participants and Indirect Participants are collectively referred to herein as "Participants." DTC has an S&P Global Ratings' rating of "AA+". The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

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 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 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 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 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.

## **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.”

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 will be secured by a pledge of and a lien upon the pledged revenues (the “Pledged Revenues”), consisting primarily of the Major Improvement Area Assessments levied against the Major Improvement Area Assessed Property 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, on November 16, 2021, the City approved a service and assessment plan (as updated, amended and supplemented from time to time, including specifically as amended by the 2022 Amended and Restated Service and Assessment Plan expected to be approved on March 22, 2022, the “Service and Assessment Plan”), which describes the special benefit received by the Major Improvement Area Assessed Property, provides the basis and justification for the determination of special benefit on the Major Improvement Area Assessed Property, establishes the methodology for the levy of the Major Improvement Area 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 at least annually (each, an “Annual Service Plan Update”) for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Major Improvement Area 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 applicable law to finance the Authorized Improvements by levying Major Improvement Area Assessments upon the Major Improvement Area Assessed Property. For a description of the assessment methodology and the amounts of Major Improvement Area Assessments levied in the Major Improvement Area, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

Pursuant to the Indenture, the following terms are assigned the following meanings:

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

“Additional Interest Rate” means the incremental interest rate charged on the Major Improvement Area Assessments securing the Bonds, in excess of the interest rate charged on the Bonds, in the amount of one-half of one percent (0.50%) as authorized pursuant to the PID Act.

“Annual Installment” means with respect to the Major Improvement Area Assessments, the annual installment payments of a Major Improvement Area Assessment calculated by the PID Administrator and approved by the City Council, including: (i) principal; (ii) interest; (iii) Annual Collection Costs (as defined herein); and (iv) the Additional Interest.

“Major Improvement Area 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, (ii) a Prepayment, and (iii) Foreclosure Proceeds.

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

“Pledged Revenues” means the sum of (i) Major Improvement Area Assessment Revenue (other than Annual Collection Costs and Delinquent Collection Costs); (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.

“Quarter in Interest” means as of any particular date of calculation, the Owners of no less than 25% of the principal amount of the then Outstanding Bonds. In the event that two or more groups of Owners satisfy the percentage requirement set forth in the immediately preceding sentence and act (or direct the Trustee in writing to act) in a conflicting manner, only the group of Owners with the greatest percentage of Outstanding Bonds (as measured in accordance with the immediately preceding sentence) shall, to the extent of such conflict, be deemed to satisfy such requirement

## Collection and Deposit of Assessments

The Major Improvement Area Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds are shown on the Assessment Roll (as defined herein). The Major Improvement Area 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 Major Improvement Area 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 to correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Annual Installment of a Major Improvement Area Assessment will be made payable in the Assessment Ordinance in each City fiscal year preceding the date of final maturity of the Bonds which, if collected, will be sufficient to pay debt service requirements attributable to the Major Improvement Area Assessment 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 Major Improvement Area Assessments collected to pay Annual Collection Costs and Delinquent Collection Costs will be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

## Unconditional Levy of Major Improvement Area Assessments

The City will impose Major Improvement Area Assessments on the Major Improvement Area Assessed Property 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 Major Improvement Area Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance, which was adopted by the City Council on November 16, 2021. Each Major Improvement Area 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 Major Improvement Area Assessments. Pursuant to the Assessment Ordinance, interest on the Major Improvement Area Assessments for each lot within the Major Improvement Area will begin to accrue on the date specified in the Service and Assessment Plan and, prior to issuance of the Bonds, is calculated at a rate specified in the Assessment Ordinance. After issuance of the Bonds, Additional Interest on the Major Improvement Area Assessments for each lot within the Major Improvement Area will accrue at the rate of 0.50% as specified in the Assessment Ordinance. The rate of Additional Interest may not exceed a rate that is 0.50% higher than the actual interest rate of the Bonds, pursuant to Section 372.018 of the PID Act. Each Annual Installment, including the interest on the unpaid amount of a Major Improvement Area Assessment, shall be calculated annually and shall be due 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 levy, assess and collect, each year while the Bonds are Outstanding and unpaid, as part of the Annual Installment, an amount to pay the annual costs incurred by the City in the administration and operation of the District (the “Annual Collection Costs”). The portion of each Annual Installment of a Major Improvement Area Assessment used to pay Annual Collection Costs shall remain in effect each 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 amount collected to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinance on or about October 1 of each year and shall be delinquent if not paid by February 1 of the following year. **Amounts collected for Annual Collection Costs do not secure repayment of the Bonds.**

There is no discount for the early payment of Major Improvement Area Assessments.

The PID Act provides that the Major Improvement Area 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 Major Improvement Area Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for 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 Major Improvement Area 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. The Assessment Lien is superior to any homestead rights of a property owner that are 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. See “BONDHOLDERS’ RISKS — Assessment Limitations.”

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Major Improvement Area Assessments and such remaining Annual Installments (including interest) will 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 will 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 Chapter 1208 of the Texas Government Code, 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 State 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 Chapter 9, Business and Commerce Code, then in order to preserve to the 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 Chapter 9, Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

### **Pledged Revenue Fund**

On or before February 20, 2023, and on or before each February 20 and August 20 of each year thereafter while the Bonds are Outstanding, the City shall deposit or cause to be deposited all Pledged Revenues, other than the Pledged Revenues on deposit in the MIA Project Collection Fund, which revenues shall be transferred in accordance with the provisions set forth under “— MIA Project Collection Fund” herein, into the Pledged Revenue Fund. As soon as practicable following deposit into the Pledged Revenue Fund pursuant to the preceding sentence of the provisions set forth under “— MIA Project Collection Fund” herein, the Trustee shall apply the Pledged Revenues in the following order of priority: (i) *first*, retain in the Pledged Revenue Fund an amount sufficient to pay debt service on the Bonds next coming due in such calendar year; (ii) *second*, deposit to the Reserve Account of the Reserve Fund an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement; (iii) *third*, deposit to the Additional Interest Reserve Account of the Reserve Fund an amount equal to the Additional Interest to cause the amount in the Additional Interest Reserve Account to equal the Additional Interest Reserve Requirement; (iv) *fourth*, to pay other Actual Costs of the Major Improvement Area Projects; and (v) *fifth*, to pay other costs permitted by the PID Act. Along with each transfer to the Trustee, the City shall provide a City Certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

Along with each deposit of Pledged Revenues to the Pledged Revenue Fund, the City shall provide a City Certificate to the Trustee as to (i) the Funds and Accounts into which the amounts are to be deposited or retained, as applicable, and (ii) the amounts of any payments to be made from such Funds and Accounts.

From time to time as needed to pay the obligations relating to the Bonds, but no later than five Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund 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 Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

If, after the foregoing transfers and any transfer from the Reserve Fund (as described under the subcaptions “Reserve Account of the Reserve Fund” and “Additional Interest Reserve Account of the Reserve Fund” below), there are insufficient funds to make the payments to the Principal and Interest Account of the Bond Fund described 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 Sinking Fund Installments) on the Bonds.

Notwithstanding the above, the Trustee shall deposit within two Business Days after receipt Prepayments to the Pledged Revenue Fund and after such deposit shall transfer such Prepayments to the Redemption Fund.

Notwithstanding the above, the Trustee shall deposit within two Business Days after receipt Foreclosure Proceeds to the Pledged Revenue Fund and after such deposit shall transfer Foreclosure Proceeds, as directed by the City pursuant to a City Certificate, *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.

After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds and to fund any deficiency that may exist in any Account of the Reserve Fund and transfer of funds set forth in (i)-(iv) of the first paragraph under this subcaption, the City may direct the Trustee by City Certificate to apply Major Improvement Area Assessments for any lawful purposes permitted by the PID Act for which Major Improvement Area Assessments may be applied. The Trustee may rely on such written direction of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

### **MIA Project Collection Fund**

While any Bonds are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Major Improvement Area Assessment Revenue on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Major Improvement Area Assessment Revenue for deposit on the City's behalf, the Trustee shall accept such Major Improvement Area Assessment Revenue and deposit the same into the MIA Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited all of that portion of the Major Improvement Area Assessment Revenue deposited into the MIA Project Collection Fund that consists of the Annual Collection Costs to the Administrative Fund and, as directed pursuant to a City Certificate, deposit or cause to be deposited all of that portion of the Major Improvement Area Assessment Revenue deposited into the MIA Project Collection Fund that consists of Pledged Revenue into the Pledged Revenue Fund. The City shall provide such City Certificate on or before February 20, 2023 and every August 20 and February 20 thereafter while the Bonds are outstanding.

### **THE MIA PROJECT COLLECTION FUND IS NOT A PLEDGED FUND.**

### **Bond Fund**

On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account of the Bond Fund and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds, less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account as provided below. If amounts in the Principal and Interest Account are insufficient to pay the amounts due on the Bonds on an Interest Payment Date, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency pursuant to the Indenture. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account of the Bond Fund and transferred to the Paying Agent/Registrar.

Moneys in the Capitalized Interest Account of the Bond Fund shall be used for the payment of a portion of the interest due on the Bonds on the following dates and in the following amounts:

<u>Date</u>	<u>Amount</u>
September 1, 2022	\$
March 1, 2023	
September 1, 2023	

Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the MIA Improvements Account of the Project Fund, or if the MIA Improvements Account of the Project Fund has been closed, then 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**

Money on deposit in the MIA Improvements Account and the MIA Costs of Issuance Account of the Project Fund shall be used for the purposes specified below.

Disbursements from the MIA Improvements Account shall be made by the Trustee, in accordance with the Indenture, to pay the Actual Costs of the Major Improvement Area Projects as provided in the Service and Assessment Plan. Disbursements from the MIA Costs of Issuance Account of the Project Fund shall be made by the Trustee pursuant to and in accordance with the disbursement procedures described in the Financing and Reimbursement Agreement and the Indenture to pay costs of issuance of the Bonds pursuant to one or more City Certificates.

Disbursements from the MIA Improvements Account of the Project Fund of the Project Fund to pay Actual Costs of the Major Improvement Area Projects shall be made by the Trustee upon receipt by the Trustee of one or more City Certificates, in the form attached to the Indenture as Exhibit B, containing a properly executed and completed Certification for Payment. The disbursement of funds from the MIA Improvements Account of the Project Fund of the Project Fund pursuant to a City Certificate shall be deemed to be pursuant to and in accordance with the disbursement procedures described in the Indenture.

The indenture for the IA #1 Bonds has established an IA#1 Major Improvements Account within a separate project fund for the purposes of paying the Actual Costs of the Major Improvements allocable to Improvement Area #1 pursuant to and as described in the Service and Assessment Plan. Each Certification for Payment for the Actual Costs of one or more Major Improvements delivered under the Indenture shall set forth the amount of costs of each individual Major Improvement to be paid from the MIA Improvements Account of the Project Fund, and the amount paid from the IA#1 Major Improvements Account of the project fund established under the indenture for the IA #1 Bonds.

Disbursements from the MIA Costs of Issuance Account of the Project Fund shall be made by the Trustee pursuant to and in accordance with a City Certificate 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).

If the City Representative reasonably determines that amounts then on deposit in the MIA Improvements Account of the Project Fund are not expected to be expended for purposes of the MIA Improvements Account due to the completion, 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 MIA Improvements Account of the Project Fund will ever be expended for the purposes of the MIA Improvements Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the MIA Improvements Account that are not expected to be used for purposes of the MIA Improvements Account. If such City Certificate is so filed, the amounts on deposit in the MIA Improvements Account shall be transferred to the Redemption Fund to redeem Bonds on the earliest practical date after notice of redemption has been provided in accordance with the Indenture, and the MIA Improvements Account shall be closed.

Not later than six months following the Closing Date or upon an earlier 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 amounts on deposit in the MIA Costs of Issuance Account of the Project Fund shall be transferred to the MIA Improvements Account of the Project Fund as directed by the City in a City Certificate filed with the Trustee, and the MIA Costs of Issuance Account of the Project Fund shall be closed. If the MIA Improvements Account of the Project Fund has been closed, the amounts on deposit in the MIA Costs of Issuance Account of the Project Fund, that would have been transferred to such Account under the Indenture, shall be transferred to the Administrative Fund to reduce future payments for Annual Collection Costs.

## **Reserve Account of the Reserve Fund**

Pursuant to the Indenture, a Reserve Account has been created within the Reserve Fund, held by the Trustee for the benefit of the Bonds, and initially funded with a deposit of \$\_\_\_\_\_, which is equal to the Reserve Account Requirement, from the proceeds of the Bonds. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds is the least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date therefor, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date therefor, or (iii) 10% of the lesser of the par amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date, the Reserve Account

Requirement is \$ \_\_\_\_\_ which is an amount equal to [Maximum Annual Debt Service] on the Bonds as of the Closing Date therefor.

All amounts deposited in the Reserve Account 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 the Indenture. Whenever a transfer is made from an account of the Reserve Account 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.

Whenever Bonds are to be redeemed with the proceeds of Prepayments, 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 of the Reserve Fund 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 necessary to permit the 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. Such excess shall be transferred 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 the Indenture, unless within 45 days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due to the Rebate Fund pursuant to the Indenture, or (ii) to the MIA Improvements Account of the Project Fund, if such application and the expenditure of funds is expected to occur within three 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 Account 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 Indenture.

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 Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Outstanding Bonds as of such Interest Payment Date

#### **Additional Interest Reserve Account of the Reserve Fund**

Pursuant to the Indenture, an Additional Interest Reserve Account has been 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 set forth under “— Pledged Revenue Fund” above, an amount equal to the Additional Interest in the Additional Interest Reserve Account 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 Additional



Interest Reserve Requirement, the Trustee shall resume depositing the 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 is 5.5% of the principal amount of the Outstanding Bonds. In transferring the amounts pursuant to the Indenture, the Trustee may conclusively rely on a City Certificate, unless and until it receives a City Certificate directing that a different amount be used.

Whenever a transfer is made from an account of the Additional Interest Reserve Account 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.

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount on deposit in the Additional Interest Reserve Account exceeds the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the “Excess Additional Interest Reserve Amount”). Such excess amounts on deposit in the Additional Interest Reserve Account shall be transferred, at the direction of the City pursuant to a City Certificate, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund in order to affect the redemption of Bonds pursuant to the Indenture. 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 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 the Bonds pursuant to 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. On or before February 20, 2023, and on or before each February 20 and August 20 of each year thereafter while the Bonds are Outstanding, the City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay Annual Collection Costs, other than the Annual Collection Costs on deposit in the MIA Project Collection Fund, which amounts shall be transferred in accordance with the provisions set forth under “— MIA Project Collection Fund” herein. 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. See “APPENDIX C — Form of Service and Assessment Plan.”

### **THE ADMINISTRATIVE FUND IS NOT A PLEDGED FUND AND SHALL NOT BE SECURITY FOR THE BONDS.**

### **Defeasance**

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 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, (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, and (v) the Trustee shall have received an opinion of Bond Counsel to the effect that (A) any Bond having been deemed to have been paid as provided in the Indenture is no longer Outstanding thereunder and is no longer secured by or entitled to the benefits of the Indenture, (B) such defeasance is in accordance with the terms of the Indenture and (C) such defeasance will not adversely affect the exclusion of interest on such Bond from gross income for purposes of federal income taxation. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the Indenture 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.

“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 that at the time made are 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 will 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 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
- (iv) Default in the performance or observance of any other 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 a Quarter in Interest 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, the Trustee may, and at the written direction of the Owners of a Quarter in Interest of the Bonds 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 any action for money damages against the City shall be limited in recovery to the assets of the Trust Estate, including the Pledged Revenues and Pledged Funds. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

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 under the Indenture, 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.

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 the Indenture. 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 judgment 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 a Quarter in Interest of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted under the Indenture 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 60 days after such notice failed or refused to exercise the powers granted under the Indenture, 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 60-day period by the Owners of 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, all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Indenture 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 thereunder.

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 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 under the Indenture to the respective Owners thereof at the time and place, from the source and in the manner expressed in the Indenture 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 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, together with all amounts held by the Trustee thereunder as part of the Trust Estate, shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including Trustee's 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 or Redemption Price 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 of Funds**

Money in any Fund or Account established pursuant to the Indenture shall be invested by the Trustee only 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 (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 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. 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. In the event the City does not provide written investment directions, the Trustee is instructed to invest funds into the 38142B609 Goldman Sachs Financial Square Treasury Instruments.

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 shall be accomplished by transferring a like amount of Investment Securities unless the City instructs the Trustee otherwise by written direction.

## **Against Encumbrances**

Other than refunding bonds issued to refund all or a portion of the Bonds (“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 Pledged Funds or the Trust Estate, or any other property pledged under the 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.

So long as Bonds are Outstanding under the Indenture, the City shall not issue any bonds, notes or other evidences of indebtedness secured by any pledge of or other lien or charge on the Pledged Revenues the Pledged Funds, the Trust Estate or any other property pledged under the Indenture, except that the City may issue Refunding Bonds in accordance with the terms of the Indenture.

## **Additional Obligations or Other Liens; Refunding Bonds**

The City reserves the right 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 the Trust Estate and are not payable from the Trust Estate, or any portion thereof.

Other than Refunding 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 whatsoever whereby the lien of the Indenture or the priority thereof 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 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.

The principal of all Refunding Bonds must be scheduled to be paid, be subject to mandatory sinking fund redemption or mature on September 1 of the years in which such principal is scheduled to be paid. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 1 and September 1. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture.

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 may be issued to fund and/or to reimburse the Developer for funding the Actual Costs of Future Improvement Area Improvements. The Developer may request that the City issue Future Improvement Area Bonds; provided, however, that no Future Improvement Area Bonds shall be issued unless such Future Improvement Area Bonds are made to mature on September 1 in each of the years in which they are scheduled to mature, must bear interest at a fixed rate and any interest payment dates for the Future Improvement Area Bonds must be March 1 and September 1, and the following requirements 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 any indenture of trust authorizing the issuance of PID Bonds (as defined below) for the District;

(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 and Reimbursement Agreement, the Development Agreement, any acquisition and reimbursement agreement applicable to such Future Improvement Area or any continuing disclosure agreement entered into by the Developer relating to the PID Bonds, unless any defaults under the foregoing agreements (except for defaults under any continuing disclosure agreements entered into by

Developer which defaults shall be cured) are disclosed in a certificate from the Developer to the City and the City Council elects to proceed with the issuance of the Future Improvement Area Bonds regardless of the existence of such default or defaults;

(iii) The Trustee and the City shall receive a certificate from the PID Administrator certifying that there is no default by the Developer or any owner of more than five percent (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) With respect to Future Improvement Area Bonds to be issued for Future Improvement Areas developed after Improvement Area #1, the Trustee and the City shall receive a certificate from the Developer certifying that the Authorized Improvements to be funded with the proceeds of the Bonds have been completed;

(v) If Future Improvement Area Bonds have been issued for one or more Future Improvement Areas, the City shall receive a certificate from the Developer certifying that that the Authorized Improvements to be funded with the proceeds of such Future Improvement Area Bonds have been completed;

(vi) The Trustee and the City shall receive a certificate from the Developer certifying that at least fifty percent (50%) of the assessed parcels in the Future Improvement Area, for which Future Improvement Area Bonds will be issued, are either owned by the Developer or are under contract with merchant builder(s) or real estate developer(s) for sale to end users;

(vii) With respect to Future Improvement Area Bonds to be issued for Future Improvement Areas developed after Improvement Area #1, the Trustee and the City shall receive a certificate from the Developer certifying that a certificate of occupancy for completed homes has been issued for at least fifty percent (50%) of the lots or residential units, as applicable, in the preceding neighborhood improvement area;

(viii) The Value to Lien Ratio of each type of individual assessed parcel in the Future Improvement Area for which Future Improvement Area Bonds will be issued, based on an Independent Appraisal, shall not be less than 2.5:1; and

(ix) The Value to Lien Ratio in the Future Improvement Area for which Future Improvement Area Bonds will be issued, based on an Independent Appraisal, shall not be less than 3:1.

Future Improvement Area Bonds may be issued to fund and/or to reimburse the Developer for funding the actual costs of Future Improvement Area Improvements in one or more Future Improvement Areas simultaneously if the preceding requirements of set forth above are met with respect to Improvement Area #1 and each Future Improvement Area for which Future Improvement Area Bonds have been issued.

“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 or the District, as applicable, for which the Future Improvement Area Bonds are to be issued as established by publicly available data from the county 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 Public 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 the PID Administrator or a licensed appraiser) certifying on an individual lot type basis, the value of each lot in the Future Improvement Area or District, 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 Future Improvement Areas of the District for which PID 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.

“PID Bonds” means the Bonds, the IA #1 Bonds, Future Improvement Area Bonds, and any other bonds issued by the City and secured by assessments levied on Assessed Properties within the District.



“Value to Lien Ratio” means with respect to any Future Improvement Area Bonds, the ratio of the appraised value of a specific assessed parcel or assessed parcels, as applicable, in a Future Improvement Area or the District, as applicable, for which Future Improvement Area Bonds are issued, based on an Independent Appraisal, to the sum of (i) the principal amount of the Future Improvement Area Bonds to be issued to fund all or a portion of the costs of the Future Improvement Area Improvements in the Future Improvement Area or the District, as applicable, and (ii) the outstanding special assessments levied on such parcel or parcels, as applicable, within such Future Improvement Area.

**SOURCES AND USES OF FUNDS**

The table that follows summarizes the expected sources and uses of proceeds of the Bonds<sup>(1)</sup>:

Sources of Funds:	
Principal Amount	\$
<b>Total Sources</b>	<b>\$</b>
Use of Funds:	
Deposit to MIA Improvements Account of Project Fund	\$
Deposit to MIA Cost of Issuance Account of Project Fund	
Deposit to Capitalized Interest Account of Bond Fund	
Deposit to Reserve Account of Reserve Fund	
Deposit to Administrative Fund	
Underwriter’s Discount <sup>(2)</sup>	
<b>Total Uses</b>	<b>\$</b>

<sup>(1)</sup> To be updated and completed upon pricing.

<sup>(2)</sup> 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<sup>(1)</sup>:

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022 <sup>(2)</sup>	\$	\$	\$
2023 <sup>(2)</sup>			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
<b>Total</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>

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<sup>(1)</sup> To be updated and completed upon pricing. Preliminary; subject to change.

<sup>(2)</sup> Interest due in 2022 and 2023 will be paid from amounts on deposit in the Capitalized Interest Account.

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**OVERLAPPING TAXES AND DEBT**

*Overlapping Taxes.* The land within the Major Improvement Area has been, and is expected to continue to be, subject to taxes imposed by taxing entities other than the City. Such taxes are payable in addition to the Major Improvement Area Assessments. The City, Hays County, Texas (the “County”), Hays Consolidated Independent School District (“Hays CISD”), Austin Community College District (“Austin CCD”), Hays County Fire Emergency Services District #5 (“Hays ESD #5”) and Hays County Emergency Services District #9 (“Hays ESD #9”) 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 special assessments levied by such other taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in the Major Improvement Area.

<u>Taxing Entity</u>	<u>Major Improvement Area Tax Year 2021 Ad Valorem Tax Rate<sup>(1)</sup></u>
City of Kyle	\$0.50820
Hays County (including Special Road)	0.38670
Hays CISD	1.35970
Austin CCD	0.10480
Hays ESD #5	0.10000
Hays ESD #9	<u>0.05819</u>
<b>Total Current Tax Rate</b>	<b>\$2.51759</b>
 Estimated Average Annual Installment in the Major Improvement Area as an Equivalent Tax Rate	 <u>\$0.07585<sup>(2)</sup></u>
 <b>Estimated Total Tax Rate and Average Annual Installment in the Major Improvement Area as an Equivalent Tax Rate</b>	 <b><u>\$2.59344<sup>(2)</sup></u></b>

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<sup>(1)</sup> As reported by the individual taxing jurisdiction. Per \$100 taxable appraised value.

<sup>(2)</sup> Derived from information in the Service and Assessment Plan, and from lot counts and estimated buildout values provided by the Developer. Shown as a tax rate equivalent for illustration purposes only. Pursuant to the Financing and Reimbursement Agreement and the Service and Assessment Plan, the “Maximum Assessment” for each lot within the Major Improvement Area is equal to an amount that may not result in an equivalent tax rate that is greater than \$0.44 per \$100 of Estimated Buildout Value (as defined in the Service and Assessment Plan). See “ASSESSMENT PROCEDURES — Assessment Amounts – Method of Apportionment of Assessments,” “APPENDIX C — Form of Service and Assessment Plan” and “APPENDIX F — Financing and Reimbursement Agreement and Form of First Amendment.” Preliminary; subject to change.

*Source: Individual taxing jurisdictions and the Service and Assessment Plan.*

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Overlapping Debt. 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 or assessments. Set forth below are overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within the District, and City debt to be secured by the Major Improvement Area Assessments:

**Overlapping Debt in the Major Improvement of the District**

<u>Taxing or Assessing Entity</u>	Total Outstanding Debt as of February 1, 2022	Estimated % Applicable <sup>(1)</sup>	Direct and Estimated Overlapping Debt <sup>(1)</sup>
The City (Assessments - The Bonds)	\$ 2,730,000 <sup>(2)</sup>	100.00%	\$2,730,000 <sup>(2)</sup>
The City (Ad Valorem)	91,830,000	0.50%	459,150
Hays County	519,804,579	0.07%	363,863
Hays CISD	542,425,000	0.21%	1,139,093
Austin CCD	436,260,000	0.03%	130,878
<b>Total<sup>(3)</sup></b>	<b>\$1,593,049,579</b>		<b>\$4,822,984</b>

<sup>(1)</sup> Based on the tax year 2021 net taxable assessed valuation for the taxing entities as certified by the Hays Central Appraisal District and on \$22,030,000 appraised value of the Major Improvement Area, as shown in the Appraisal (as defined herein). See “APPRAISAL OF THE DISTRICT” and “APPENDIX G — Appraisal of the District.”

<sup>(2)</sup> Preliminary; subject to change.

<sup>(3)</sup> Hays ESD #9 does not have any outstanding debt. Hays ESD #5’s has an estimated \$3,009,359 in outstanding operating loans, as of September 30, 2020, based on the Hays ESD #5’s audited financial statements for fiscal year ending September 30, 2019.

Source: Municipal Advisory Council of Texas (gross outstanding debt secured by property taxes), the Hays Central Appraisal District and the Service and Assessment Plan.

Homeowners’ Association. In addition to the Major Improvement Area Assessments described above, the Developer anticipates that each lot owner in the District will pay an annual maintenance and operation fee and/or a property owner’s association fee to a homeowners’ association (the “HOA”) formed by the Developer. The HOA fees are expected to be approximately \$65 per month.

Agricultural Exemption. If land is devoted principally to agricultural use, the landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land’s productive capacity. Agricultural use includes production of crop or livestock. It also can include leaving the land idle for a government program or for normal crop or livestock rotation.

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 three 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 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 where use changed and not the entire tract.

All of the property within the Major Improvement Area is currently subject to an agricultural valuation with respect to its ad valorem taxes. The Developer expects to remove the agricultural valuation on a phased basis as development within the Major Improvement Area progresses, with the agricultural valuation expected to be removed from all such land by 2023. The Developer or purchasers purchasing property from the Developer will pay rollback taxes with respect to such property.

**ASSESSMENT PROCEDURES**

**General**

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given 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 Authorized Improvements through Major Improvement Area Assessments, it must adopt a resolution generally describing the Authorized Improvements and the land within the District to be subject to Major Improvement Area Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared for Improvement Area (the “Assessment Roll”), which Assessment Roll shows the land within the Major Improvement Area to be assessed, the amount of the benefit to and the Major Improvement Area

Assessment against each lot or parcel of land and the number of Annual Installments in which the Major Improvement Area Assessment is divided. The Assessment Roll was filed with the City Secretary and made available for public inspection. Statutory notice was 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 Authorized Improvements and funding the same with Major Improvement Area Assessments. The City levied the Major Improvement Area Assessments and adopted the Assessment Ordinance on November 16, 2021, at which time the Major Improvement Area Assessments became legal, valid and binding liens upon the Major Improvement Area Assessed Property against which the Major Improvement Area Assessments are made.

Under the PID Act, the costs of Authorized Improvements may be assessed by the City against the Major Improvement Area Assessed Property so long as the special benefit conferred upon the Major Improvement Area Assessed Property by the Authorized Improvements equals or exceeds the Major Improvement Area Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Major Improvement Area Assessed Property similarly benefited. The allocation of benefits and assessments to the benefited land within 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 to be received by each parcel of Major Improvement Area Assessed Property as a result of the Authorized Improvements, provides the basis and justification for the determination that such special benefit exceeds the Major Improvement Area Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Authorized Improvements 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 Authorized Improvements are being funded with proceeds of the Bonds, which are payable from and secured by Trust Estate consisting of the Pledged Revenues, including primarily the Major Improvement Area Assessments.

As set forth in the Service and Assessment Plan, the City Council has determined that initially (i) the Major Improvements shall be allocated pro rata between the Major Improvement Area Initial Parcel and the Improvement Area #1 Assessed Property (each as defined in the Service and Assessment Plan) based on Estimated Buildout Value, (ii) the District Formation Costs (as defined in the Service and Assessment Plan) shall be allocated pro rata between the Major Improvement Area Initial Parcel and the Improvement Area #1 Assessed Property based on Estimated Buildout Value and (iii) the Bond Issuance Costs (as defined in the Service and Assessment Plan) related to the Bonds shall be allocated entirely to the Major Improvement Area Assessed Property. As Parcels of the Major Improvement Area Assessed Properties are subdivided, the Authorized Improvements and the related Major Improvement Area Assessments will be reallocated in accordance with the Service and Assessment Plan, as described under “— Assessment Amounts – Method of Apportionment of Assessments” below.

The City has determined that such method of allocation will result in the imposition of equal shares of the Major Improvement Area Assessments on Parcels similarly situated within the Major Improvement Area. The Major Improvement Area 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 the Developer, all other current owners of property within the Major Improvement Area and all future owners and developers within the Major Improvement Area. See “APPENDIX C — Form of Service and Assessment Plan.”

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The table below shows the estimated value to lien analysis in the Major Improvement Area.

**Estimated Value to Lien Ratios<sup>(1)</sup>**

<u>Lot Size</u>	<u>Number of Lots<sup>(2)</sup></u>	<u>Estimated Finished Lots Values<sup>(3)</sup></u>	<u>Estimated Buildout Value per Lot<sup>(3)</sup></u>	<u>Total Estimated Buildout Value</u>	<u>Estimated Assessment Per Lot</u>	<u>Ratio of Estimated Value of Finished Lot to Assessment</u>	<u>Ratio of Estimated Buildout Value to Assessment</u>
35'	70	\$45,091	\$310,000	\$ 21,700,000	\$2,518.71	17.90 : 1	123.08 : 1
43'	142	57,069	405,000	57,510,000	3,290.58	17.34 : 1	123.08 : 1
50'	426	67,053	420,000	178,920,000	3,412.45	19.65 : 1	123.08 : 1
55'	<u>175</u>	<u>72,418</u>	<u>445,000</u>	<u>77,875,000</u>	<u>3,615.57</u>	<u>20.03 : 1</u>	<u>123.08 : 1</u>
<b>Total/Avg.<sup>(4)</sup></b>	<b>813</b>	<b>\$64,573</b>	<b>\$413,290</b>	<b>\$336,005,000</b>	<b>\$3,357.93</b>	<b>19.23 : 1</b>	<b>123.08 : 1</b>

<sup>(1)</sup> Preliminary; subject to change. Derived from information in the Service and Assessment Plan.

<sup>(2)</sup> Based on the current concept plan for the District.

<sup>(3)</sup> Provided by the Developer.

<sup>(4)</sup> Averages are weighted based on number of lots per lot size.

**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 regular ad valorem taxes of the City. The Major Improvement Area 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 Major Improvement Area 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 municipal ad valorem taxes. See “BONDHOLDERS’ RISKS — Assessment Limitations” herein.

In the Indenture, the City covenants to collect, or cause to be collected, Major Improvement Area Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Annual Installments for Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

In the Indenture, the City covenants, agrees and warrants that, for so long as any Bonds are Outstanding, 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.

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 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.

The City expects to implement the basic timeline and procedures for Major Improvement Area Assessment collections and pursuit of delinquencies set forth in Exhibit C of the Disclosure Agreement of Issuer set forth in APPENDIX E-1 and to comply therewith to the extent that the City reasonably determines that such compliance is



the most appropriate timeline and procedures for enforcing the payment of delinquent Major Improvement Area Assessments.

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 with 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 Major Improvement Area Assessments are not timely paid, there are penalties and interest as set forth below:

<u>Date Payment Received</u>	<u>Cumulative Penalty</u>	<u>Cumulative 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 Major Improvement Area Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

**Assessment Amounts**

Assessment Amounts. The amounts of the Major Improvement Area Assessments have been established by the methodology described in the Service and Assessment Plan. The Major Improvement Area Assessments have been levied against the Parcels comprising the Major Improvement Area Assessed Property as indicated on the Assessment Roll. The Assessment Roll sets forth for each year the Annual Installment for each Parcel within the Major Improvement Area Assessed Property consisting of (i) the annual portion allocable to principal and interest on the Major Improvement Area Assessment for each Parcel, (ii) the Additional Interest and (iii) the component of the Annual Installment allocable to Annual Collection Costs. The Annual Installments may not exceed the amounts shown on the Assessment Roll. See “APPENDIX C — Form of Service and Assessment Plan.”

The Annual Installments shown on the Assessment Roll will be adjusted to equal the actual costs of repaying the Bonds, the Additional Interest and actual Annual Collection Costs (as provided for in the definition of such term).

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Major Improvement Area Assessments shall initially be allocated to the Major Improvement Area Initial Parcel. Upon the division of any Major Improvement Area Assessed Property without the recording of a subdivision plat, the PID Administrator shall reallocate the Major Improvement Area Assessment for such Major Improvement Area Assessed Property prior to the subdivision among the newly divided Major Improvement Area Assessed Properties according to the following formula:

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

Where the terms have the following meaning:

A = the Major Improvement Area Assessment for the newly divided Major Improvement Area Assessed Property

B = the Major Improvement Area Assessment for the Major Improvement Area Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Major Improvement Area Assessed Property

D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

Upon the subdivision of any Major Improvement Area Assessed Property based on a recorded subdivision plat, the PID Administrator shall reallocate the Major Improvement Area Assessment for the Major Improvement Area Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

- A = the Major Improvement Area Assessment for the newly subdivided Lot
- B = the Major Improvement Area 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-Benefited Property
- E = the number of newly subdivided Lots with the same Lot Type

The following table provides the expected allocation of the Major Improvement Area Assessments based on Lot Type.

<b>Estimated Allocation of Major Improvement Area Assessments<sup>(1)</sup></b>						
<u>Lot Size</u>	<u>Number of Lots<sup>(2)</sup></u>	<u>Estimated Buildout Value per Lot<sup>(3)</sup></u>	<u>Estimated Assessment Per Lot</u>	<u>Total Assessment</u>	<u>Estimated Average Annual Installment per Lot</u>	<u>Equivalent Tax Rate per \$100 Assessed Value<sup>(4)</sup></u>
35'	70	\$310,000	\$2,518.71	\$ 176,309.88	\$235.15	\$0.07585
43'	142	405,000	3,290.58	467,261.80	307.21	0.07585
50'	426	420,000	3,412.45	1,453,703.37	318.59	0.07585
55'	175	445,000	3,615.57	632,724.96	337.55	0.07585
<b>Total/Avg.<sup>(4)</sup></b>	<b>813</b>	<b>\$413,290</b>	<b>\$3,357.93</b>	<b>\$2,730,000.00</b>	<b>\$313.50</b>	<b>\$0.07585</b>

- <sup>(1)</sup> Preliminary; subject to change. Derived from information in the Service and Assessment Plan.
- <sup>(2)</sup> Based on the current concept plan for the District.
- <sup>(3)</sup> Provided by the Developer.
- <sup>(4)</sup> Averages are weighted based on number of lots per lot size.

The Bonds are secured by a lien on and pledge of the Trust Estate consisting primarily of Pledged Revenues, including the Major Improvement Area Assessments. See “SECURITY FOR THE BONDS” and “APPENDIX C — Form of Service and Assessment Plan.”

### Prepayment of Assessments

Voluntary Prepayments. Pursuant to the PID Act and the Indenture, the owner of any Major Improvement Area Assessed Property may voluntarily prepay (a “Prepayment”) all or part of any Major Improvement Area 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, as described in the Indenture. 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 payment of regularly scheduled Major Improvement Area Assessments.

Mandatory Prepayment. If Major Improvement Area Assessed Property is transferred to a person or entity that is exempt from payment of the Major Improvement Area Assessments under applicable law or any portion of Major Improvement Area Assessed Property becomes Non-Benefited Property, the owner transferring the Major Improvement Area Assessed Property or causing the portion to become Non-Benefited Property shall pay to the City the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Major Improvement Area Assessed Property, prior to the transfer.

Prior to the City approving a final subdivision plat, the PID Administrator will certify that such plat will not result in the Major Improvement Area Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Major Improvement Area Assessed Property by a final subdivision plat causes the Major Improvement Area Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot

Type, the owner must partially prepay the Major Improvement Area Assessment for each Major Improvement Area Assessed Property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the Major Improvement Area 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 Major Improvement Area Assessments.

*Prepayment as a Result of an Eminent Domain Proceeding or Taking.* Subject to applicable law, if any portion of any Parcel of Major Improvement Area 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 Major Improvement Area Assessed Property is made to an entity with the authority to condemn all or a portion of the Major Improvement Area Assessed Property in lieu of or as a part of an eminent domain proceeding (a "Taking"), the portion of the Major Improvement Area Assessed Property that was taken or transferred (the "Taken Property") shall be reclassified as Non-Benefitted Property.

For the Major Improvement Area Assessed Property that is subject to the Taking as described in the preceding paragraph, the Major Improvement Area Assessment that was levied against the Major Improvement Area Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Major Improvement Area Assessed Property (the Major Improvement Area 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 Major Improvement Area Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property 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 Major Improvement Area Assessment that remains due on the Remaining Property, subject to an adjustment in the Major Improvement Area Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Major Improvement Area Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Major Improvement Area Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Major Improvement Area Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of prepayment, with any remainder credited against the assessment on the Remainder Property.

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

Notwithstanding the previous paragraphs in this subsection, if the owner of the Taken Property notifies the City and the PID 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 Major Improvement Area Assessment required to buy down the outstanding Major Improvement Area Assessment to the applicable Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. Said owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Major Improvement Area Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Major Improvement Area Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on the Outstanding Bonds.

*Reduction of Assessments.* If, as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement, the Actual Costs of completed Authorized Improvements are less than the Major Improvement Area Assessments, the Trustee shall apply amounts on deposit in the Project Fund that are not expected to be used for purposes of the Project Fund to redeem outstanding Bonds. Excess Bond proceeds shall be applied to redeem outstanding Bonds.

## **Priority of Lien**

The Major Improvement Area 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 Assessment Ordinance until the Major Improvement Area 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 Major Improvement Area Assessed Property may pay the entire Major Improvement Area 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 Major Improvement Area Assessments on homestead property (unless the lien associated with the Major Improvement Area 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 a Major Improvement Area Assessment will be subject to the lien established for remaining unpaid installments of the Major Improvement Area 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 Major Improvement Area 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 the Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase or make payment for the purchase of the delinquent Major Improvement Area Assessment on the corresponding Major Improvement Area Assessed Property.

In the Indenture, the City covenants to 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 cause no reduction, abatement or exemption of the Major Improvement Area Assessments, provided that the City is not required to expend any funds for collection and enforcement of Major Improvement Area Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) 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." See also "APPENDIX E-1 — Form of Disclosure Agreement of Issuer" for a description of the expected timing of certain events with respect to collection of the delinquent Major Improvement Area Assessments.

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, duly organized and existing under the laws of the State including the City's Home Rule Charter, initially adopted by the voters in the year 2000, and as amended in 2006, 2016, 2018 and 2020.

The City operates as a Home Rule City under a Council-Manager form of government with a City Council consisting of the Mayor and six Council Members. The City Manager is the chief executive officer for the City. The City covers approximately 31.25 square miles and has an estimated population of 58,500 in 2021.

The City is a thriving community having easy access to major highway and roadways, including Interstate Highway 35. The City is strategically located eight miles north of San Marcos, 20 miles south of Austin and 60 miles north of San Antonio. The City is the second largest city in Hays County and enjoys a south-central location convenient to most major population and employment centers in the State.

## **City Government**

The City is a political subdivision formed in 1880 and is a home rule municipality of the State, duly organized and existing under the laws of the State. City Council consists of the Mayor and six Council members who are elected for staggered three-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administration officer. The current members of the City Council and their respective expiration of terms of office, as well as the principal administrators of the City, are noted on page i. See “APPENDIX A – General Information Regarding the City” for more information.

## **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 includes approximately 389.19 acres and lies entirely within the corporate limits of the City and is located within Hays County. The District was created by a resolution of the City adopted on April 16, 2019 in accordance with the PID Act (the “Creation Resolution”) for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Authorized Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property. The District is not a separate political subdivision of the State and is administered by the City Council. A map of the property within the District is included on page iv hereof.

### **Powers and Authority of the City**

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, whether located within the City limits or the City’s extraterritorial jurisdiction. The PID Act provides that the City may levy and collect Assessments on property in the District, or portions thereof, payable in full or in 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 Public Improvements. See “THE AUTHORIZED IMPROVEMENTS.” 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 certain roadway, water, sanitary sewer, drainage, detention, clearing and erosion control, and parks and common area improvements within the District comprising the Public Improvements and to finance the costs thereof through the issuance of the Bonds and the IA #1 Bonds. The City has further determined to provide for the payment of debt service on the Bonds through the Pledged Revenues. See “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

## **THE AUTHORIZED IMPROVEMENTS**

### **General**

The “Authorized Improvements” consist of the (i) Major Improvement Area Projects, (ii) Bond Issuance Costs and (iii) District Formation Costs, as described below. A portion of the costs of the Authorized Improvements will be funded with proceeds of the Bonds. The balance of the costs of the Authorized Improvements will be or has been funded by the Developer, without reimbursement, under the terms of the Financing and Reimbursement

Agreement and the Service and Assessment Plan. See “APPENDIX C — Form of Service and Assessment Plan” and “APPENDIX F — Financing and Reimbursement Agreement and Form of First Amendment.”

### **Authorized Improvements**

Major Improvement Area Projects. The Major Improvement Area Projects consist of the Major Improvement Area’s allocable share of the Major Improvements listed below:

**Water.** Improvements include trench excavation and embedment, trench safety, PVC piping, fire hydrant assemblies, air release valves, gate valves, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to all property within the District.

**Wastewater.** Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to all property within the District.

**Detention.** Improvements include clearing, pond excavation and embankment, soil testing, channels, rock riprap, loose riprap walls, and construction of outfall structures. Erosion controls, revegetation, and utility improvements are also included.

**Clearing and Erosion Control.** Improvements include clear and grub, excavation, embankment, silt fence, rock berms, construction entrances, inlet protection, topsoil, and irrigation sleeves.

Bond Issuance Costs. “Bond Issuance Costs” include (i) the initial deposit to the Reserve Account, (ii) any capitalized interest on the Bonds, (iii) the Underwriter’s discount and (iv) costs related to issuing the Bonds.

District Formation Costs. “District Formation Costs” include costs associated with forming the District, including but not limited to 1st year District administration reserves, and any other cost or expense directly associated with the establishment of the District.

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## Costs of Authorized Improvements

The following table reflects the expected total costs of the Authorized Improvements. A portion of the costs of the Authorized Improvements are expected to be financed with proceeds of the Bonds.

<b>Expected Costs of Authorized Improvements<sup>(1)</sup></b>			
<u>Authorized Improvements</u>	<u>Total Expected Costs of Authorized Improvements</u>	<u>Percentage Allocable to Major Improvement Area</u>	<u>Total Expected Costs Allocable to Major Improvement Area</u>
<b>Major Improvements</b>			
Water	\$ 524,967	67.32%	\$ 353,416
Wastewater	1,514,192	67.32%	1,019,377
Detention	776,927	67.32%	523,039
Clearing and Erosion Control	<u>297,165</u>	67.32%	<u>200,056</u>
<i>Subtotal</i>	<i>\$3,113,251</i>		<i>\$2,095,887</i>
<b>Bond Issuance Costs</b>			
Debt Service Reserve	\$ 229,900	100.00%	\$ 229,900
Capitalized Interest	189,735	100.00%	189,735
Costs of Issuance	163,800	100.00%	163,800
Underwriter's Discount <sup>(2)</sup>	<u>81,900</u>	100.00%	<u>81,900</u>
<i>Subtotal</i>	<i>\$ 665,335</i>		<i>\$ 665,335</i>
<b>District Formation Costs</b>			
Deposit to Administration Fund	<u>\$ 60,000</u>	29.95%	<u>\$17,970</u>
<b>Total<sup>(3)</sup></b>	<b><u>\$3,796,556</u></b>		<b><u>\$2,779,193</u></b>

<sup>(1)</sup> Derived from information in the Service and Assessment Plan. Preliminary; subject to change.

<sup>(2)</sup> Includes Underwriter's counsel fee.

<sup>(3)</sup> Totals may not add due to rounding.

The total costs of all of the Authorized Improvements are expected to be approximately \$2,779,193\*. Only a portion of such costs, in the approximate amount of \$2,730,000\*, are expected to be paid with proceeds of the Bonds. The balance of such costs, in the total approximate amount of \$49,193\*, will be or has been funded by the Developer and will not be reimbursed by the City. As of February 15, 2022, the Developer spent approximately \$642,006.59 on constructing the Major Improvement Area Projects.

The Appraisal estimates that the value of the property within the Major Improvement Area under certain conditions, including the completion of all of the Major Improvement Area Projects, is \$22,030,000. The Appraisal is attached hereto as APPENDIX G and should be read in its entirety in order to understand the meaning and basis of the information set forth therein. The Appraisal is addressed to the City and the Underwriter. The estimates of value presented in the Appraisal are no indication of the appraised property's actual market value. Investors should not assume that the disposition of the lots in the Major Improvement Area in the event of default would provide sufficient funds to pay the principal of Bonds outstanding at that time. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth in the Appraisal. See "APPRAISAL OF PROPERTY WITHIN THE DISTRICT" for further information regarding the Appraisal, including with respect to such assumptions, hypothetical conditions and qualifications.

## Ownership and Maintenance of Major Improvement Area Projects

The Major Improvement Area Projects will be dedicated to and accepted by the City and will constitute a portion of the City's infrastructure improvements. The City will provide for the ongoing maintenance and repair of the Major Improvement Area Projects constructed and conveyed, as outlined in the Service and Assessment Plan.

\* Preliminary; subject to change.

## THE DEVELOPMENT

*The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.*

### Overview

The Development is an approximately 2,200-acre project, of which approximately 389.19 acres comprises the District. The Development is situated between FM 1626 and Jack C Hays Trail (R.M. 2770) with Kohlers Crossing (County Road 171) running through the Development. The Development is approximately two miles from Interstate 35. “Phase I” of the Development is located south of Kohlers Crossing. “Phase II” of the Development, which includes the property within the District and an additional approximately 480 acres of land not owned by the Developer (“Phase II – Mountain Plum”), is located north of Kohlers Crossing.

The District is within the boundaries of Tax Increment Reinvestment Zone Number Two, City of Kyle (the “Zone”). The Zone was created for the purpose of providing public improvements, including (i) public water distribution, wastewater collection and storm drainage facilities, (ii) adequate, roadway systems for mobility access, and orderly development, and (iii) parks, plazas and other public spaces for public gatherings, community events and community celebrations (the “Zone Projects”). The City and Hays County have each agreed to contribute 50% of the ad valorem taxes collected and received by such taxing entity on the captured appraised value of the Zone to pay for the Zone Projects. The Developer is not responsible for the construction of any of the Zone Projects and none of the Zone Projects to be financed through the Zone are considered Authorized Improvements.

### Development Plan and Status of Development

*Phase I.* Development of Phase I of the Development began in or around 1997 pursuant to the terms of the Agreement between the City of Kyle, Plum Creek Development Partners, LTD. (“Plum Creek Partners”), and William Negley, Trustee, for Development and Annexation of Phase I of the Plum Creek Ranch Property (the “Original Development Agreement”). The Original Development Agreement was amended by (i) Addendum Number One (“Addendum One”) between the City, Plum Creek Partners and Mountain Plum, Ltd. (“Mountain Plum”), (ii) Addendum Number Two (“Addendum Two”) between the City, Plum Creek Partners and Mountain Plum, (iii) Addendum Number Three (“Addendum Three”) between the City and Benchmark Land Development, Inc. (“Benchmark”), on behalf of Plum Creek Partners, (iv) Addendum Number Four (“Addendum Four”) between the City, Plum Creek Partners and Mountain Plum and (v) Addendum Number Five (“Addendum Five”) between the City and the Developer (the Original Development Agreement, together with each Addendum, the “Development Agreement”).

Phase I was developed over time by Plum Creek Partners, Mountain Plum and Benchmark, and includes an elementary school, a middle school, 5000+ single family homes, 75+ acres of commercial sites, 100+ acres of amenities and a 27-hole golf course, as generally depicted on the “Concept Plan” shown below.

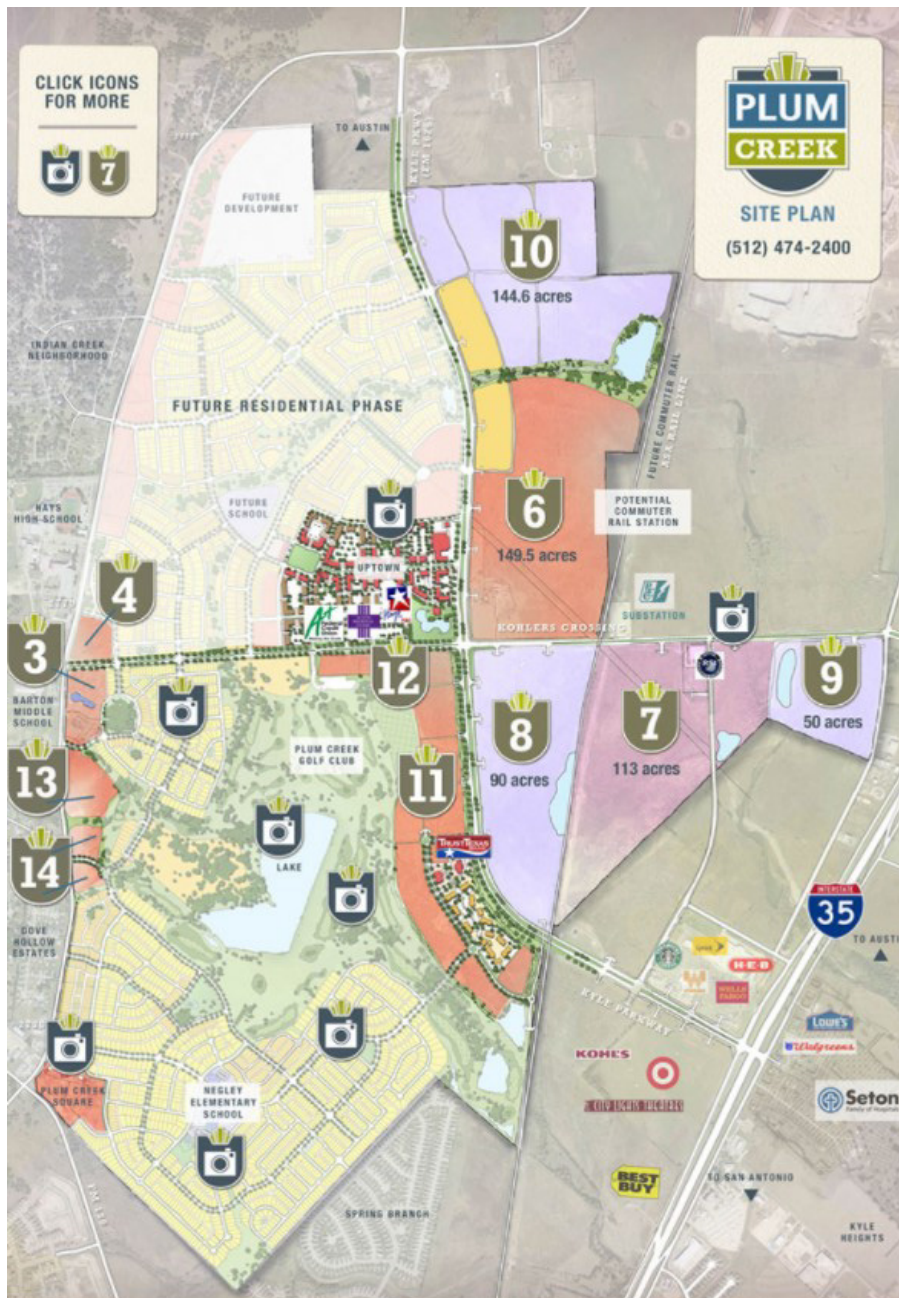
*Phase II.* The Developer purchased the land comprising the District in 2016. As of February 15, 2022, the Developer owned all of the land within the District, with the exception of 13 lots that had been sold to homeowners. The Developer plans to develop the District in three Improvement Areas. Such development began with the construction of the Major Improvements and the Improvement Area #1 Improvements. The Developer anticipates that it will follow with the construction of the Future Improvement Area Improvements based on market demand.

The Developer finished construction of the utility and road Improvement Area #1 to serve Section 2-1 of Improvement Area #1 in December of 2020 and the remaining Improvement Area #1 Projects to serve Section 2-1 of Improvement Area #1 in October of 2021. The Developer began construction of the Improvement Area #1 Improvements and the Major Improvements to serve Section 2-2 of Improvement Area #1 in July of 2021. The Developer expects to complete (i) the Improvement Area #1 Improvements and a portion of the Major Improvements to serve Section 2-2 of Improvement Area #1 by the first quarter of 2022 and (ii) the remaining Major Improvements to serve Section 2-2 of Improvement Area #1 by November of 2022. The Developer expects to complete construction of the Major Improvements to serve the Major Improvement Area by 2024. In addition to the Public Improvements, the Developer is constructing the Amenities, which will be available for use by the residents within the District.



Phase II - Mountain Plum is the approximately 480-acres of land within the Development north of Kohler's Crossing that is owned by Mountain Plum, which includes Uptown and Areas 6 and 10. The Brick & Mortar District (Uptown) comprises approximately 162.5 acres and serves as a walkable, town center providing a mix of high end commercial and residential. The residential will be mix of multifamily, vertical mixed-use, townhomes and the commercial will be designed in an urban manner to facilitate parking once and shopping all day. Two parks are currently under construction within Phase II – Mountain Plum, La Verde Park (central square) and Hero's Memorial Park). Both parks will be connected by the cultural trail, to guide residents and visitors throughout the development. Areas 6 & 10, which are approximately 318 acres, are east of FM 1626 and north of Kohler's Crossing. Area 6 is intended to be developed as an area for Class-A office and an extension of the Brick & Mortar District. Area 10 is intended to have a focus on employment where Austin businesses go to grow. It is only approximately 20 minutes south of Austin and approximately an hour north of San Antonio, within the Innovation Corridor.

Concept Plan. The general Concept Plan for the Development from 2010, which has been revised over time and is subject to further revisions, is shown below.



*Single Family Lot and Home Development Within the District.* The District is expected to include approximately 1,216 single family residential lots, consisting of 35' lots (Lot Type 1), 43' lots (Lot Type 2), 50' lots (Lot Type 3) and 55' lots (Lot Type 4). Improvement Area #1 is expected to include approximately 403 lots, consisting of 64 Lot Type 1, 48 Lot Type 2, 227 Lot Type 3 and 64 Lot Type 4. The Major Improvement Area is expected to include approximately 813 lots, consisting of 70 Lot Type 1, 142 Lot Type 2, 426 Lot Type 3 and 175 Lot Type 4. The following table shows the expected number and type of lots within each Improvement Area of the District.

<b>Expected Single-Family Lots within the District<sup>(1)</sup></b>				
<u>Lot Size</u>	<u>Improvement Area #1</u>	<u>Improvement Area #2<sup>(2)</sup></u>	<u>Improvement Area #3<sup>(2)</sup></u>	<u>Total number of Lots</u>
35'	64	70	-	134
43'	48	72	70	190
50'	227	141	285	653
55'	<u>64</u>	<u>112</u>	<u>63</u>	<u>239</u>
<b>Total</b>	<b>403</b>	<b>395</b>	<b>418</b>	<b>1,216</b>

<sup>(1)</sup> Provided by the Developer

<sup>(2)</sup> The Major Improvement Area includes Improvement Area #2 and Improvement Area #3.

The Developer is and expects to be the only homebuilder in the District. The Developer began construction of homes in Section 2-1 of Improvement Area #1 in February of 2022 and, as of February 15, 2022, has 161 homes under contract with end-users and 13 homes closed with end-users. The anticipated schedule for sale of single-family homes to homeowners within Improvement Area #1 and the Major Improvement Area are shown in the following tables.

**Expected Sale of Single-Family Lots to Homeowners by Lot Type in Improvement Area #1<sup>(1)</sup>**

<u>Year End</u>	<u>35' Lot</u>	<u>43' Lot</u>	<u>50' Lot</u>	<u>55' Lot</u>	<u>Total Lots</u>
2021	0	0	5	1	6
2022	14	20	122	13	169
2023	<u>50</u>	<u>28</u>	<u>100</u>	<u>50</u>	<u>228</u>
<b>Total</b>	<b>64</b>	<b>48</b>	<b>227</b>	<b>64</b>	<b>403</b>

<sup>(1)</sup> Absorption schedules in the Appraisal may vary.

**Expected Sale of Single-Family Lots to Homeowners by Lot Type in Major Improvement Area<sup>(1)</sup>**

<u>Year End</u>	<u>35' Lot</u>	<u>43' Lot</u>	<u>50' Lot</u>	<u>55' Lot</u>	<u>Total Lots</u>
2023	19	39	185	53	296
2024	19	47	149	56	271
2025	<u>32</u>	<u>56</u>	<u>92</u>	<u>66</u>	<u>246</u>
<b>Total</b>	<b>70</b>	<b>142</b>	<b>426</b>	<b>175</b>	<b>813</b>

<sup>(1)</sup> Absorption schedules in the Appraisal may vary.

The following table shows the status of single-family lot and home construction in Improvement Area #1 as of February 15, 2022.

**Status of Single-Family Lot and Home Construction in Improvement Area #1<sup>(1)</sup>**

<u>Lot Size</u>	<u>Total No of Lots</u>	<u>Completed Lots</u>	<u>Homes Under Construction</u>	<u>Completed Homes</u>	<u>Completed</u>		
					<u>Homes Not Sold or Under Contract with Homeowners</u>	<u>Homes Under Contract with Homeowners<sup>(2)</sup></u>	<u>Homes Sold to Homeowners</u>
35'	64	0	0	0	0	0	0
43'	48	33	30	0	1 <sup>(1)</sup>	27	0
50'	227	137	125	11	1 <sup>(1)</sup>	111	11
55'	<u>64</u>	<u>32</u>	<u>25</u>	<u>2</u>	<u>1<sup>(1)</sup></u>	<u>23</u>	<u>2</u>
<b>Total</b>	<b>403</b>	<b>202</b>	<b>180</b>	<b>13</b>	<b>3</b>	<b>161</b>	<b>13</b>

<sup>(1)</sup> Lot totals include 3 model homes.

<sup>(2)</sup> Homes under contract with homeowners include homes that are still under construction.

The actual and expected lot and home prices within Improvement Area #1 of the District are as follows:

**Single-Family Lot and Home Prices in Improvement Area #1**

<u>Lot Size</u>	<u>Total No of Lots</u>	<u>Average Base Lot Price<sup>(1)</sup></u>	<u>Estimated Average Base Home Price<sup>(2)</sup></u>
35'	64	\$42,490	\$310,000
43'	48	52,202	405,000
50'	227	60,700	420,000
55'	64	66,770	445,000
<b>Total/Avg.</b>	<b>403</b>	<b>\$57,796</b>	<b>\$404,715</b>

<sup>(1)</sup> Provided by the Developer. The Developer expects to be the only homebuilder in the District and does not expect to sell lots to homebuilders.

<sup>(2)</sup> Estimated base home prices have been provided by the Developer.

The actual and expected lot and home prices within the Major Improvement Area of the District are as follows:

**Single-Family Lot and Home Prices in the Major Improvement Area**

<u>Lot Size</u>	<u>Total No of Lots</u>	<u>Average Base Lot Price<sup>(1)</sup></u>	<u>Estimated Average Base Home Price<sup>(2)</sup></u>
35'	70	\$45,091	\$310,000
43'	142	57,069	405,000
50'	426	67,053	420,000
55'	175	72,418	445,000
<b>Total/Avg.</b>	<b>813</b>	<b>\$64,306</b>	<b>\$404,715</b>

<sup>(1)</sup> Provided by the Developer. The Developer expects to be the only homebuilder in the District and does not expect to sell lots to homebuilders.

<sup>(2)</sup> Estimated base home prices have been provided by the Developer.

**Financing and Reimbursement Agreement**

The City and the Developer entered into the Financing and Reimbursement Agreement pursuant to which the Developer agreed to construct certain public improvements within the District, including the Major Improvement Area Projects, and the City agreed to reimburse the Developer for a portion of the costs of such improvements. Pursuant to the Financing and Reimbursement Agreement, the City may issue bonds to fund such improvements if the following requirements, among others, are met: (i) the final maturity for each series of bonds shall occur no later than 20 years from the issuance of said bonds, (ii) no assessments shall be levied on any given portion of the District for the payment of such public improvements that would cause the aggregate assessments, and annual installments thereof, to exceed an amount that produces the “Maximum Equivalent Tax Rate”, calculated at the time such assessments are levied and (iii) the minimum appraised value to lien ratio at the issuance date of each series of bonds shall be 3 to 1. “Maximum Equivalent Tax Rate” means, for each lot classification identified in the Service and Assessment Plan, \$0.44 per \$100 of estimated buildout value.

Pursuant to the Financing and Reimbursement Agreement, the City shall not be obligated to make any payment to the Developer thereunder until the City has received the sum of \$2,000,000 (the “Development Agreement Contribution”), as provided for in Addendum Five, as described below under “— Development Agreement.” Additionally, the City shall not be obligated to make any payment to the Developer from the proceeds of any Future Improvement Area Bonds until the City has received the sum of \$600,000 (the “Multi-Use Tract Improvement Deposit”), as provided for in Addendum Five, as described below under “— Development Agreement.” The Development Agreement Contribution shall not be paid from the proceeds of any bonds for the District.

The City and the Developer expect to enter into the First Amendment to the Plum Creek North Public Improvement District Financing and Reimbursement Agreement on March 22, 2022 (the “First Amendment”). To ensure funds are available to complete the Improvement Area #1 Projects, in the First Amendment, the Developer agrees that prior to drawing down funds from the project fund created under the indenture for the IA #1 Bonds, the Developer must expend amounts equal to approximately \$15,196,685\*, which is equal to the difference between the

\* Preliminary; subject to change.

total costs of the Improvement Area #1 Projects, as set forth in the Service and Assessment Plan, and the amount of IA #1 Bonds proceeds available to fund the actual costs of the Improvement Area #1 Projects.

Pursuant to the First Amendment, the aggregate principal amount of PID Bonds issued to finance Public Improvements within the District shall not exceed the lesser of (i) an amount sufficient to fund: (a) the actual costs of the Public Improvements, (b) required reserves and capitalized interest of not more than 12 months after the completion of construction of the applicable Public Improvements funded by the PID Bond issue in question and in no event for a period greater than 12 months from the date of the initial delivery of the applicable PID Bonds and (c) bond issuance costs or (ii) \$25,000,000.00. Provided, however, that to the extent the law(s) which limit the period of capitalized interest to 12 months after completion of construction change, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of future PID Bond issuances. See “APPENDIX F — Financing and Reimbursement Agreement and Form of First Amendment.”

## **Development Agreement**

*General.* Development of the Development is governed by the Development Agreement. The Original Development Agreement among the City, Plum Creek Partners and William Negley, set forth the development standards and requirements for Phase I of the Development and provided the right to integrate and include Phase II of the Development, including the property within the District, within the terms and provisions of the Original Development Agreement by executing an addendum to the Original Development Agreement or by filing and obtaining approval of the Plum Creek Phase II Master Plan. Prior to execution of Addendum One, William Negley assigned and transferred a portion of his interest in the Original Development Agreement to Mountain Plum. Pursuant to Addendum One, the provisions of the Original Development Agreement became applicable to the property within the District. In Addendum One, the City agreed to provide water and wastewater service to the District subject to sufficient capacity being available from time to time for wastewater treatment, wastewater transmission, water treatment, potable water and water transmission. The City agreed to use reasonable efforts and take reasonable action to ensure the availability of sufficient water and wastewater to serve the District. Prior to execution of Addendum Five, Mountain Plum assigned and transferred its interest in the District to Benchmark and, thereafter, Benchmark assigned and transferred its interest to the Developer.

*Addendum Five.* The City and the Developer entered into Addendum Five to the Original Development Agreement, effective as of April 16, 2019, pursuant to which the Developer agreed to construct certain public improvements within the District, including the Public Improvements, and the City agreed to reimburse the Developer for a portion of the costs of such improvements. Pursuant to the Development Agreement, the City may issue bonds to fund the Public Improvements and related bond issuance and related financing costs in a maximum principal amount totaling \$25,000,000.

In accordance with Addendum Five:

(i) The Developer will pay to the City the Development Agreement Contribution, in the amount of \$2,000,000, to cover the District’s portion of offsite improvements and related work necessary for water utility service to be extended to the District, which improvements include a portion of the Anthem Water Tower and portions of a new water transmission line from Anthem to the District. The Development Agreement Contribution is contingent upon and is due and payable after the City authorizes the issuance of the first series of PID Bonds and at the time the trustee for such PID Bonds receives the proceeds of such PID Bond issuance. The Developer will pay the City the Development Agreement Contribution within ten days of the date that the City gives the Developer written notice of the trustee’s receipt of the PID Bond proceeds. The PID Bond proceeds will not be authorized to be distributed to the Developer until the City receives the Development Agreement Contribution.

(ii) Upon the earlier to occur of: (A) within ten days of the date that the City gives the Developer written notice of the trustee’s receipt of the PID Bond proceeds for the second PID Bond issuance; or (B) at the time the Developer conveys the Multi-Use Tract (as defined herein) to the City, the Developer shall pay to the City the Multi-Use Tract Improvement Deposit, in the amount of \$600,000. The Multi-Use Tract Improvement Deposit shall be held in a separate account by the City and used to improve the Multi-Use Tract and the Option Land (as defined herein), if acquired by the City, for soccer fields and related improvements (including but not limited to parking and lighting) and recreational uses.

(iii) The Developer owns that certain 22.204-acre tract, more or less, within the District that is designated as “Detention/Drainage/Recreation Space” and “Neighborhood 3 or Detention/Drainage/Recreation Space” on the “Preliminary Land Plan” shown below (the “Multi-Use Tract”). Within 30 days after the Developer’s drainage improvements within the Multi-Use Tract (as described below) are complete, but no later than December 31, 2027, the Developer will convey to the City in fee simple the Multi-Use Tract, using an instrument acceptable to the City free of all liens and encumbrances. The Developer expects to convey the Multi-Use Tract to the City in 2023.

(iv) The Developer will notify the City at the time that the Developer begins to design the Stormwater Detention Facility (as defined herein). The City will notify the Developer within 21 days regarding whether the City wishes to enter into an agreement with the Developer to cause the Developer’s engineer to design the drainage improvements on the Multi-Use Tract to certain specifications that allow all-weather soccer play or other all-weather recreational uses (the “Recreational Use Improvements”). The City will pay for the cost of the design for the Recreational Use Improvements.

The Developer notified the City when it began construction of the Stormwater Detention Facility. The City has not yet notified the Developer if it wishes to enter into an agreement with the Developer to cause the Developer’s engineer to design the Recreational Use Improvements.

(v) The City has indicated its desire for the District to include additional area for all-weather soccer fields. The Developer grants to the City an option for the City to acquire from the Developer land up to five acres, as described on the Preliminary Land Plan shown below (the “Option Land”), upon which the City will construct up to two additional all-weather soccer fields and related improvements. The City must notify the Developer of its intent to acquire the Option Land within 24 months after the Developer completes construction of the first 150 residential building lots within the District. The Option Land must include any areas required for drainage improvements associated with improvements to be constructed thereon. The purchase price for the Option Land shall be paid to the Developer in cash for the sum of \$224,260 per acre or, at the City’s election, in the form of credits for park land fees due under the City’s ordinances and the Development Agreement, or a combination thereof. Should the City not begin construction of recreational improvements on the Option Land within five years after the City’s acquisition of such land, the Developer will have a right of reentry to repurchase the Option Land from the City at the paid price by the City.

The City has notified the Developer of its intent to acquire the Option Land. The Developer expects to convey the Option Land to the City in 2023.

(vi) There may be an opportunity for the District stormwater drainage and detention requirements to be met by offsite regional detention facilities. In the event that, within 90 days after the effective date of the Addendum Five, the City provides the Developer with an engineered drainage study demonstrating, or the City and the Developer otherwise determine, that offsite regional detention facilities will meet the District’s stormwater drainage and detention requirements, the City and the Developer will work in good faith to cause the District to be served by such facilities; provided that the District will only be required to spend or cost-participate in regional detention facilities up to the amount the District would have spent for onsite drainage and detention facilities, and provided further that participation in regional detention will not delay development of the District.

The City and the Developer have determined that offsite regional detention facilities, in conjunction with the Stormwater Detention Facility described below, will meet the District’s stormwater drainage and detention requirements. Mountain Plum is constructing such offsite facilities. In connection with the construction of the offsite facilities, Mountain Plum and the Developer entered into a cost participation agreement, whereby the Developer and Mountain Plum agreed to share in the costs of such facilities, with the Developer and Mountain Plum being responsible for 40% and 60% of the costs, respectively. The portion of the offsite facilities that benefit the District are included in the costs of the Major Improvements. The offsite facilities are approximately 75% complete and are expected to be accepted by the City in early to mid-2022.

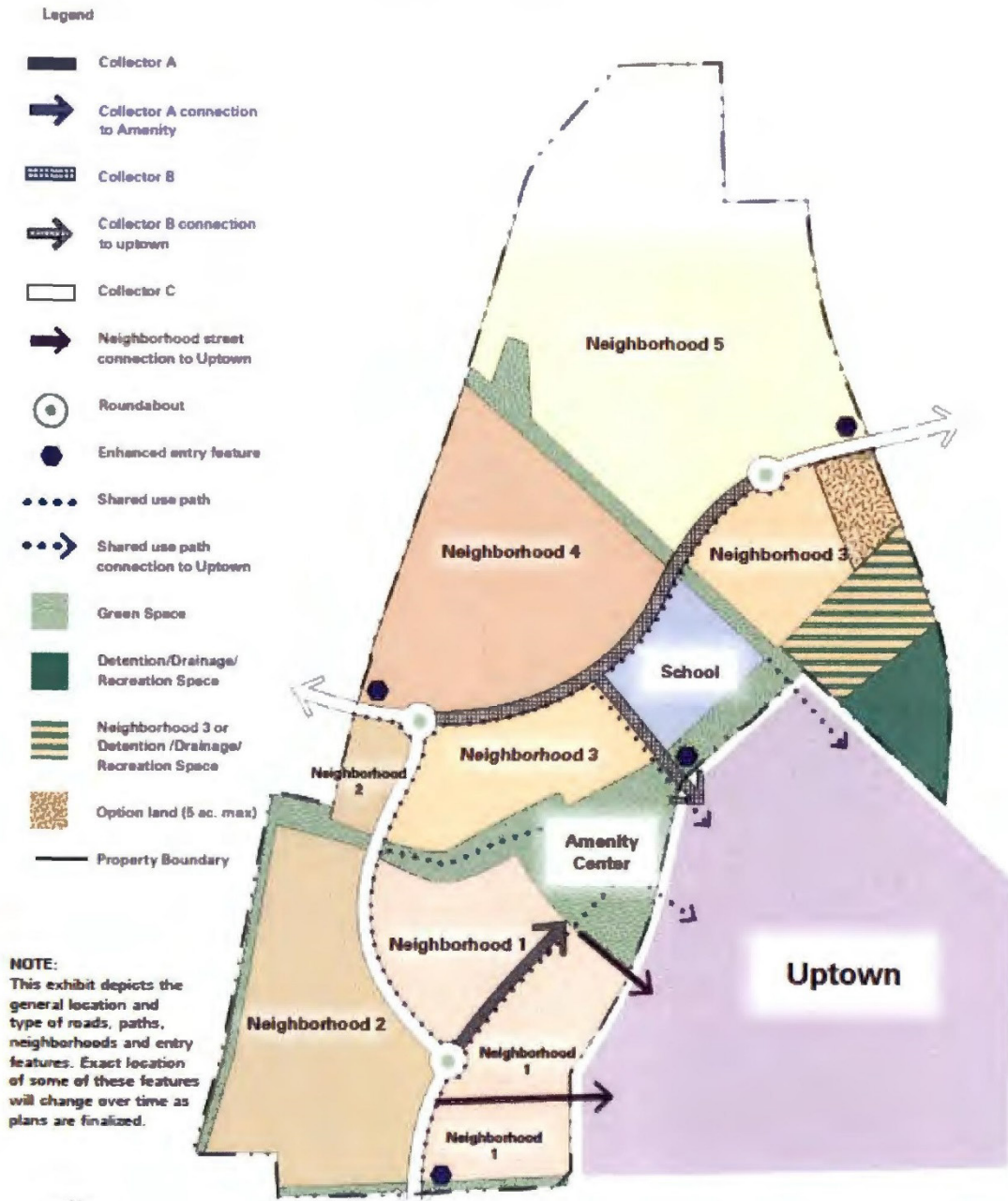
(vii) The Developer is a party to that certain Site Development Agreement described below, in which the Developer has agreed to construct a stormwater detention facility on all or a portion of the Multi-Use Tract, referred to in the Site Development Agreement as the “Stormwater Detention Facility.” The Developer acknowledges and agrees that the obligation to construct the Stormwater Detention Facility in accordance with the terms of the Site Development and to provide drainage benefit for the 36 acres of land as described in the Addendum Five, as well as any other infrastructure required to be constructed on the Multi-Use Tract under the Site Development Agreement

("the Site Development Agreement Obligations"), remain the Developer's obligation and shall not transfer to the City when the Multi-Use Tract or any portion of the Multi-Use Tract is conveyed to the City. In the event that the Developer conveys the Multi-Use Tract to the City before the Developer constructs the Stormwater Detention Facility or the infrastructure, the City and the Developer will execute a license agreement in the form provided by the City that authorizes the Developer to access the Multi-Use Tract to construct the Stormwater Detention Facility and the infrastructure.

The portion of the Stormwater Detention Facility that benefits the District is included in the costs of the Major Improvements. The remaining costs to construct the Stormwater Detention Facility have or will be financed by the Developer and will not be reimbursed through the District. The Developer expects to complete the Stormwater Detention Facility in early to mid-2022.

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### PRELIMINARY LAND PLAN



<sup>(1)</sup> Uptown is not included within the District.



## Site Development Agreement

The Developer and Mountain Plum entered into the Site Development Agreement effective as of August 25, 2016 (the “Site Development Agreement”), which sets forth each of the Developer’s and Mountain Plum’s obligations with respect to the construction and development of Phase II of the Development, as outlined below.

Water Improvements. Mountain Plum shall be responsible for constructing (i) the extension of the water line from Kohler’s Crossing through Areas 6/10 to FM 1626 and (ii) the water line located within Phase II – Mountain Plum, running east from the amenity center towards FM 1626, as shown in the “Site Development Agreement Plan” set forth below.

The Developer shall be responsible for constructing (i) the extension of the water line from Kohler’s Crossing through the District, (ii) the water connection stub-outs to serve the District, (iii) the water line extending from Kohler’s Crossing to a point south of the Stormwater Detention Facility located within the District and reflected as “Pond” on the Site Development Agreement Plan set forth below.

The aforementioned water improvements are part of the Major Improvements under the Service and Assessment Plan. The water improvements are partially complete, and the Developer expects to complete construction in 2024.

Wastewater Improvements. The Developer shall be responsible for constructing the wastewater connection stub-outs to serve the District on the Site Development Agreement Plan set forth below. The wastewater connection stub-outs are part of the Major Improvements under the Service and Assessment Plan. The wastewater connection stub-outs are partially complete, and the Developer expects to complete construction in 2024.

The Developer has agreed to construct the extension to the existing wastewater line that, as of the date of the Site Development Agreement, stopped just north of Kohler’s Crossing, so that it connects to the District (the “Wastewater Line Extension”), which Wastewater Line Extension will serve both the District and Phase II – Mountain Plum. The Developer and Mountain Plum agreed to share in the cost of the Wastewater Line Extension with the Developer and Mountain Plum being responsible for 25% and 75% of the costs, respectively.

The costs related to the portion of the Wastewater Line Extension that benefits the District are part of the Major Improvements under the Service and Assessment Plan. The Wastewater Line Extension is partially complete, and the Developer expects to complete construction in 2024.

Stormwater Detention Facility. The Developer shall be responsible for constructing the Stormwater Detention Facility located within the District, as depicted on the Site Development Agreement Plan as “Pond.” The Developer agreed to complete the Stormwater Detention Facility at the same time as it first develops residential lots or improvements within the District that will drain to the Stormwater Detention Facility.

The costs related to the portion of the Stormwater Detention Facility that benefits the District are part of the Major Improvements under the Service and Assessment Plan. The remaining costs to construct the Stormwater Detention Facility have or will be financed by the Developer and will not be reimbursed through the District. The Developer has completed construction of the Stormwater Detention Facility.

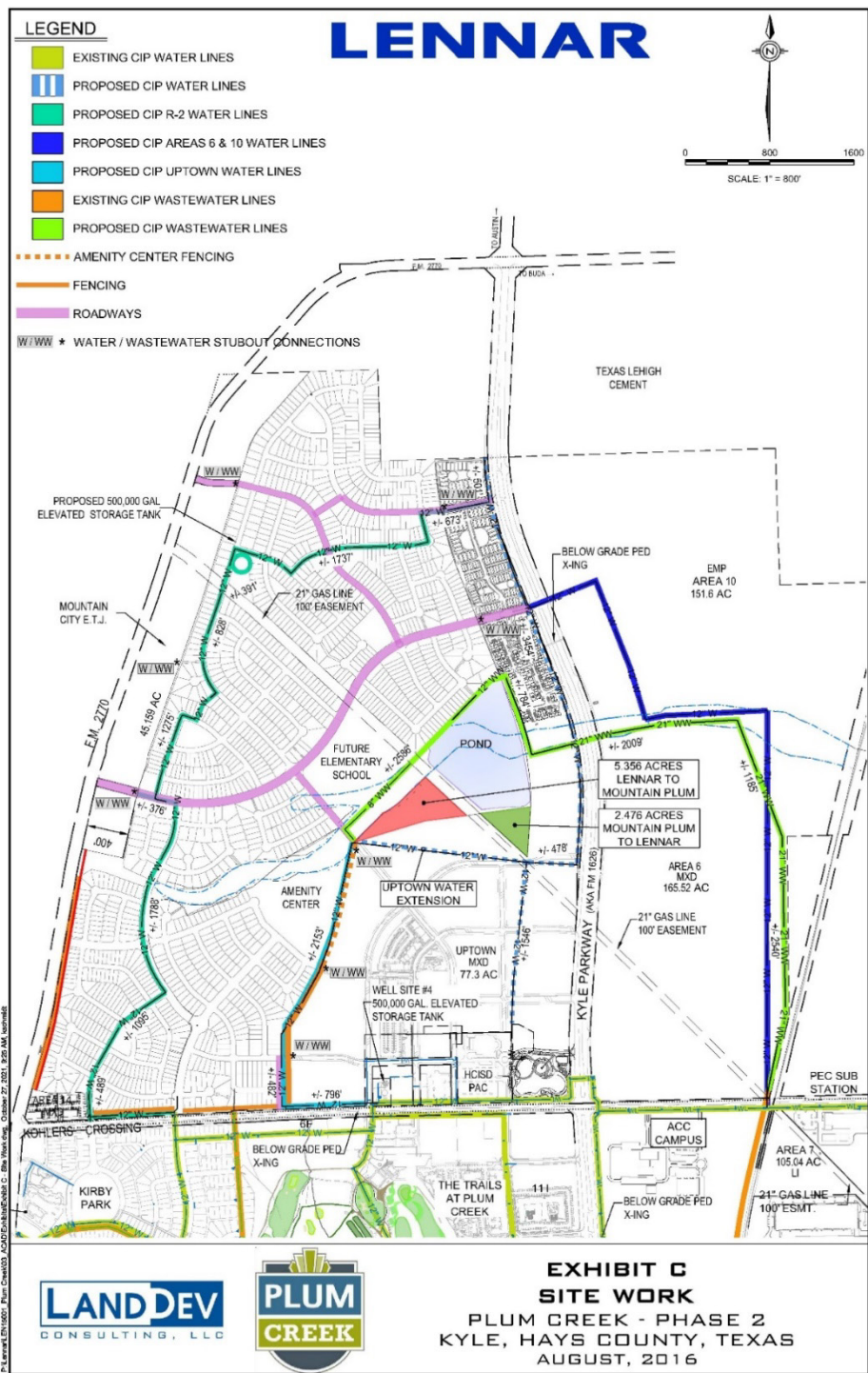
Roadway Improvements. The Developer shall be responsible for constructing the roadway improvements to serve the District, as shown on the Site Development Agreement Plan set forth below. The roadway improvements are part of the Major Improvements under the Service and Assessment Plan. The roadway improvements are partially complete, and the Developer expects to complete construction in 2024.

Trail Connections. The Developer shall be responsible for constructing four connections to the pedestrian and bicycle trails located within the District. The trail connections are partially complete, and the Developer expects to complete construction in 2024. The portion of the trail connections benefiting Improvement Area #1 are included in the costs of the Improvement Area #1 Improvements. The remaining portion of the trail connections will benefit Future Improvement Areas and the Developer expects that such costs will be included as Future Improvement Area Improvements.



Land Dedication. Pursuant to the Site Development Agreement, the Developer agreed to dedicate and convey to the City, as and when required by the City, no less than 17 acres within the District, no less than 10 acres of which shall be utilized by the City for an elementary school. Mountain Plum agreed to dedicate and convey to the City, as and when required by the City, 17 acres or such amount together with improvements that the City says fulfills the applicable requirements out of Phase II – Mountain Plum.

Site Development Agreement Plan.



## Photographs of the Development

The following photographs show the entrance to the District, the entrance into a subdivision within the District, ongoing home construction within Section 2-1 of Improvement Area #1, ongoing construction of the Improvement Area #1 Improvements within Section 2-2 of Improvement Area #1, and ongoing construction of one of the amenity centers, respectively.



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**Amenities**

The Developer expects to construct (i) a main amenity center, which is anticipated to include an upgraded pool (which shall consist at a minimum of an adult pool, a kiddie pool or kiddie pool offset, a splash pad or similar

water feature, and a covered patio and seating area), a conditioned community building, playscapes and outdoor theater, such construction expected to be complete in May of 2022 and (ii) a secondary major amenity center, which is anticipated to include a pool and other outdoor recreational features (which shall consist at a minimum of a covered patio and seating area suitable for barbecue area, parties, and general gathering, a playscape and outdoor playground area), such construction expected to be complete in August of 2024 (collectively, the “Amenities”). All of the Amenities will be located within the Major Improvement Area. The Developer expects the Amenities to cost approximately \$5,000,000 to construct. The Developer is financing the costs of the Amenities with cash and will not be reimbursed by the City. The Amenities will be owned, operated and maintained by the HOA and will only be available for owners of single-family residential homes within the District.

The District will also include pedestrian and bicycle trails, which are expected to consist of one 10’ trail and one 6’ trail. The Developer expects to construct the trails within each Improvement Area of the District on a phased basis. The trails within Improvement Area #1 are part of the Improvement Area #1 Improvements being financed with proceeds of the Bonds. The trails anticipated to be constructed within Future Improvement Areas are expected to be included as Future Improvement Area Improvements to be financed with Future Improvement Area Bonds, if any.

Phase I of the Development (which is not located within the District) also contains certain amenities, including amenity centers, parks, open spaces and a 18-hole golf course. Residents within the District will not have access to the amenity centers and pools within Phase I, but the residents within the District will have access to the open spaces, parks and the golf course that are maintained by the City.

### **Zoning/Permitting**

The development of property within the District is governed by the standards set forth in the Development Agreement and all applicable City regulations, as such regulations are modified by additional requirements, including the Plum Creek Phase II Master Plan, the Plum Creek PUD Subdivision Ordinance and the Plum Creek PUD Zoning Ordinance.

### **Education**

The Development is served by Hays CISD. Hays CISD operates 14 elementary school, six middle schools and three high schools. Laura B Negley Elementary School (“Negley Elementary”), RC Barton Middle School (“Barton Middle”) and Jack C Hays High School (“Hays High”), which are approximately 1.2, 0.5 and 0.25 miles, respectively, from the District, are expected to serve residents in the District.

GreatSchools.org rated Negley Elementary and Barton Middle as “above average” and Hays High as “average.” According to the Texas Education Agency 2018-2019 annual report cards, both Negley Elementary and Barton Middle were rated as “A” and both Hays High and Hays CISD were rated as “B.” (The categories for public school districts and public schools are A, B, C, D or F.) The Texas Education Agency labeled all district and campuses “Not Rated: Declared State of Disaster” for 2019-2020 and 2020-2021.

Pursuant to the Site Development Agreement, the Developer agreed to dedicate and convey to the City, as and when required by the City, no less than 10 acres of land (as generally depicted on the Site Development Agreement Plan above) for an elementary school. The Developer expects to convey such land to the City in 2023.

### **Environmental**

*Site Evaluation.* A Phase I Environmental Site Assessment (the “Phase I ESA”) of the District was completed in July 2016. The Phase I ESA indicates that there was no evidence of recognized environmental conditions (“REC”) associated with the District. De minimus conditions identified on the property within the District include transformers without non-PCB labels, overhead electric distribution lines, natural gas line easement, and miscellaneous debris that were identified during the site reconnaissance. These de minimus conditions would not be likely to present a threat to human health or the environment. De minimus conditions were identified on an adjacent property of the high school campus approximately 0.1 miles away upgradient from the District and included a record for one leaking petroleum storage tank. Concurrence of this condition was issued in 1994. Therefore, the leaking petroleum storage tank is not considered to be a REC. This de minimus condition would not likely present any threat or impact to human health or the environment.

Endangered Species. According to the website for the United States Fish and Wildlife Service, the following endangered species are known or believed to occur in Hays County: Peck's cave amphipod, San Marcos gambusia, Comal Springs dryopid beetle, Texas blind salamander, Barton Springs salamander, fountain darter, Comal Springs riffle beetle, whooping crane and golden-cheeked warbler. The Developer is not aware of any endangered or threatened species located on District property.

## Utilities

Water and Wastewater. The City will provide water and wastewater service to the District. Pursuant to the Development Agreement, the City agreed to provide sufficient capacity to provide water and wastewater service to the District. The City contracts with Guadalupe Brazos River Authority (GBRA), Edwards Aquifer Authority, Barton Springs Edwards Aquifer Conservation District, City of San Marcos, and the Alliance Regional Water Authority to meet the City's water supply needs. The City also owns various facilities including storage and pumping facilities, water distribution and sewage collection systems, meters, valves, and other facilities necessary to provide water and sewer service to its customers. The City's water supply and distribution system, and its wastewater collection and treatment system facilities currently have sufficient capacity to provide water and wastewater service to the District.

Additional Utilities. The Developer anticipates additional utilities to be provided by: (1) Telecom – Spectrum; (2) Electric – Pedernales Electric Cooperative; and (3) Gas – CenterPoint Energy.

## THE DEVELOPER

*The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.*

## 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 internet, gas and electric service) and selling improved lots and commercial reserves to builders, 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 revenue bonds, such as the Bonds, issued by a municipality for a public improvement district. 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. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

## Description of the Developer

The Developer is a wholly-owned subsidiary of Lennar Corporation ("Lennar"). Lennar stock trades on the NASDAQ under the symbol LEN. Lennar is subject to the informational requirements of the Securities and Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the SEC. Such reports, proxy statements, and other information filed by Lennar 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. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the NASDAQ, 1 Liberty Street, New York, New York 10006. All documents subsequently filed by Lennar pursuant to the requirements of the Securities and Exchange Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

In addition, Lennar makes available on its website <https://investors.lennar.com/financials> its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports from Form 8-K (and any amendments to those reports) filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as practicable after they have electronically filed with the SEC as well as other financial institutions. **Unless otherwise specified,**

**information contained on Lennar’s website, available by hyperlink from Lennar’s website or on the SEC’s website, is not incorporated into this Limited Offering Memorandum.**

Since 1954, Lennar has had the privilege of helping over one million families move into the next stage of life with a new home. Lennar builds in some of the nation’s most popular cities, and its communities cater to all lifestyles, with new homes for all stages of life, whether you are a first-time or move-up buyer, a multigenerational family, or Active Adult.

Lennar is a national homebuilder that operates in various states with deliveries of 52,925 new homes in fiscal 2020. Lennar was founded as a local Miami homebuilder in 1954. Lennar completed its initial public offering in 1971 and listed its common stock on the New York Stock Exchange in 1972. During the 1980s and 1990s, it entered and expanded operations in a number of homebuilding markets, including California, Florida and Texas, through both organic growth and acquisitions, such as Pacific Greystone Corporation in 1997. In 1997, Lennar completed the spin-off of its then commercial real estate business, LNR Property Corporation. In 2000, it acquired U.S. Home Corporation, which expanded its operations into New Jersey, Maryland, Virginia, Minnesota and Colorado and strengthened its position in other states. From 2002 through 2005, Lennar acquired several regional homebuilders, which brought it into new markets and strengthened its position in several existing markets. From 2010 through 2013, Lennar expanded its homebuilding operations into the Atlanta, Oregon, Seattle and Nashville markets. In 2017 it acquired WCI Communities, a luxury homebuilder in Florida. Through the 2018 acquisition of CalAtlantic Communities Lennar increased its local market scale and additionally it allowed Lennar to enter the Salt Lake City and Indianapolis markets. As a result, Lennar became the nation’s largest homebuilder in terms of consolidated revenues, with fiscal year 2020 consolidated revenues of \$22.5 billion.

A snapshot of some of the communities Lennar has developed in the Austin, Texas Market is presented below.

<u>Name of Community</u>	<u>City</u>	<u>Projects</u>	<u>Number of Lots</u>	<u>Status of Development</u>
Stonefield <sup>(1)</sup>	Buda		698	Fully Developed
Enclave at Estancia <sup>(2)</sup>	Austin		370	Under Development
Avana	Austin		850	Fully Developed
Cool Springs	Kyle		387	Under Development
Greenwood	Austin		821	Under Development
Plum Creek North <sup>(2)</sup>	Kyle		1,216	Under Development
Bastrop Grove	Bastrop		1,012	Under Development
Colorado Crossing	Austin		81	Fully Developed
Bradshaw Crossing	Austin		876	Fully Developed
East Village	Bee Cave		69	Fully Developed
Retreat at Steiner Ranch	Austin		106	Fully Developed
Cotton Brook <sup>(2)</sup>	Hutto		983	Under Development

<sup>(1)</sup> Development was funded partly through a municipal utility district

<sup>(2)</sup> Development was funded partly through a public improvement district.

### **Executive Biography of Principals of Lennar Corp.**

***Rick Beckwitt: Co-Chief Executive Officer.*** Rick Beckwitt is Co-Chief Executive Officer and Co-President of Lennar Corporation (NYSE: LEN). He joined Lennar in March 2006 as an Executive Vice President. He became President in April 2011 and was promoted to Chief Executive Officer in April 2018.

Beckwitt serves on the Board of Directors of Eagle Materials Inc. (NYSE: EXP), one of the nation’s leading manufacturers of construction products and building materials. He is also on the Board of Directors of Five Point Holdings, LLC (NYSE: FPH), the largest developer of mixed-use, master planned communities in Coastal California.

Beckwitt has been involved in the homebuilding and construction industry for more than 30 years. From 1993 to 2003, he was on the Board of Directors of D.R. Horton, Inc. (NYSE: DHI), one of the leading homebuilding companies in the United States. From 1993 to March 2000, he held various executive officer positions at D.R. Horton, including President of the Company. From March 2000 to March 2006, Beckwitt was the owner and Managing Partner of EVP Capital, L.P., a private venture capital and real estate advisory company.

From 1986 to 1993, Beckwitt worked in the Mergers and Acquisitions and Corporate Finance Departments at Lehman Brothers, specializing in the homebuilding and building products industries. Prior to that, he worked for various homebuilding and construction companies, including his own. Beckwitt graduated with honors from Claremont McKenna College in 1981. He lives in Dallas, Texas with his wife, Barb, and has two children.

*Jon Jaffe: Co-Chief Executive Officer.* Jon Jaffe is Co-Chief Executive Officer and Co-President of Lennar Corporation (NYSE:LEN). He joined Lennar in 1983 as Regional President of Homebuilding Operations. Jaffe became Vice President in 1994 and in 1995, he moved to California to lead the company's expansion into that state and the West. Jaffe spearheaded Lennar's efforts to acquire land, other homebuilders and developers including such companies as Bramalea Homes, Pacific Greystone Homes, Coto de Caza, Stevenson Ranch and CalAtlantic Homes. Additionally, he oversaw Lennar's acquisition of Mare Island, Hunters Point, El Toro and Treasure Island. These acquisitions helped transition Lennar into the nation's leading homebuilder.

Jaffe serves as a member of the Board of Directors of Lennar Corporation as well as Five Point Holdings, LLC (NYSE: FPH), Opendoor and True Anthem.

Jaffe received an undergraduate degree in architecture from the University of Florida and pursued graduate studies in the same field at Georgia Tech University.

### **Executive Biography of Local Management of the Developer**

*Rob Hutton: Regional President.* Rob Hutton is Regional President for Lennar. In this role, he is responsible for Lennar's operations throughout Texas and oversees the building, selling and delivery of more than 8,000 homes per year. Hutton has been involved in the real estate industry for over 40 years. He began his career in the brokerage business in the early 1980's, selling both commercial and investment properties.

He started in the homebuilding industry with Milburn Homes, the largest private builder in Central Texas. Three years later, Continental Homes, a publicly traded builder, acquired Milburn and Rob became the Director of Sales and Marketing. Five years later, Continental was acquired by the D.R. Horton Co. and he became the Division President for Horton's Central Texas operation. After 13 years of growing the division into one of the company's largest divisions (peak of 3,000 annual homes sales), Rob left the company to join Lennar as a Regional President. Over the decades he's done it all, from sweeping sidewalks of model homes to training hundreds of sales agents to designing sprawling Master Planned Communities to helping over 75,000 people find the home of their dreams. Rob has lived in Austin for the past 50 years and, along with his wife of 37 years, has raised three children (and two German Shepherds).

*Charlie Coleman: Division President, Lennar Austin.* Charlie Coleman is the Division President for Lennar Austin and oversees building, selling and delivering more than 2000 homes per year in the Austin market. After graduation from Pace University in 1993, Mr. Coleman entered the finance world. In 2002 Charlie entered the homebuilding industry as a VP of finance for Pulte Homes. Before joining Lennar Austin (previously Cal Atlantic Homes) in 2016, he served as Division President for two other National homebuilders in four different divisions. His leadership and production has been nationally recognized and is one of the most respected Division Presidents in the homebuilding industry.

*Kevin Pape: Vice President, Land Development, Lennar Austin.* Mr. Pape has overseen land development projects throughout Austin, Houston, Dallas and San Antonio for the past 25 years and has worked for a single-family residential developer in the Austin Metroplex since 2011. Mr. Pape is tasked with supplying a land pipeline and overseeing the development of 2000-3000 units per year in the Austin market. Prior to joining the Lennar team, Kevin worked for other prominent, national homebuilders leading local land development projects.

### **History and Financing of the District**

The Developer purchased the property within the District on August 26, 2016 for a purchase price of approximately \$17,631,405. The Developer financed the purchase of the property with proceeds of a loan from Texas Community Bank (the "Acquisition Loan"). The Acquisition Loan has been paid in full and the Developer currently owns the land within the District outright, other than the homes/lots sold to end users.



The total costs of all of the Authorized Improvements are expected to be approximately \$2,779,193\*. Only a portion of such costs, in the approximate amount of \$2,730,000\*, are expected to be paid with proceeds of the Bonds. The balance of such costs, in the total approximate amount of \$49,193\*, will be or has been funded by the Developer and will not be reimbursed by the City. As of February 15, 2022, the Developer spent approximately \$642,006.59 on constructing the Major Improvement Area Projects.

There are currently no liens on the property within the District which were incurred by the Developer, and the Developer does not currently anticipate incurring any liens on the property within the District for as long as the Developer owns such property (with the exception of the Assessment Lien). The PID Act provides that the Assessment Lien is a first and prior lien against the assessed property 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.

### **THE PID ADMINISTRATOR**

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

The PID Administrator's duties will include:

- Preparation of the annual update to the Service and Assessment Plan;
- Preparation of assessment rolls for county billing and collection;
- Establishing and maintaining a database of all County 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; and
- Review of developer draw requests for reimbursement of authorized improvement costs.

### **APPRAISAL OF PROPERTY WITHIN THE DISTRICT**

#### **The Appraisal**

General. Barletta & Associates, Inc. (the "Appraiser") prepared an appraisal report (the "Appraisal") for the City dated July 1, 2021, based upon a physical inspection of the District conducted on June 18, 2021 (the "Physical Inspection Date"). 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 District. The Appraisal is attached hereto as APPENDIX G 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 G — Appraisal of the District."

Value Estimates. The Appraiser estimated the market value of the fee simple interest of the Major Improvement Area under certain hypothetical conditions. The Appraisal Report does not reflect the value of the Major Improvement Area as if sold to a single purchaser in a single transaction. The hypothetical conditions include the assumptions that all of the remaining Major Improvement Area Projects have been completed in accordance with

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\* Preliminary; subject to change.

plans and specifications as of the dates specified below. As of the Physical Inspection Date, the Developer anticipated that the Major Improvement Area would contain 804 lots, including 72 35' lots, 144 43' lots, 397 50' lots and 191 55' lots, as shown in the Appraisal. Since the Physical Inspection Date, the concept plan for the District has changed and the Developer now anticipates that the Major Improvement Area will contain 813 lots, consisting of 70 35' lots, 142 43' lots, 426 50' lots and 175 55' lots. See "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT — Development Plan" and "APPENDIX G — Appraisal of the District."

The market value estimate for the Major Improvement Area Assessed Property using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of April 1, 2022 is \$22,030,000.

**None of the City, the Developer or 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.**

The Appraiser confirms that the valuations included in the Appraisal were prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Caution should be exercised in the evaluation and use of appraisal results. An 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. It 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 an 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.

The intended use and user of the Appraisal are specifically identified in the Appraisal as agreed upon in the contract for services and/or reliance language found in the Appraisal. The Appraiser has consented to the use of the Appraisal in this Limited Offering Memorandum in connection with the issuance of the Bonds. No other use or user of the Appraisal is permitted by any other party for any other purpose.

#### **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 AND OTHER FUNDS COMPRISING THE TRUST ESTATE, 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 District to pay Major Improvement Area Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within 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 property within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such property.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District should proceed more slowly than expected and the Developer is unable to pay the Major Improvement Area Assessments, only the value of the Major Improvement Area Assessed Property, 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 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.

### **Infectious Disease Outbreak**

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. The Governor has renewed his declaration monthly, most recently on February 21, 2022. 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/>.

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. 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 benefited property within the District.

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. 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.

### **Assessment Limitations**

Annual Installments of Assessments are billed to property owners of Major Improvement Area Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as set forth 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 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 District, any Assessment that is also 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, Section 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 Section 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 Developer is not eligible to claim homestead rights and the Developer represents that it owned all property within the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Major Improvement Area Assessed Property 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 the 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 MAJOR IMPROVEMENT AREA 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 IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN THE MAJOR IMPROVEMENT AREA OF THE DISTRICT.

### **Recent Changes in State Law Regarding Public Improvement Districts**

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and 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 intended purchaser is entitled to terminate the contract of purchase and sale. If the 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. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property should be paid. On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the Developer or homebuilders within the District do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers are attached as Exhibits Q-1, Q-2, Q-3 and Q-4 to the Service and Assessment Plan. See "Appendix C — Form of Service and Assessment Plan."

### **Potential Future Changes in State Law Regarding Public Improvement Districts**

During Texas legislative 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 to 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. The 87th Legislative Session of the State ended on May 31, 2021, without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. The Governor called three special legislative sessions, which all concluded without any legislation being introduced or passed related to the oversight of bonds secured by assessments. It is impossible to predict what bills may be introduced during upcoming legislative sessions and, if passed, the impact that any future legislation will or may have on the security for the Bonds.

## **General Risks of Real Estate Investment and Development**

The Developer has the right to modify or change its plan for development of the District, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed. No defined “true-up” agreement has been entered into between the City and Developer, nor is there a requirement that future developers enter into such an agreement. There can be no assurance, in the event the Developer or a subsequent developer modifies or changes its plan for development that the necessary revisions to the Service and Assessment Plan will be made, or if made will provide the necessary assessment revenues required to service debt on Bonds. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

The ability of the Developer and homebuilders, if any, to develop lots and sell single-family residential homes within the District may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market and other factors beyond the control of the owner of the single-family residential lots, as applicable. In the event that a large number of single-family projects are constructed outside of the District, and compete with the Development, the demand for residential housing within the District could be reduced, thereby adversely affecting the continued development of the Development, or its attraction to businesses and residents.

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 Developer, including those derived from the Development, are not within the control of the Developer. 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 Developer.

The Development cannot be completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of each phase 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 Developer.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer and any subsequent owners to pay the Major Improvement Area Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Major Improvement Area Assessments and could greatly reduce the value of the property within the District in the event such property has to be foreclosed. If Annual Installments of Major Improvement Area Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

## **Risks Related to the Current Residential Real Estate Market**

In the past, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market more difficult. Downturns in the real estate market and other factors beyond the control of the Developer, including general

economic conditions, may impact the timing of parcel, lot and home sales within the District. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

### **Risks Related to Current Increase in Costs of Building Materials**

As a result of the Pandemic and low supply and high demand, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. The Developer is responsible for the construction of the Public Improvements. The Developer expects to finance a portion of the costs of the Public Improvements from proceeds of the Bonds. If the Actual Costs of the Public Improvements are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Public Improvements or pay the Major Improvement Area Assessments when due. If the costs of material continue to increase, it may also affect the ability of the Developer to construct homes within the District. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District.

### **Competition**

The housing industry in the Austin area is very competitive, and none of the Developer, the City, the City’s Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will ever be completed. The competitive position of the Developer in the sale of developed lots or of any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District. Competitive projects in the area include but are not limited to:<sup>(1)</sup>

<b>Project Name</b>	<b>Number of Units</b>	<b>Proximity</b>	<b>Developer</b>	<b>Date Started</b>	<b>Expected Completion Date</b>	<b>Prices</b>
Anthem	1500	1 mile	Multiple	TBD	TBD	TBD
Kyle 57	219	1.5 Miles	Milestone	TBD	TBD	\$450,000+
Brooks Ranch	138	1.75 Miles	Blackburn	2020	TBD	\$450,000+
6 Creeks Waterridge	2900 Ac.	2.5 Miles	Multiple	2019	TBD	\$400,000+

<sup>(1)</sup> Provided by the Developer.

There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development.

### **Tax-Exempt Status of the Bonds**

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,” 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.

As further described in “TAX MATTERS” below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the “Code”) and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, 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 interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. The IRS has an ongoing program of auditing

obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. In the past, the IRS has announced audit efforts focused in part on “developer-driven bond transactions,” including certain tax increment financings and certain assessment bond transactions. It cannot be predicted if this IRS focus could lead to an audit of the Bonds or what the result would be of any such audit. If an audit of the Bonds is commenced, under current procedures parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

### **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 Major Improvement Area 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 Major Improvement Area Assessments might not be paid in full.

### **Direct and Overlapping Indebtedness, Assessments and Taxes**

The ability of an owner of property within the District to pay the Major Improvement Area 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 District and will likely do so in the future. Such entities could also impose assessment liens on the property within the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Major Improvement Area Assessments. See “OVERLAPPING TAXES AND DEBT.”

### **Depletion of Reserve Account of the Reserve Fund**

Failure of the owners of property within the District to pay the Major Improvement Area Assessments when due could result in the rapid, total depletion of the 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 Account 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 Substances**

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 District be affected by a hazardous substance, the marketability and value of 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 District does not consider the possible liability of the owner for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not aware, that the owner of any of the parcels within the District has such a current liability with respect to such parcel; 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 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. All of these possibilities could significantly affect the value of a parcel that is realizable upon a delinquency.

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

### **Regulation**

Development within the District may become 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.

### **Availability of Utilities**

The progress of development within the District is also dependent upon the City providing an adequate supply of water and wastewater services to the District. 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. See “THE DEVELOPMENT — Utilities.”

### **100-Year Flood Plain**

Approximately 23.6 acres within the District are located within an official FEMA 100-year flood plain, as shown on the current Federal Emergency Management Agency’s Flood Insurance Rate Map Community Panel No. 48209C0270F, dated September 2, 2005 (the “Floodplain”). All the lands identified to be within the developed Floodplain will be located within dedicated open space, park or drainage easements.

FEMA will from time to time revise its Flood Insurance Rate Maps. None of the City, the Underwriter, or the Developer make any representation as to whether FEMA may revise its Flood Insurance Rate Maps, whether such revisions may result in homes that are currently outside of the 100-year flood plain from being included in the 100-year flood plain in the future, or whether extreme flooding events may exceed the Floodplain.

### **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.

### **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 the Owners of a Quarter in Interest 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 District or sell property within 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 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. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities in certain circumstances." The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("Wasson"), the Texas Supreme Court (the "Court") addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that "a city's proprietary functions are not done pursuant to the 'will of the people'" and protecting such municipalities "via the [S]tate's immunity is not an efficient way to ensure efficient allocation of [S]tate resources." While the Court recognized that the distinction between governmental and proprietary functions is not clear, the *Wasson* opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed *Wasson* for a second time and issued an opinion on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

The City is not aware of any State court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. 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 City 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 State courts. In general, State 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. State 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).

### **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 District 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 Assessments may be adversely affected by the effects of market conditions on the foreclosure 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 Acceleration**

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

### **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 District subject to the Major Improvement Area Assessments, existing real estate and financial market conditions and other factors.

### **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.

### **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 State 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 affect 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) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under State 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 Developer and related property owners could change in the future. Purchasers of the Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new developer or new officers in management positions may not have comparable experience in projects comparable to the Development.

### **Dependence upon Developer**

The Developer has the obligation for payment of 100% of the Major Improvement Area Assessments. The ability of the Developer to make full and timely payment of the Major Improvement Area Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Major Improvement Area Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay the Developer, or the Developer's designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing Major Improvement Area Projects. See "THE AUTHORIZED IMPROVEMENTS." There can be no assurances given as to the financial ability of the Developer to complete the Public Improvements or any other improvements.

## **TAX MATTERS**

### **Tax Exemption**

In the opinion of Bickerstaff Heath Delgado Acosta LLP, Bond Counsel to the City, assuming continuing compliance by the City with the tax covenants described below, under existing law, interest on the Bonds is excludable for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals.

In rendering its opinion, Bond Counsel has relied on the City's covenants contained in the Indenture and the City's covenants contained in the Tax Certificate, that each will comply with the applicable requirements of the Code, relating to, inter alia, the use and operation of the project and the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the City to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue of the Bonds. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Bonds that may affect the tax-exempt status of the interest.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to

determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the City as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit regardless of the ultimate outcome of the audit.

### **Collateral Federal Income Tax Consequences**

Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, holders who may be deemed to have incurred or continued indebtedness to acquire or carry tax-exempt obligations, holders of certain interests in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Bonds will constitute disqualified income for this purpose. The Code also provides that for years beginning after December 31, 2010, the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Bonds will be included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by the household income. Section 36B(d) of the Code provides that household income consists of the modified adjusted gross income of the taxpayer and certain other individuals. Modified adjusted gross income means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the “dividend equivalent amount” for the taxable year. Interest on the Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the “dividend equivalent amount” of such corporation.

In addition, passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than designated “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code.

### **Tax Accounting Treatment of Discount and Premium on Certain Bonds**

The initial public offering price of certain discount Bonds (the “Discount Bonds”) may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under “Tax Exemption.” Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year. However, such

interest may be required to be taken into account in determining the alternative minimum taxable income of a corporation, for purposes of calculating a corporation's alternative minimum tax imposed by Section 55 of the Code, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income. Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the "Premium Bonds") may be greater than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable Bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

### **State, Local and Foreign Taxes**

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value or marketability of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value or marketability of the Bonds.

Prospective purchasers of the Bonds should consult with their own tax advisors regarding any other federal income tax legislation, whether currently pending or proposed, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

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

## LEGAL MATTERS

### Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General of the State 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, 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.

Bickerstaff Heath Delgado Acosta LLP serves as Bond Counsel to the City. Orrick, Herrington & Sutcliffe LLP 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 the State, 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, limited 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, limited 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 of 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 herein under the captions or subcaptions "PLAN OF FINANCE — The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings," "LEGAL MATTERS — Legal Opinions," "SUITABILITY FOR INVESTMENT," "CONTINUING DISCLOSURE — The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," "INVESTMENTS" and "APPENDIX B — Form of Indenture," and such firm is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions fairly and 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 Trust Estate, 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 Developer**

At the time of delivery and payment for the Bonds, the 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 Developer, threatened against or affecting the Developer or any of its affiliates wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its managing member, or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Service and Assessment Plan, the Development Agreement, the Site Development Agreement or the Financing and Reimbursement Agreement, or otherwise described in this Limited Offering Memorandum or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”).

### **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 Developer, 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 governmental immunity, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery, and by general principles of equity that permit the exercise of judicial discretion.

### **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 SEC (the “Rule”), the City, the PID Administrator and RBC Capital Markets, LLC, as dissemination agent (in such capacity, the “Dissemination Agent”), will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Issuer”), 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 Disclosure Agreement of Issuer, 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 Disclosure Agreement of Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of Issuer 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 Disclosure Agreement of Issuer 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 Disclosure Agreement of Issuer. 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 Disclosure Agreement of Issuer. 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 Disclosure Agreement of Issuer or from any statement made pursuant to the Disclosure Agreement of Issuer.

### **The City’s Compliance with Prior Undertakings**

During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by the City in accordance with the Rule.

### **The Developer**

Pursuant to the Rule, the Developer, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Developer”), 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 Disclosure Agreement of Developer, certain information regarding the Development 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 Disclosure Agreement of Developer.” Under certain circumstances, the failure of the Developer or the PID Administrator to comply with its obligations under the Disclosure Agreement of Developer 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 Disclosure Agreement of Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The Developer has agreed to provide (i) certain updated information to the PID 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 Disclosure Agreement of Developer. The 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 Disclosure Agreement of Developer. The 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 Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of Developer or from any statement made pursuant to the Disclosure Agreement of Developer.

### **The Developer’s Compliance with Prior Undertakings**

During the last five years, the Developer has complied in all material respects with all continuing disclosure agreements made by the Developer in accordance with the Rule.

## **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 a reoffering discount of \$ \_\_\_\_\_ and less an underwriting discount 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.

Additionally, there are no assurances that if a secondary market for the Bonds were to develop, that it will not be disrupted by events including, but not limited to, the current pandemic associated with the COVID-19 virus. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes. See “BONDHOLDERS’ RISKS — Infectious Disease Outbreak” herein.

## **REGISTRATION AND QUALIFICATION OF BONDS FOR SALE**

The sale of the Bonds has not been registered under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of 1933 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.

It is the obligation of the Underwriters to register or qualify the sale of the Bonds under the securities laws of any jurisdiction which so requires. The City agrees to cooperate, at the Underwriter's written request and sole expense, in registering or qualifying the Bonds or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the City shall not be required to qualify as a foreign corporation or to execute a general or special consent to service of process in any jurisdiction.

## **LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS**

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that 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, the PFIA requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "NO RATING" above. In addition, the PID Act and 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 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 State law in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change.

### **Legal Investments**

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (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 is 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 City adopts as required by Section 2256.025, Texas

Government Code; or (ii) a depository institution with a main office or branch office in this 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 City'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 the City's custodian of the banking deposits issued for the City's 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 SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that 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 Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) 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 (B) a depository institution that has its main office or 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 SEC and operating pursuant to SEC 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 secured by a combination of cash and obligations described in clause (1) above or clause (12) below, require the securities being purchased by the City or cash held by the City to be 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) 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; (12) 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; (13) no-load money market mutual funds registered with and regulated by the United States SEC 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 that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) 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, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

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 "AAAm" 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 ten (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.

Political subdivisions such as the City are authorized to implement 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 (12) through (14) above, 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.

### **Investment Policies**

Under State 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 include 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 State law, the City’s 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 City’s investment officers must submit an investment report to the City Council 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 at the end of the reporting period, (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 strategies and (b) State law. No person may invest City funds without express written authority from the City Council.

### **Additional Provisions**

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument 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 qualified representative of firms offering to engage in an investment transaction with 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 entity’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 in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City’s investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than ninety (90) days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than fifteen percent (15%) of the City’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.bokfinancial.com](http://www.bokfinancial.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 Developer and its 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 or the Developer 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.

### **Developer**

The information contained in this Limited Offering Memorandum relating to the description of the Developer, the Development and the Authorized Improvements generally and, in particular, the information included in any of the maps herein and in the sections captioned "PLAN OF FINANCE — Development Plan," "— Single-Family Residential Development," "— Additional Indebtedness," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Authorized Improvements and the Development), "LEGAL MATTERS — Litigation — The Developer," and "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings," "APPENDIX E-2" and "APPENDIX F" has been provided by the Developer, and the Developer warrants and represents 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 Developer 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 assessment allocation/methodology and district administration.

The information regarding the Appraisal in this Limited Offering Memorandum, which is subject to the assumptions, hypothetical conditions and qualifications set forth therein, has been provided by Barletta & Associates, Inc., and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property. Barletta & Associates, Inc. has consented to the inclusion of the Appraisal herein.

## **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 ninety (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 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 approved the form and content of this Preliminary Limited Offering Memorandum and the use thereof by the Underwriter in connection with the marketing and sale of the Bonds. In the Bond Ordinance, the City Council will approve the form and content of the final Limited Offering Memorandum.

CITY OF KYLE, TEXAS

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Secretary

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

The following information has been provided for informational purposes only.

**General Information**

The City is a political subdivision and municipal corporation of the State of Texas (the “State”), duly organized and existing under the laws of the State including the City’s Home Rule Charter, initially adopted by the qualified voters of the City in the year 2000, and as amended in 2006, 2016, 2018 and 2020. The City operates as a home rule municipality under a Council-Manager form of government with a City Council comprised of the Mayor and six Council Members. The City Manager is the chief executive officer for the City.

The City is located in Hays County along Interstate Highway 35. It is located approximately eight (8) miles north of the City of San Marcos, twenty (20) miles south of the City of Austin and sixty (60) miles north of the City of San Antonio. The City covers approximately 31.25 square miles. The City’s 2010 census population was 28,016, and the City has estimated that its 2021 population is 58,500.

**Historical Employment in Hays County and the City**

**Hays County**

	<b>Average Annual</b>				
	2021 <sup>(1)(2)</sup>	2020 <sup>(2)</sup>	2019	2018	2017
Civilian Labor Force	129,627	121,304	120,848	116,141	110,693
Total Employed	125,659	113,639	117,494	112,689	107,183
Total Unemployed	3,968	7,665	3,354	3,452	3,510
Unemployment Rate	3.1%	6.3%	2.8%	3.0%	3.2%

<sup>(1)</sup> Data through December 2021.

<sup>(2)</sup> The COVID-19 Pandemic has negatively affected travel, commerce, employment rates and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. See “BONDHOLDERS’ RISKS — Infectious Disease Outbreak.”

Source: *Texas Labor Market Information*.

**The City**

	<b>Average Annual</b>				
	2021 <sup>(1)(2)</sup>	2020 <sup>(2)</sup>	2019	2018	2017
Civilian Labor Force	27,497	25,783	25,647	24,657	22,613
Total Employed	26,668	24,117	24,936	23,952	21,935
Total Unemployed	829	1,666	711	705	678
Unemployment Rate	3.0%	6.5%	2.8%	2.9%	3.0%

<sup>(1)</sup> Data through December 2021.

<sup>(2)</sup> The COVID-19 Pandemic has negatively affected travel, commerce, employment rates and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. See “BONDHOLDERS’ RISKS — Infectious Disease Outbreak.”

Source: *Texas Labor Market Information*.

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## Major Employers in the City

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

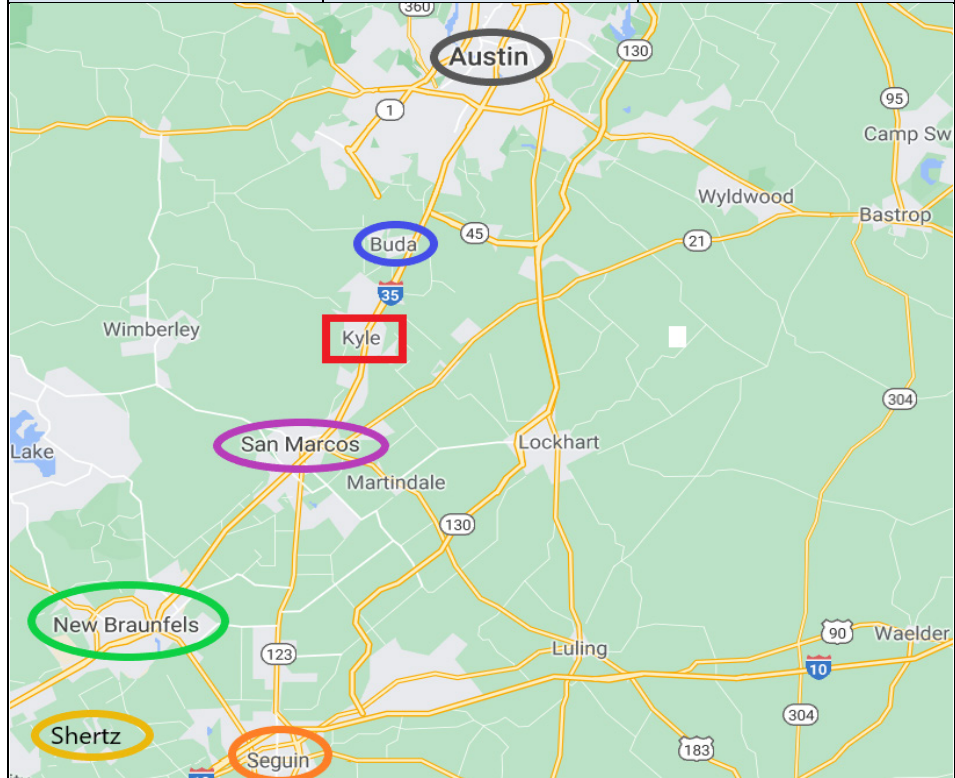
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Hays County Independent School District	2,383	11.45%
Seton Medical Center Hays	610	2.93%
The City	251	6.09%
HEB Plus	208	1.00%
Legend Oaks Healthcare & Rehabilitation	116	0.56%
Lowes	108	0.52%
Warm Springs Rehab Hospital	100	0.48%
Home Depot	100	0.48%
Austin Community College at Hays	80	0.38%
RSI, Inc	58	0.28%
Construction Metal Products	40	0.19%
Southwestern Pneumatic	40	0.19%
Miscellaneous Steel Industries	30	0.14%
<b>Total</b>	<b>4,124</b>	<b>25.00%</b>

*Source: The City's Comprehensive Annual Financial Report for the year ended September 30, 2020.*

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## Surrounding Economic Activity

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

City of San Marcos, TX		City of New Braunfels, TX		City of Seguin, TX		City of Buda, TX	
Approximately 10 Miles from the City		Approximately 30 Miles from the City		Approximately 30 Miles from the City		Approximately 8 Miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees	Employer	Employees
Texas State University	3,730	Comal ISD	2,895	Texas Power Systems/CAT	2,000	Wal-Mart	325
Amazon	2,200	Schlitterbahn Water Park	2,100	Continental AG (Motorola)	1,500	US Foods	300
San Marcos Premium Outlets	1,600	Wal-Mart Distribution Center	1,250	Seguin ISD	1,045	Capital Excavation	300
Tanger Factory Outlets	1,540	New Braunfels ISD	1,188	CMC Steel	900	Dynamic Systems	200
San Marcos CISD	1,400	City of New Braunfels	812	Guadalupe Regional Medical Center	765	Fat Quarter Shop	160
Hays County	885	Sysco	810	Tyson Foods	750	Texas Lehigh	160
City of San Marcos	817	Hunter Industries-Colorado Materials	730	Guadalupe County	650	ProBuild	130
HEB Distribution Center	750	Comal County	681	Texas Lutheran University	440	Cabela's	120
Central Texas Medical Center	675	HD Supply	538	HEB	429	Cap City Steel	100
CFAN	600	Rush Enterprises	518	Wal-Mart Supercenter	400	Jardines	75
							
City of Schertz, TX							
Approximately 45 Miles from the City							
Employer	Employees	Employer	Employees	Employer	Employees	Employer	Employees
Schertz/Cibolo/UC ISD	1,992						
Amazon.com	900						
Sysco Central Texas	806						
Visionworks	593						
FedEx Group	580						
The Brandt Companies, LLC	537						
HEB Grocery Co.	500						
Republic Beverage Company	413						
City of Schertz	392						
FedEx Freight	325						
City of Austin, TX							
Approximately 20 Miles from the City							
Employer	Employees	Employer	Employees	Employer	Employees	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						
Ascension Seton	10,513						
Samsung Austin Semiconductor	8,935						

Source: Municipal Advisory Council of Texas

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APPENDIX B  
FORM OF INDENTURE

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**INDENTURE OF TRUST**

**By and Between**

**CITY OF KYLE, TEXAS**

**and**

**BOKF, NA,  
as Trustee**

**DATED AS OF MARCH 15, 2022**

**SECURING**

**\$\_\_\_\_\_,000**

**CITY OF KYLE, TEXAS**

**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022  
(PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT  
MAJOR IMPROVEMENT AREA PROJECT)**

## TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS, FINDINGS, AND INTERPRETATION .....	4
Section 1.1.    Definitions.....	4
Section 1.2.    Findings.....	15
Section 1.3.    Table of Contents, Titles and Headings. ....	15
Section 1.4.    Interpretation. ....	15
ARTICLE II THE BONDS.....	15
Section 2.1.    Security for the Bonds.....	15
Section 2.2.    Limited Obligations.....	16
Section 2.3.    Authorization for Indenture.....	16
Section 2.4.    Contract with Owners and Trustee.....	16
ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS .....	17
Section 3.1.    Authorization.....	17
Section 3.2.    Date, Denomination, Maturities, Numbers and Interest.....	17
Section 3.3.    Conditions Precedent to Delivery of Bonds. ....	18
Section 3.4.    Medium, Method and Place of Payment. ....	19
Section 3.5.    Execution and Registration of Bonds.....	20
Section 3.6.    Refunding Bonds.....	21
Section 3.7.    Ownership. ....	22
Section 3.8.    Registration, Transfer and Exchange. ....	22
Section 3.9.    Cancellation.....	23
Section 3.10.   Temporary Bonds.....	23
Section 3.11.   Replacement Bonds.....	23
Section 3.12.   Book-Entry Only System. ....	24
Section 3.13.   Successor Securities Depository: Transfer Outside Book-Entry-Only System. ....	25
Section 3.14.   Payments to Cede & Co. ....	26
Section 3.15.   Use of Book-Entry-Only System Not Required.....	26
ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY.....	26
Section 4.1.    Limitation on Redemption.....	26
Section 4.2.    Mandatory Sinking Fund Redemption. ....	26
Section 4.3.    Optional Redemption. ....	28
Section 4.4.    Extraordinary Optional Redemption. ....	28
Section 4.5.    Partial Redemption.....	28
Section 4.6.    Notice of Redemption to Owners.....	29
Section 4.7.    Purchase Price for Bonds. ....	30
Section 4.8.    Payment Upon Redemption.....	30
Section 4.9.    Effect of Redemption. ....	30
ARTICLE V FORM OF THE BONDS .....	30
Section 5.1.    Form Generally.....	30
Section 5.2.    CUSIP Registration. ....	31

Section 5.3.	Legal Opinion.....	31
Section 5.4.	Statement of Insurance.....	31
ARTICLE VI FUNDS AND ACCOUNTS .....		31
Section 6.1.	Establishment of Funds and Accounts.....	31
Section 6.2.	Initial Deposits to Funds and Accounts.....	33
Section 6.3.	Pledged Revenue Fund.....	33
Section 6.4.	Bond Fund.....	34
Section 6.5.	Project Fund.....	35
Section 6.6.	Redemption Fund.....	36
Section 6.7.	Reserve Fund.....	37
Section 6.8.	Rebate Fund: Rebate Amount.....	38
Section 6.9.	Administrative Fund.....	39
Section 6.10.	Investment of Funds.....	39
Section 6.11.	Advances from Available Funds.....	40
Section 6.12.	Reserved.....	41
Section 6.13.	Security of Funds.....	41
Section 6.14.	MIA Project Collection Fund.....	41
ARTICLE VII COVENANTS.....		41
Section 7.1.	Confirmation of Major Improvement Area Assessments.....	41
Section 7.2.	Collection and Enforcement of Major Improvement Area Assessments.....	41
Section 7.3.	Against Encumbrances.....	42
Section 7.4.	Records, Accounts, Accounting Reports.....	42
Section 7.5.	Covenants to Maintain Tax-Exempt Status.....	42
ARTICLE VIII LIABILITY OF CITY.....		46
ARTICLE IX THE TRUSTEE.....		48
Section 9.1.	Trustee as Registrar and Paying Agent.....	48
Section 9.2.	Trustee Entitled to Indemnity.....	48
Section 9.3.	Responsibilities of the Trustee.....	48
Section 9.4.	Property Held in Trust.....	50
Section 9.5.	Trustee Protected in Relying on Certain Documents.....	50
Section 9.6.	Compensation.....	51
Section 9.7.	Permitted Acts.....	51
Section 9.8.	Resignation of Trustee.....	52
Section 9.9.	Removal of Trustee.....	52
Section 9.10.	Successor Trustee.....	52
Section 9.12.	Merger, Conversion or Consolidation of Trustee.....	53
Section 9.13.	Security Interest in Trust Estate.....	54
Section 9.14.	Accounts, Periodic Reports and Certificates.....	54
Section 9.15.	Construction of Indenture.....	54
Section 9.16.	Offering Documentation.....	54
Section 9.17.	Expenditure of Funds and Risk.....	54
Section 9.18.	Environmental Hazards.....	55
ARTICLE X MODIFICATION OR AMENDMENT OF THIS INDENTURE.....		55
Section 10.1.	Amendments Permitted.....	55
Section 10.2.	Owners' Meetings.....	56



Section 10.3.	Procedure for Amendment with Written Consent of Owners.....	56
Section 10.4.	Effect of Supplemental Indenture.....	57
Section 10.5.	Endorsement or Replacement of Bonds Issued After Amendments.....	57
Section 10.6.	Amendatory Endorsement of Bonds.....	57
Section 10.7.	Waiver of Default.....	58
ARTICLE X I DEFAULT AND REMEDIES.....		58
Section 11.1.	Events of Default.....	58
Section 11.2.	Immediate Remedies for Default.....	59
Section 11.3.	Restriction on Owner’s Action.....	60
Section 11.4.	Application of Revenues and Other Moneys After Default.....	60
Section 11.5.	Effect of Waiver.....	61
Section 11.6.	Evidence of Ownership of Bonds.....	61
Section 11.7.	No Acceleration.....	62
Section 11.8.	Mailing of Notice.....	62
Section 11.9.	Exclusion of Bonds.....	62
Section 11.10.	Remedies Not Exclusive.....	62
Section 11.11.	Direction by Owners.....	63
ARTICLE XI I GENERAL COVENANTS AND REPRESENTATIONS.....		63
Section 12.1	Representations as to Trust Estate.....	63
Section 12.2.	General.....	63
Section 12.3.	Certifications Regarding Texas Government Code.....	64
ARTICLE XII I SPECIAL COVENANTS.....		64
Section 13.1.	Further Assurances; Due Performance.....	64
Section 13.2	Additional Obligations or Other Liens; Refunding Bonds; Future Improvement Area Bonds.....	64
Section 13.3.	Books of Record.....	66
ARTICLE XIV PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE.....		67
Section 14.1.	Trust Irrevocable.....	67
Section 14.2.	Satisfaction of Indenture.....	67
Section 14.3.	Bonds Deemed Paid.....	67
ARTICLE XV MISCELLANEOUS.....		68
Section 15.1.	Benefits of Indenture Limited to Parties.....	68
Section 15.2.	Successor is Deemed Included in All References to Predecessor.....	68
Section 15.3.	Execution of Documents and Proof of Ownership by Owners.....	68
Section 15.4.	Waiver of Personal Liability.....	69
Section 15.5.	Notices to and Demands on City and Trustee.....	69
Section 15.6.	Partial Invalidity.....	70
Section 15.7.	Applicable Laws.....	70
Section 15.8.	Counterparts.....	70
EXHIBIT A	Form of Bond.....	A-1
EXHIBIT B	Form of City Certificate.....	B-1

## INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of March 15, 2022 is by and between the CITY OF KYLE, TEXAS (the “City”), and BOKF, NA, 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*”) was submitted by Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, and filed with the City Secretary of the City (the “*City Secretary*”) on August 1, 2017, pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “*PID Act*”), requesting the creation of a public improvement district located in the City to be known as the Plum Creek North Public Improvement District (the “*District*”); and

WHEREAS, the *Petition* contained the signatures of the owners of taxable property representing more than fifty-percent of the appraised value of taxable real property liable for assessment within the *District*, as determined by the then current ad valorem tax rolls of the Hays Central Appraisal District, and the signatures of property owners who own taxable real property that constitutes more than fifty-percent of the area of all taxable property that is liable for assessment by the *District*; and

WHEREAS, on April 16, 2019, after due notice, the City Council of the City (“*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*; and

WHEREAS, the City Council made the findings required by Section 372.009(b) of the *PID Act* and, by Resolution No. 1139 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 May 8, 2019 the City published notice of its authorization of the creation of the *District* in the *Hays Free Press*, a newspaper of general circulation in the City; and

WHEREAS, no written protests of the creation of the *District* from any owners of record of property within the *District* were filed with the City Secretary within 20 days after May 8, 2019; and

WHEREAS, the City Council, pursuant to Section 372.016 of the *PID Act*, filed proposed “Assessment Rolls” for the *District* with the City Secretary and made the proposed Assessment Rolls subject to public inspection, and also directed and caused the City Secretary to publish notice of a public hearing on November 3, 2021 in the *Hays Free Press*, a newspaper of general circulation in the City, for the consideration of the proposed “Improvement Area #1 Assessments” and the “Major Improvement Area Assessments” (collectively, the “*Assessments*”) and the “Original Service and Assessment Plan” (as defined herein), and to, on the same date, mail notice of the public hearing to the last known address of each property owner liable for such assessments; and

WHEREAS, on November 16, 2021, the City Council convened the public hearing, and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to make any objection to the proposed Assessment Rolls and the Assessments; and

WHEREAS, at the November 16, 2021 public hearing referenced above, there were no written objections or evidence submitted to the City Secretary in opposition to the Original Service and Assessment Plan, the allocation of Actual Costs (defined herein), the Assessment Rolls, or the levy of the Assessments; and

WHEREAS, 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, the City Council closed the hearing; and

WHEREAS, on November 16, 2021, the City approved and accepted the Original Service and Assessment Plan in conformity with the requirements of the PID Act and adopted Ordinance No. 1174 (the “*Assessment Ordinance*”) and therein levied the Improvement Area #1 Assessments and 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 (defined herein), (ii) paying capitalized interest on the Bonds (defined herein) 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) paying a portion of the Actual Costs incidental to the organization and administration of the District, and (v) paying costs of issuance of the Bonds; and

WHEREAS, the City Council, in accordance with the PID Act, on March 22, 2022, approved and adopted the Amended and Restated Service and Assessment Plan for the District (the “*Service and Assessment Plan*”), which amends and restates the Original Service and Assessment Plan in its entirety; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such series of Bonds (defined herein) to be entitled “City of Kyle, Texas Special Assessment Revenue Bonds, Series 2022 (Plum Creek North Public Improvement District Major Improvement Area Project)” (the “*Bonds*”), such Bonds being payable solely from the Trust Estate (defined herein), consisting primarily of the Major Improvement Area Assessment Revenue (defined herein) and other funds pledged under this Indenture to the payment of Bonds and for the purposes set forth in the preamble of this Indenture; 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 (defined herein) 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 equal and ratable 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, if and to the extent that Major Improvement Area Assessments have been prepaid, the lien on the real property associated with such Prepayment shall be released and the rights of the Trustee and 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;

FURTHER PROVIDED, 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: (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 the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. 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 incremental interest rate charged on the Major Improvement Area Assessments securing the Bonds, in excess of the interest rate charged on the Bonds, in the amount of one-half of one percent (0.50%) as authorized pursuant to the PID Act.

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

“*Additional Interest Reserve Requirement*” means, initially, an amount equal to 5.5% of the par amount of the Outstanding Bonds which will be funded from the payment of the Additional Interest deposited to the Additional Interest Reserve Account of the Reserve Fund.

“*Additional Obligations*” means any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary note or time warrant secured in whole or in part by an assessment, other than the Major Improvement Area Assessments securing the Bonds, levied against property within the Major Improvement Area of the District in accordance with the PID Act.

“*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.

“*Amended and Restated Service and Assessment Plan*” means the 2022 Amended and Restated Service and Assessment Plan, as such service and assessment plan is annually amended and restated, or otherwise updated, amended, or revised from time to time.

“*Annual Collection Costs*” means, with respect to the Major Improvement Area, the actual or budgeted costs 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 the 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 the Bonds; (6) investing or depositing Major Improvement Area Assessments and Annual Installments; (7) complying with the Service and Assessment Plan and the PID Act with respect to the issuance and sale of the Bonds, including continuing disclosure requirements; and (8) the paying agent/registrars and Trustee in connection with the Bonds, including their respective legal counsel. Amounts collected for Annual Collection Costs 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 Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

“*Annual Installment*” means, with respect to the Major Improvement Area Assessments, the annual installment payments of a Major Improvement Area Assessment calculated by the Administrator and approved by the City Council, including: (i) principal; (ii) interest; (iii) Annual Collection Costs; and (iv) the 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 Ordinance No. 1174 adopted by the City Council on November 16, 2021 that levied the Assessments on the Improvement Area #1 Assessed Properties and the Major Improvement Area Assessed Properties.

“*Authorized Denomination*” means \$100,000 and any integral multiple of \$1,000 in excess thereof, 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 or (B) any Bonds or any portion thereof that have been defeased in part); *provided, however*, that upon receipt by the Paying Agent/Registrar of written evidence that the Bonds have received an Investment Grade Rating, Authorized Denomination shall mean \$1,000 or any integral multiple thereof, notwithstanding any subsequent downgrade, suspension or withdrawal of such rating.

“*Authorized Improvements*” means those public improvements, including the Major Improvements, Future Improvement Area Improvements, and the Improvement Area #1 Improvements, authorized by Section 372.003 of the PID Act, including but not limited to those listed in Section III and Exhibit C and depicted in Exhibits M and N of the Service and Assessment Plan.

“*Bond Counsel*” means Bickerstaff Heath Delgado Acosta 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 Date*” means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

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

“*Bond Ordinance*” means Ordinance No. \_\_\_ adopted by the City Council on March 22, 2022, authorizing the issuance of the Bonds pursuant to this Indenture.

“*Bond Year*” means the one-year period beginning on September 1 in each year and ending on August 31 in the following year.

“*Bonds*” or “*Bond*” means those certain “City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2022 (Plum Creek North Public Improvement District Major Improvement Area Project) that are secured by actual revenues received by or on behalf of the City from the collection of Major Improvement Area Assessments levied against Major Improvement Area Assessed Property, or the Annual Installments thereof, for the Major Improvement Area.

“*Business Day*” means any day other than 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.

“*Certification for Payment*” means a certification for payment substantially in the forms of Exhibit C attached to the Financing Agreement, executed by Lennar Homes of Texas Land and Construction, Ltd., and submitted to the City and approved by the City Representative, specifying the amount of work performed and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in accounts of the Project Fund as further described in the Financing Agreement and Section 6.5 herein.

“*City*” means the City of Kyle, Texas.

“*City Certificate*” means a certificate signed by the City Representative and delivered to the Trustee certifying that the Trustee is authorized to take the action specified in the City Certificate, and a form of City Certificate is included as *Exhibit B* to this Indenture.

“*City Council*” shall have the meaning ascribed to such term in the recitals hereof.

“*City Engineer*” means the civil engineer or firm of civil engineers selected by the City to perform the duties set forth herein and in the Financing Agreement.

“*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.

“*Continuing Disclosure Agreements*” or “*Continuing Disclosure Agreement*” means both, or either of, the Continuing Disclosure Agreements by and between the City, the Administrator and the Dissemination Agent with respect to the Bonds, and by and between Lennar Homes of Texas Land and Construction, Ltd., the Administrator and the Dissemination Agent, with respect to the Bonds.

“*County*” means Hays County, Texas.

“*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 Major Improvement Area Assessed Property, 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 in Houston, Texas, 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 Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, and any successor and assigns.

“*Development Agreement*” means the Original Development Agreement, as amended by: (i) Addendum Number One between the City, Plum Creek Development Partners, Ltd. and Mountain Plum, Ltd., (ii) Addendum Number Two between the City, Plum Creek Development Partners, Ltd. and Mountain Plum, Ltd., (iii) Addendum Number Three between the City and Benchmark Land Development, Inc., on behalf of Plum Creek Development Partners, Inc., (iv) Addendum Number Four between the City, Plum Creek Development Partners, Ltd. and Mountain Plum, Ltd., and (v) Addendum Number Five between the City and the Developer.

“*Dissemination Agent*” means RBC Capital Markets, LLC, and its successors.

“*District*” shall have the meaning set forth in the first recital.

“*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.

“*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(e) hereof.

“*Financing Agreement*” means the “*Plum Creek North Public Improvement District Financing and Reimbursement Agreement*” between the City and the Developer, dated as of November 16, 2021, and as amended on March 22, 2022, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the Improvement Area #1 Bonds and the payment of Actual Costs of Authorized Improvements within the District, the issuance of bonds, the reimbursement of Actual Costs to the Developer from the proceeds of the Bonds and the Improvement Area #1 Bonds for funds advanced by the Developer and used to pay Actual Costs of Authorized Improvements 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 Assessments*” means assessments levied within a specific Future Improvement Area. The Future Improvement Area Assessments are not part of the Trust Estate, are not security for the Bonds, and will not be used to finance construction of the Major Improvement Area Projects.

“*Future Improvement Area Bonds*” means bonds issued to fund Future Improvement Area Improvements (or a portion thereof) in a Future Improvement Area. In connection with the Future Improvement Area Bonds, Future Improvement Area Assessments will be levied only on Parcels located within the Future Improvement Area in question.

“*Future Improvement Area Improvements*” means the Authorized Improvements that only benefit a specific Future Improvement Area.

“*Future Improvement Areas*” means a distinct portion of the Major Improvement Area that may be developed in a phase, as a separate and distinct improvement area, after Improvement Area #1.

“*Improvement Area #1*” means the area to be developed within the District, that is described by metes and bounds in Exhibit A-2 of the Service and Assessment Plan and generally depicted on the map in Exhibit B-2 to the Service and Assessment Plan.

“*Improvement Area #1 Assessed Property*” means each respective Parcel of land located within Improvement Area #1 of the District, other than Non-Benefited Property, against which an Improvement Area #1 Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

“*Improvement Area #1 Assessments*” means the Assessments levied on Improvement Area #1.

“*Improvement Area #1 Bonds*” means those certain “City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2022 (Plum Creek North Public Improvement District Improvement Area #1 Project) that are secured by actual revenues received by or on behalf of the City from the collection of the Improvement Area #1 Assessments.

“*Improvement Area #1 Bond Indenture*” means the Indenture of Trust dated as of March 15, 2022, between the City and BOKF, NA, securing the Improvement Area #1 Bonds.

“*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 or the District, as applicable, for which the Future Improvement Area Bonds are to be issued as established by publicly available data from the county 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 Authorized 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 the Administrator or a licensed appraiser) certifying on an individual lot type basis, the value of each lot in the Future Improvement Area or District, 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 Bonds are to be issued or any preceding Future Improvement Areas of the District for which PID 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 or related by consanguinity or affinity to any such officer or employee, 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.

*“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 September 1, 2022.

*“Investment Grade Rating”* means a rating on the Bonds, assigned by a Rating Agency in one of such Rating Agency's four highest categories for long-term debt instruments (without regard for gradation within a rating category and without regard for credit enhancement unless such credit enhancement extends through the final maturity date of the Bonds) or otherwise designated as investment grade by a Rating Agency.

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

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

*“MIA Improvements Account”* means the Account of such name established pursuant to Section 6.1 hereof.

*“MIA Project Collection Fund”* means that Fund established by Section 6.1.

“*Major Improvement Area*” means the area in the District to be developed that is described by metes and bounds in Exhibit A-3 of the Service and Assessment Plan and generally depicted on the map in Exhibit B-3 to the Service and Assessment Plan.

“*Major Improvement Area Assessed Property*” means each respective Parcel of land located within Major Improvement Area of the District, other than Non-Benefited Property, against which a Major Improvement Area Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

“*Major Improvement Area Assessment(s)*” means 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 Assessment Revenue*” 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, (ii) a Prepayment, and (iii) Foreclosure Proceeds.

“*Major Improvement Area Assessment Roll*” means the Assessment Roll attached as Exhibit H to the Service and Assessment Plan or any other Assessment Roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Major Improvement Area Assessment against each Major Improvement Area Assessed Property related to the Bonds and the Major Improvement Area Projects, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

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

“*Major Improvements*” means the improvements that benefit the entire District and are allocated pro rata to Improvement Area #1 and the Major Improvement Area based on estimated buildout value and are more specifically described in Section III.A of the Service and Assessment Plan, and which are to be financed with the Bonds and the Improvement Area #1 Bonds.

“*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.

“*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-Benefitted Property at the time the Major Improvement Area Assessments, Improvement Area #1 Assessments or Future Improvement Area Assessments (1) are imposed or (2) are reallocated pursuant to a subdivision of a Parcel that is not assessed.

“*Original Development Agreement*” means the agreement titled “Agreement Between the City of Kyle, Plum Creek Development Partners, Ltd., and William Negley, Trustee, for Development and Annexation of Phase 1 of the Plum Creek Ranch Property,” dated April 15, 1997, which provides for the terms and conditions of development for the Property.

“*Original Service and Assessment Plan*” means the Plum Creek North Public Improvement District Service and Assessment Plan, passed and approved by City Council on November 16, 2021, by Ordinance No. 1174.

“*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*” or “*Holder*” 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 3.13 herein.

“*Parcel*” means a property identified by either a tax map identification number assigned by the Hays 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 Hays 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.

“*PID Act*” means Texas Local Government Code, Chapter 372, as amended.

“*PID Bonds*” means the Bonds, the Improvement Area #1 Bonds, Future Improvement Area Bonds, and any other bonds issued by the City and secured by assessments levied on Assessed Properties within the District.

“*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 hereof and administered pursuant to Section 6.3 herein.

“*Pledged Revenues*” means the sum of (i) Major Improvement Area Assessment Revenue (other than Annual Collection Costs and Delinquent Collection Costs); (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, with interest that has accrued to the date of prepayment 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 the payment of the regularly scheduled Major Improvement Area Assessment.

“*Principal and Interest Account*” means the Account of such name 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 herein.

“*Purchaser*” means, with respect to the Bonds, the initial underwriter of such Bonds.

“*Quarter in Interest*” means as of any particular date of calculation, the Owners of no less than twenty-five percent (25%) of the principal amount of the then Outstanding Bonds. In the event that two or more groups of Owners satisfy the percentage requirement set forth in the immediately preceding sentence and act (or direct the Trustee in writing to act) in a conflicting manner, only the group of Owners with the greatest percentage of Outstanding Bonds (as measured in accordance with the immediately preceding sentence) shall, to the extent of such conflict, be deemed to satisfy such requirement.

“*Rating Agency*” means each of Moody's Investors Service, Inc., S&P Global Ratings, Fitch Ratings Inc., Kroll Bond Rating Agency, Inc., and any other nationally recognized statistical rating organization recognized as such by the SEC.

“*Rebate Amount*” has the meaning ascribed to such term 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 herein.

“*Record Date*” means the close of business on the fifteenth 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 herein.

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

“*Refunding Bonds*” means bonds issued pursuant to the PID Act and/or Chapter 1207 of the Texas Government Code or any other applicable law of the State of Texas (each as amended) to refund all or any portion of the then Outstanding Bonds.

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

“*Regulations*” shall have the meaning set forth in Section 7.5(a) hereof.

“*Reserve Account*” means the Account of such name established pursuant to Section 6.1 hereof.

“*Reserve Account Requirement*” means the least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date therefor, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date therefor, or (iii) 10% of the lesser of the par amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date for the Bonds, the Reserve Account Requirement is \$ \_\_\_\_\_, which is an amount equal to Maximum Annual Debt Service on the Bonds as of the Closing Date therefor.

“*Reserve Fund*” means that fund established pursuant to Section 6.1 and administered in Section 6.7 herein.

“*SEC*” means the United States Securities and Exchange Commission.

“*Service and Assessment Plan*” means the Original Service and Assessment Plan as amended and restated on March 22, 2022, by Ordinance No. \_\_\_\_\_, as same may be further amended, updated, supplemented or other modified from time to time.

“*Sinking Fund Installment*” means the amount of money to redeem or pay at maturity the principal of Bonds payable from such installments at the times and in the amounts provided in Section 4.2 herein.

“*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 for the Bonds 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, Houston, Texas, a national banking association duly organized and validly existing under the laws of the United States of America, solely in its capacity as Trustee hereunder 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.

“*Value to Lien Ratio*” means with respect to any Future Improvement Area Bonds, the ratio of the appraised value of a specific assessed parcel or assessed parcels, as applicable, in a Future Improvement Area or the District, as applicable, for which Future Improvement Area Bonds are issued, based on an Independent Appraisal, to the sum of (i) the principal amount of the Future Improvement Area Bonds to be issued to fund all or a portion of the costs of the Future Improvement Area Improvements in the Future Improvement Area or the District, as applicable, and (ii) the outstanding special assessments levied on such parcel or parcels, as applicable, within such Future Improvement Area.

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.

(a) 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.

(b) Words importing persons include any legal person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization and government or agency or political subdivision thereof.

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

(d) 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 general laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$\_\_\_\_\_,000 for the purposes of (i) paying a portion of the Actual Costs of the Major Improvement Area Projects, (ii) paying capitalized 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) paying a portion of the Actual Costs incidental to the organization and administration of the District, and (v) paying costs of issuance of the Bonds.

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

(a) The Bonds shall be dated April 14, 2022 (the “*Bond Date*”) and shall be issued in Authorized Denominations. Upon the receipt of an Investment Grade Rating on the Bonds, the City shall promptly notify the Dissemination Agent in writing of such rating change and shall provide written direction to the Dissemination Agent to file a notice of such occurrence with the Municipal Securities Rulemaking Board and to forward such notice to the Paying Agent/Registrar and to the Trustee. The Dissemination Agent shall file such notice and forward the same to the Paying Agent/Registrar and to the Trustee immediately following the day on which it receives written notice of such occurrence from the City. Any such notice is required to be filed within ten (10) Business Days of the occurrence of the receipt of the Investment Grade Rating. Upon receipt by the Paying Agent/Registrar of written evidence that the Bonds have received an Investment Grade Rating, beneficial ownership in the Bonds may be acquired in principal denominations of \$1,000 or any integral multiple thereof, notwithstanding any subsequent downgrade, suspension, or withdrawal of such rating. 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.

(b) Interest shall accrue and be paid on each Bond from the later of the date of initial delivery of the Bonds 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 September 1, 2022 computed on the basis of a 360-day year of twelve 30-day months.

(c) 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>
20__	\$____,000	____%
20__	\$____,000	____%
20__	\$____,000	____%
20__	\$____,000	____%

(d) 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.

(a) 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 to the Trustee of:

- (1) a certified copy of the Assessment Ordinance;
- (2) a certified copy of the Bond Ordinance;
- (3) a copy of the executed Financing Agreement;
- (4) a copy of this Indenture executed by the Trustee and the City;
- (5) 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;
- (6) a copy of each of the executed Continuing Disclosure Agreements;
- (7) a copy of the executed opinion of Bond Counsel; and
- (8) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.

(b) Each series of Refunding Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate such Refunding Bonds and, upon payment of the purchase price of such Series of Refunding Bonds, shall deliver such series of Refunding Bonds upon the order of the City, but only upon delivery to the Trustee of:

- (1) the items described in Section 3.3(a)(1), (3), (5), and (6) above;
- (2) a certified copy of the ordinance of the City Council authorizing the issuance of such series of Refunding Bonds and all actions necessary therefor;
- (3) an original executed counterpart of the Supplemental Indenture for such series of Refunding Bonds that establishes, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, which such terms shall include a deposit into the Reserve Account of an amount equal to the Reserve Account Requirement taking into account the then Outstanding Bonds and the Refunding Bonds then proposed to be issued;

- (4) a copy of the opinion of Bond Counsel required by Section 10.1 hereof;
- (5) a City Certificate, including the requisite information as set forth in Section 3.3(a)(5) above, to the effect that the issuance of such series of Refunding Bonds complies with the requirements contained herein and in each Supplemental Indenture;
- (6) the City Representative shall certify to the Trustee in writing 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 herein or in any Supplemental Indenture;
- (7) certification to the effect that the principal (including sinking fund installments) of such Refunding Bonds is scheduled to mature on September 1 of the years in which principal is scheduled to mature; and
- (8) certification to the effect that the interest on such Refunding Bonds is scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid.

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, first class United States mail, 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. 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, determine 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. If any Bond shall not be presented for payment within one year following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall return to the City such funds theretofore held by it for payment of such Bonds. Thereafter, the registered Owner of that Bond shall look only to the City for payment and then only to amounts so received by the City. The obligations of the Trustee under this Section shall be subject, however, to any law applicable to the unclaimed funds or the Trustee providing other requirements for the disposition of unclaimed property.

(e) 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 not 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 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.

(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 holders 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 the 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, each 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 duly authorized agent, which certificate shall be evidence that each 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 each Closing Date, one Initial Bond representing the entire principal amount of all of the 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 of the City 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 such Initial Bond, the Trustee shall cancel the Initial Bond and, upon City Certificate, 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. Except as limited by the terms of this Indenture, including Section 13.2, the City reserves the right to incur debt payable solely from sources other than the Trust Estate, including revenue derived from contracts with other entities, including private corporations, municipalities and political subdivisions issued particularly for the purchase, construction, improvement, extension, replacement, enlargement, or repair of the facilities needed in performing any such contract.

(b) The principal of all Refunding Bonds must be scheduled to be paid, be subject to mandatory sinking fund redemption or mature on September 1 of the years in which such principal is scheduled to be paid. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 1 and September 1. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture.

(c) Upon their authorization by the City, the Refunding Bonds of a series issued under this Section 3.6 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(b) 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 maintain a copy of the Register, and, upon written request from the City, file 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.

(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 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.

(h) 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.

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

(b) 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 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 City shall issue and 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 17A 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.

Section 3.15. Use of Book-Entry-Only System Not Required.

Notwithstanding any provision of this Indenture to the contrary, any Supplemental Indenture may provide that Refunding Bonds will not be issued in book-entry-only form and that Sections 3.12 – 3.14 of this Indenture will not apply to such Refunding Bonds.

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 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 Sinking Fund Installments as set forth in the following schedule:

**\$ Bonds Maturing September 1, 20**

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$ __,000
September 1, 20__	__,000
September 1, 20__	__,000
September 1, 20__*	__,000

**\$ Bonds Maturing September 1, 20**

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$ __,000
September 1, 20__	__,000
September 1, 20__	__,000

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\* Stated Maturity

September 1, 20__	___,000
September 1, 20__*	___,000

**\$ Bonds Maturing September 1, 20**

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$___,000
September 1, 20__	___,000
September 1, 20__	___,000
September 1, 20__	___,000
September 1, 20__	___,000
September 1, 20__	___,000
September 1, 20__	___,000
September 1, 20__	___,000
September 1, 20__	___,000
September 1, 20__*	___,000

**\$ Bonds Maturing September 1, 20**

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$___,000
September 1, 20__	___,000
September 1, 20__	___,000
September 1, 20__	___,000
September 1, 20__	___,000
September 1, 20__	___,000
September 1, 20__	___,000
September 1, 20__	___,000
September 1, 20__*	___,000

(b) At least 45 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by subsections (c) through (d) of this Section 4.2, the Trustee shall select by lot, a principal amount of Bonds (in accordance with Section 4.5) of such maturity equal to the Sinking Fund Installment 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.

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\* Stated Maturity

(c) The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to this Section 4.2(a) 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.

(d) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to this Section 4.2(a) shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds 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 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 the Bonds before their scheduled maturity dates, in whole or in part, in amounts equal to Authorized Denominations, on or after September 1, 20[ ], such redemption date or dates to be fixed by the City, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

(a) The City reserves the right and option to redeem the 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 (including related transfers to the Redemption Fund made pursuant to this Indenture). The City shall notify the Trustee in writing at least forty-five (45) days before the scheduled extraordinary option redemption date fixed by the City, or such other time period as the Trustee and the City shall mutually agree.

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.

(b) In lieu of redeeming the Bonds with the funds described in this Section, the City may purchase the Bonds in the open market of the maturity to be redeemed at the price not in excess of that provided in Section 4.7.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Section 4.2, 4.3, or 4.4, 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.

(b) In selecting the Bonds to be redeemed pursuant to Section 4.2, the Trustee may select Bonds in any method that results in a random selection.

(c) In selecting the Bonds to be redeemed pursuant to Section 4.3, the Trustee may rely on the directions provided in a City Certificate.

(d) 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, as applicable, to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

(e) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.8 of this Indenture, shall authenticate and deliver and exchange the Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, which shall be an Authorized Denomination. A new Bond representing the unredeemed balance of such Bond shall be issued to the Owner thereof, such exchange being without charge.

Section 4.6. Notice of Redemption to Owners.

(a) Upon written notification by the City to the Trustee of the exercise of any 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 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.

(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. Upon written notice of such rescission from the City, 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 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. Purchase Price for Bonds.

Upon receipt of written notice from the City specifying the Bonds to be purchased, the Trustee shall apply moneys available for redemption to the purchase of Bonds which were otherwise to be redeemed in such order or priority and subject to such restrictions as may be prescribed in this Indenture in the manner provided in this Section. The purchase price paid by the Trustee on behalf of the City (excluding accrued and unpaid interest but including any brokerage and other charges) for any Bond purchased by the City pursuant to this Section shall not exceed the principal amount of such Bond.

Section 4.8. 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 (initially, Houston, Texas) 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 4.9. 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 Redemption Price of such Bonds or the principal of and interest on such Bonds, as applicable, 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 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 Service Bureau Division of 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, the Trustee, or the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners of the Bonds and that neither the City nor the Trustee shall be liable for any inaccuracies of such numbers.

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.

Section 5.4. Statement of Insurance.

A statement relating to municipal bond insurance policy, if any, to be issued for the Bonds may be printed on or attached to each Bond.

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) Redemption Fund;
- (v) Reserve Fund;
- (vi) Rebate Fund;
- (vii) Administrative Fund; and
- (viii) MIA Project Collection Fund.

(b) Creation of Accounts.

(i) The following Account(s) are hereby created and established under the Bond Fund:

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

(ii) The following Account(s) are hereby created and established under the Project Fund:

- (A) MIA Improvements Account; and
- (B) MIA Costs of Issuance Account.

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

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

(c) Each Fund (and each Account and each subaccount, if any) 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) Except as otherwise provided herein, interest earnings and profit on each respective Fund and Account established by this Indenture, including the MIA Project Collection Fund, shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

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: \$\_\_\_\_\_ which is equal to the initial Reserve Account Requirement;
- (iii) to the Administrative Fund: \$\_\_\_\_\_;
- (iv) to the MIA Costs of Issuance Account of the Project Fund: \$\_\_\_\_\_; and
- (v) to the MIA Improvements Account of the Project Fund: \$\_\_\_\_\_.

Section 6.3. Pledged Revenue Fund.

(a) On or before February 20, 2023, and on or before each February 20 and August 20 of each year thereafter while the Bonds are Outstanding, the City shall deposit or cause to be deposited all Pledged Revenues, other than the Pledged Revenues on deposit in the MIA Project Collection Fund which revenues shall be transferred in accordance with Section 6.14 hereof, into the Pledged Revenue Fund. As soon as practicable following deposit into the Pledged Revenue Fund pursuant to this Section 6.3(a) or Section 6.14, the Trustee shall apply the Pledged Revenues in the following order of priority:

- (i) first, retain in the Pledged Revenue Fund an amount sufficient to pay debt service on the Bonds next coming due in such calendar year;
- (ii) second, deposit to the Reserve Account of the Reserve Fund an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement;
- (iii) third, deposit to the Additional Interest Reserve Account of the Reserve Fund an amount equal to the Additional Interest to cause the amount in the Additional Interest Reserve Account to equal the Additional Interest Reserve Requirement;
- (iv) fourth, to pay other 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 Revenues to the Pledged Revenue Fund, the City shall provide a City Certificate to the Trustee as to (i) the Funds and Accounts into which the amounts are to be deposited or retained, as applicable, and (ii) 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 Pledged Revenue Fund 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 Sinking Fund Installments) 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 Sinking Fund Installments) on the Bonds in the same manner described by Section 11.4(a) below.

(d) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit within two business days after receipt Prepayments to the Pledged Revenue Fund and after such deposit shall transfer such Prepayments to the Redemption Fund.

(e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit within two business days after receipt Foreclosure Proceeds to the Pledged Revenue Fund and after such deposit shall transfer Foreclosure Proceeds, as directed by the City pursuant to a City Certificate, 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 of the Reserve Fund and transfer of funds pursuant to Section 6.3(a)(i) – (iv) above, the City may direct the Trustee by City Certificate to apply Major Improvement Area Assessments for any lawful purposes permitted by the PID Act for which Major Improvement Area Assessments may be applied. The Trustee may rely on such written direction of the City 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 Sinking Fund Installments) and interest then due and payable on the Bonds, less any amount to be used to pay interest on the Bonds on such Interest Payment Date 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 from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in Section 6.7(f) hereof. 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 dates and in the following amounts:

<u>Date</u>	<u>Amount</u>
September 1, 2022	\$ _____
March 1, 2023	\$ _____
September 1, 2023	\$ _____

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 MIA Improvements Account of the Project Fund, or if the MIA Improvements 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 the Bonds, and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

(a) Money on deposit in the MIA Improvements Account and the MIA Costs of Issuance Account of the Project Fund shall be used for the purposes specified herein.

(b) Disbursements from the MIA Improvements Account of the Project Fund to pay Actual Costs of the Major Improvement Area Projects shall be made by the Trustee upon receipt by the Trustee of one or more City Certificates, in the form attached hereto as *Exhibit B*, containing a properly executed and completed Certification for Payment. The disbursement of funds from the MIA Improvements Account of the Project Fund pursuant to a City Certificate delivered under this Section 6.5 shall be deemed to be pursuant to and in accordance with the disbursement procedures described in this Section 6.5 of the Indenture.

(i) The Improvement Area #1 Bond Indenture has established an IA#1 Major Improvements Account within a separate project fund for the purposes of paying the Actual Costs of the Major Improvements allocable to the Improvement Area #1 pursuant to and as described in the Service and Assessment Plan.

(ii) Each Certification for Payment for the Actual Costs of one or more Major Improvements delivered under this Section 6.5 shall set forth the amount of costs of each individual Major Improvement to be paid from the MIA Improvements Account of the Project Fund, and the amount paid from the IA#1 Major Improvements Account of the project fund established under the Improvement Area #1 Bond Indenture.

(c) Disbursements from the MIA Costs of Issuance Account of the Project Fund shall be made by the Trustee pursuant to and in accordance with a City Certificate 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).

(d) If the City Representative reasonably determines that amounts then on deposit in the MIA Improvements Account of the Project Fund are not expected to be expended for purposes of the MIA Improvements Account due to the completion, abandonment, or constructive abandonment, of the Major Improvement Area Projects, as the case may be, such that, in the opinion of the City Representative, it is unlikely that the amounts in the MIA Improvements Account of the Project Fund will ever be expended for the purposes of the MIA Improvements Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the MIA Improvements Account that are not expected to be used for purposes of the MIA Improvements Account. If such City Certificate is so filed, the amounts on deposit in the MIA Improvements Account shall be transferred to the Redemption Fund to redeem Bonds on the earliest practical date after notice of redemption has been provided in accordance with this Indenture, and the MIA Improvements Account shall be closed.

(e) Not later than six (6) months following the Closing Date or upon an earlier 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 amounts on deposit in the MIA Costs of Issuance Account of the Project Fund shall be transferred to the MIA Improvements Account of the Project Fund as directed by the City in a City Certificate filed with the Trustee, and the MIA Costs of Issuance Account of the Project Fund shall be closed. If the MIA Improvements Account of the Project Fund has been closed, the amounts on deposit in the MIA Costs of Issuance Account of the Project Fund, that would have been transferred to such Account under this Section 6.5(e) of the Indenture, shall be transferred, as directed by the City in a City Certificate, to the Administrative Fund to reduce future payments for Annual Collection Costs.

(f) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a report issued by the City Engineer or a certificate of an Independent Financial Consultant.

In providing any disbursement under this Section, the Trustee may conclusively rely as to the completeness and accuracy of all statements in such City Certificate (including without limitation any Certification for Payment therein contained) if such certificate is signed by a City Representative, and the Trustee shall not be required to make any independent investigation in connection therewith. The execution of any City Certificate 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, as directed by City Certificate, shall cause to be deposited to the Redemption Fund from 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 be initially 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, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account 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. 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 Additional Interest Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account. In transferring the amounts pursuant to this Section, the Trustee may conclusively rely on a City Certificate, unless and until it receives a City Certificate directing that a different amount be used.

(b) 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.

(c) 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 of the Reserve Fund 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 necessary to permit the 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.

(d) 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. Such excess shall be transferred 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 45 days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, or (ii) to the MIA Improvements Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount on deposit in the Additional Interest Reserve Account exceeds the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the “*Excess Additional Interest Reserve Amount*”). Such excess amounts on deposit in the Additional Interest Reserve Account shall be transferred, at the direction of the City pursuant to a City Certificate, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund in order to effect the redemption of Bonds pursuant to Section 4.4. 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 the Bonds pursuant to extraordinary optional redemption.

(f) 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.

(g) 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.

(h) If, after a Reserve Account 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.

(i) 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 Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Outstanding 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 Kyle, Texas Special Assessment Revenue Bonds, Series 2022 (Plum Creek North Public Improvement District Major Improvement Area Project) 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 related to the Bonds 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) hereof 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) On or before February 20, 2023, and on or before each February 20 and August 20 of each year thereafter while the Bonds are Outstanding, the City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay Annual Collection Costs, other than the Annual Collection Costs deposited into the MIA Project Collection Fund, which amounts shall be deposited in accordance with Section 6.14 hereof. 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.

(b) The Administrative Fund is not a Pledged Fund.

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account established pursuant to this Indenture shall be invested by the Trustee only as directed by the City pursuant to a City Certificate filed with the Trustee at least two (2) business 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. 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. In the event the City does not provide written investment directions, the Trustee is instructed to invest funds into the 38142B609 Goldman Sachs Financial Square Treasury Instruments.

(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 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 6.10(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. Reserved.

Section 6.13. Security of Funds.

All Funds 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 shall be used only for the purposes and in the manner permitted or required by this Indenture.

Section 6.14. MIA Project Collection Fund.

While any Bonds are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Major Improvement Area Assessment Revenue on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Major Improvement Area Assessment Revenue for deposit on the City's behalf, the Trustee shall accept such Major Improvement Area Assessment Revenue and deposit the same into the MIA Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited all of that portion of the Major Improvement Area Assessment Revenue deposited into the MIA Project Collection Fund that consists of the Annual Collection Costs to the Administrative Fund and, as directed pursuant to a City Certificate, deposit or cause to be deposited all of that portion of the Major Improvement Area Assessment Revenue deposited into the MIA Project Collection Fund that consists of Pledged Revenue into the Pledged Revenue Fund. The City shall provide such City Certificate on or before February 20, 2023 and every August 20 and February 20 thereafter while the Bonds are outstanding. The MIA Project Collection Fund is not a Pledged Fund.

## 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 Pledged 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 amounts are due to the Developer under the Financing Agreement to reimburse it for the 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.

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 Pledged Funds, the Trust Estate, or 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 secured by any pledge of or other lien or charge on the Pledged Revenues, the Pledged Funds, the Trust Estate or any other property pledged under this Indenture, except that the City may issue Future Improvement Area Bonds and Refunding Bonds in accordance with the terms of this Indenture.

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 the obligation to the Developer to reimburse it under the Financing Agreement for funds it has contributed to pay Actual Costs of the 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 Owner or Owners of any Bonds or any duly authorized agent or agents of such Owners shall have the right at all reasonable times to inspect 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 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.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Issue Date.

“Computation Date” has the meaning set forth in section 1.148-1(b) of the Regulations.

“Gross Proceeds” means any proceeds as defined in section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in section 1.148-1(c) of the Regulations, of the Bonds.

“Investment” has the meaning set forth in section 1.148-1(b) of the Regulations.

“Issue Date” for the tax-exempt Bonds or other obligations of the City is the respective date on which such bonds or other obligations of the City is delivered against payment therefor.

“Net Sale Proceeds” has the meaning stated in section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

“Proceeds” has the meaning stated in section 1.148-1(b) of the Regulations.

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

“Regulations” means any proposed, temporary or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of (1) any Investment has the meaning set forth in section 1.148-5 of the Regulations; and (2) the Bonds has the meaning set forth in section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan.

(i) Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(ii) The City covenants and agrees that the levied Major Improvement Area Assessments will meet the requirements of the “tax assessment loan exception” within the meaning of section 1.141-5(d) of the Regulations on the date the Bonds are delivered and will ensure that the Major Improvement Area Assessments continue to meet such requirements for so long as the Bonds are outstanding hereunder.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested) if, as a result of such investment, the Yield from

the Issue Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures, and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures, and investments thereof) and shall retain all records of accounting for at least six years after the final Computation Date. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchaser and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall, pursuant to a City Certificate, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by section 148(f) of the Code and the regulations and rulings thereunder.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) *Not to Divert Arbitrage Profits.* Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) *Not Hedge Bonds.* The City will not invest more than 50 percent of the Proceeds of each series of the Bonds in Nonpurpose Investments having a substantially guaranteed yield for four years or more. On the Issue Date of each series of the Bonds, the City reasonably expects that at least 85 percent of the Net Sale Proceeds of each series of the Bonds will be used to carry out the governmental purpose of such series within three years after the respective Issue Date of such series.

(k) *Elections.* The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, 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 the 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 City Manager 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 Registrar and Paying Agent 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 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 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 deliver 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, fees, expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Outstanding hereunder on amounts held in the Administrative Fund.

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 with respect to the security afforded by this Indenture, 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; (iv) any calculation of arbitrage or rebate under the Code, (v) any loss suffered in connection with any investment of funds in accordance with this Indenture; or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the City or pursuant to this Indenture.

(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 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 in connection with or arising from this Indenture for the existence, furnishing or use of the Major Improvement Area of the District.

(d) The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default shall have occurred and be continuing, the Trustee shall exercise such rights and powers vested in it by this Indenture, and shall 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 such person's own affairs in exercising any rights or remedies or performing any of its duties hereunder.

(e) 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 any misconduct or negligence on the part of any agent, attorney, or receiver appointed or chosen by it with due care, and the Trustee shall be entitled to rely and act upon the opinion or advice of counsel, who may be counsel to the City, 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 counsel.

(f) The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds) or for the recording, filing, or refiling of this Indenture in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency or security of the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

(g) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application of any Bonds or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

(h) 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 a Quarter in Interest of

the Bonds 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.

(i) 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 shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of a Quarter in Interest 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.

(j) Before taking any action under this Indenture (other than making any payment of principal, premium, or interest on the Bonds), the Trustee may require that a satisfactory indemnity be furnished to it for the payment or reimbursement of all costs and expenses (including, without limitation, attorney's fees and expenses) to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which it adjudicated to have resulted from its negligence or willful misconduct.

(k) 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.

#### 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, the Financing Agreement, and the Development 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 into and shall not be deemed to have knowledge of any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, 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 is 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 in its discretion 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 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 from the City, compensation for all services rendered by it hereunder, including its services as Registrar and Paying Agent, 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 first lien on the Trust Estate. 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 shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys held in the Administrative Fund and to the extent moneys in the Administrative Fund are insufficient, then from any money in its possession (except the Rebate Fund) and shall be entitled to a preference therefor over any Bonds Outstanding hereunder on amounts held by the Trustee (except the Rebate Fund). The right of the Trustee to fees, expenses, and indemnification shall survive the release, discharge, and satisfaction of the 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 of Bonds 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 outstanding principal amount of the Bonds. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

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 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 a Quarter in Interest of the Bonds 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 10% of the aggregate principal amount of the Bonds Outstanding.

Section 9.10. Successor Trustee.

If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take 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 shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed after any such vacancy shall have occurred by the Owners of a Quarter in Interest of the Bonds 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 a Quarter in Interest of the Bonds, the City shall forthwith 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 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.

If in a proper case no appointment of a successor Trustee shall be made within 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 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 and upon receipt of its outstanding charges, 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 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(s) in the same jurisdictions as the initial financing statement(s) previously provided to the Trustee. Unless the Trustee is otherwise notified in writing by the City, the Trustee may rely upon the initial financing statements in filing any continuation statements hereunder.

Section 9.14. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (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, and the Owner or Owners of not less than 10% in principal amount of any Bonds then Outstanding or their representatives duly authorized in writing.

Section 9.15. 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.

Section 9.16. Offering Documentation.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, 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 9.17. 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.

Section 9.18. Environmental Hazards.

The Trustee may inform any Owner of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and in such event, no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

The Trustee shall not be responsible or liable for the environmental condition related to the improvements to any real property or for diminution in value of the same, or for any claims by or on behalf of the owners thereof as the result of any contamination by a hazardous substance, hazardous material, pollutant, or contaminant. The Trustee assumes no duty or obligation to assess the environmental condition of any improvements or with respect to compliance thereof under State or federal laws pertaining to the transport, storage, treatment, or disposal of hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits, or licenses issued under such laws.

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 more than fifty percent (50%) 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 as otherwise permitted by this Indenture, permit the creation by the City of any pledge or lien upon the Trust Estate on a parity with the pledge and lien created for the benefit of the Bonds, or (iv) reduce the percentage of Bonds required for the amendment hereof. 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 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 a series of 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 will not adversely affect the: (i) interests of the Owners in any material respect, and (ii) exclusion of interest on any Bond from gross income for purposes of federal income taxation.

#### 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 rules and regulations for the conduct of said meeting.

#### 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 and a notice shall have been mailed as hereinafter in this Section provided. 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 shall 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-day period; provided however that the Trustee during such forty-five 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 and the Trustee shall have no liability with respect to any action taken or any instance of inaction except as a consequence of its own negligence or willful misconduct.

#### 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 above, with the written consent of the Owners of more than fifty percent (50%) 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.

No such amendment shall 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 nationally recognized bond counsel engagement by the Trustee and addressed and delivered to the Trustee stating that (a) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (b) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds, and (c) such Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the City.

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 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
- (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 a Quarter in Interest of the Bonds with a copy to the Trustee, specifying such default and requesting that the failure be remedied.

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 a Quarter in Interest of the Bonds 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 any action for money damages against the City shall be limited in recovery to the assets of the Trust Estate, including the Pledged Revenues and Pledged Funds. 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 all 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 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 a Quarter in Interest 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 60-day period by the Owners of 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, 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, 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, Pledged Funds, or 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 together with all amounts held by the Trustee hereunder as part of the Trust Estate, 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, 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 to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may and, if previously directed in writing by Owners of a Quarter in Interest of the Bonds then Outstanding, shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest, if any, on the Bonds.

#### 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 a Quarter in Interest of the Bonds 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, (iii) that the Trustee may still require satisfactory indemnity prior to taking such action, and (iv) 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. 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 12.3. Certifications Regarding Texas Government Code.

(a) This Agreement has a value of less than \$100,000 for purposes of Sections 2271.002 and 2274.002, Texas Government Code.

(b) The Trustee represents that, neither the Trustee, nor any parent company, wholly- or majority-owned subsidiaries or affiliates of the same, if any, are companies 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/publications/divestment.php>

(c) 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 and Texas law and excludes the Trustee and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the same, 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 and exists to make a profit.

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 Funds, 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 Additional 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 Additional 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 any 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 whatsoever 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) Future PID Bonds Test - Future Improvement Area Bonds. Future Improvement Area Bonds may be issued to fund and/or to reimburse the Developer for funding the Actual Costs of Future Improvement Area Improvements. The Developer may request that the City issue Future Improvement Area Bonds; provided, however, that no Future Improvement Area Bonds shall be issued unless such Future Improvement Area Bonds are made to mature on September 1 in each of the years in which they are scheduled to mature, must bear interest at a fixed rate and any interest payment dates for the Future Improvement Area Bonds must be March 1 and September 1, and the following requirements 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 any indenture of trust authorizing the issuance of PID Bonds for the District;

(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, any acquisition and reimbursement agreement applicable to such Future Improvement Area or any continuing disclosure agreement entered into by the Developer relating to the PID Bonds, unless any defaults under the foregoing agreements (except for defaults under any continuing disclosure agreements entered into by Developer which defaults shall be cured) are disclosed in a certificate from the Developer to the City and the City Council elects to proceed with the issuance of the Future Improvement Area Bonds regardless of the existence of such default or defaults;

(iii) The Trustee and the City shall receive a certificate from the Administrator certifying that there is no default by the Developer or any owner of more than five percent (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) With respect to Future Improvement Area Bonds to be issued for Future Improvement Areas developed after Improvement Area #1, the Trustee and the City shall receive a certificate from the Developer certifying that the Authorized Improvements to be funded with the proceeds of the Improvement Area #1 Bonds have been completed;

(v) If Future Improvement Area Bonds have been issued for one or more Future Improvement Areas, the City shall receive a certificate from the Developer certifying that that the Authorized Improvements to be funded with the proceeds of such Future Improvement Area Bonds have been completed;

(vi) The Trustee and the City shall receive a certificate from the Developer certifying that at least fifty percent (50%) of the assessed parcels in the Future Improvement Area, for which Future Improvement Area Bonds will be issued, are either owned by the Developer or are under contract with merchant builder(s) or real estate developer(s) for sale to end users;

(vii) With respect to Future Improvement Area Bonds to be issued for Future Improvement Areas developed after Improvement Area #1, the Trustee and the City shall receive a certificate from the Developer certifying that a certificate of occupancy for completed homes has been issued for at least fifty percent (50%) of the lots or residential units, as applicable, in the preceding neighborhood improvement area;

(viii) The Value to Lien Ratio of each type of individual assessed parcel in the Future Improvement Area for which Future Improvement Area Bonds will be issued, based on an Independent Appraisal, shall not be less than 2.5:1; and

(ix) The Value to Lien Ratio in the Future Improvement Area for which Future Improvement Area Bonds will be issued, based on an Independent Appraisal, shall not be less than 3:1. Any certification delivered to the Trustee in accordance with this Section 13.2(c) shall be held solely as a repository of such documents on behalf the Owners and the Trustee shall not be responsible for the content of any such documents or certifications.

Future Improvement Area Bonds may be issued to fund and/or to reimburse the Developer for funding the Actual Costs of Future Improvement Area Improvements in one or more Future Improvement Areas simultaneously if the preceding requirements of this Section 13.2(c) are met with respect to Improvement Area #1 and each Future Improvement Area for which Future Improvement Area Bonds have been issued.

(d) 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.

### 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 Pledged Revenues, the Pledged Funds, 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 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, (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, and (v) the Trustee shall have received an

opinion of Bond Counsel to the effect that (A) any Bond having been deemed to have been paid as provided in this Section is no longer Outstanding hereunder and is no longer secured by or entitled to the benefits of this Indenture, (B) such defeasance is in accordance with the terms hereof and (C) such defeasance will not adversely affect the exclusion of interest on such Bond from gross income for purposes of federal income taxation. 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, 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 Kyle, Texas 100 W. Center Street Kyle, Texas 78640 Attn: City Manager Email: <a href="mailto:ssellers@cityofkyle.com">ssellers@cityofkyle.com</a> Telephone: 512.262.3923
With copy to:	The Knight Law Firm, LLP Attn: Veronica Rivera, City Attorney 223 West Anderson Lane, Suite A-105 Austin, Texas 78752 Fax No.: 512.922.3004 Email: <a href="mailto:vrivera@cityattorneytexas.com">vrivera@cityattorneytexas.com</a>
If to the Trustee or the Paying Agent/Registrar:	BOKF, NA Attn: Rosalyn Davis 1401 McKinney, Suite 1000 Houston, Texas 77010 Fax No.: 713.354.0279 Email: <a href="mailto:Rosalyn.Davis@bokf.com">Rosalyn.Davis@bokf.com</a>

Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

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 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 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), 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 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.

(d) 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.

#### 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. 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 KYLE, TEXAS

By: \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Secretary

[CITY SEAL]

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 KYLE, TEXAS  
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2022  
(PLUM CREEK NORTH 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 Kyle, 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 September 1, 2022, 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 Houston, Texas (the “*Designated Payment/Transfer Office*”), of BOKF, NA, 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 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, that continues for 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 15 days after the Special Record Date) shall be sent at least five 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 April 14, 2022 and issued in the aggregate principal amount of \$\_\_\_\_\_,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of March 15, 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 holders of the Bonds, 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 holder 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 purposes of (i) paying a portion of the Actual Costs of the Major Improvement Area Projects, (ii) paying capitalized 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) paying a portion of the Actual Costs incidental to the organization and administration of the District, and (v) paying costs of issuance of 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 Authorized Denominations.

The Bonds are subject to mandatory sinking fund redemption prior to their respective Stated Maturities 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 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 Sinking Fund Installment amounts as set forth in the following schedule:

*[insert sinking fund installment schedule from Sec. 4.2]*

At least 45 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by Section 4.2 of the Indenture, the Trustee shall select for redemption by lot, or in any manner as Trustee shall deem fair, a principal amount of Bonds of such maturity equal to the Sinking Fund Installments 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 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 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 required to be redeemed on any mandatory sinking fund redemption date pursuant to Section 4.2(a) of the Indenture shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds 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 hereof and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem the Bonds before their scheduled maturity dates, in whole or in part, in amounts equal to Authorized Denominations, 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, or portions thereof, to be redeemed plus accrued interest to the date of 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 at 100% of the principal amount of such Bonds called for redemption, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

If less than all of the Bonds are to be redeemed pursuant to Section 4.2, 4.3, or 4.4 of 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.

In selecting the Bonds to be redeemed pursuant to Section 4.2 of the Indenture, the Trustee may select Bonds in any method that results in a random selection.

In selecting the Bonds to be redeemed pursuant to Section 4.3 of the Indenture, the Trustee may rely on the directions provided in a City Certificate.

If less than all of the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 of the Indenture, the Bonds or portion of a Bond, as applicable, to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

Upon surrender of any Bond for redemption in part, the Trustee in accordance with the Indenture, shall authenticate and deliver and exchange the Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, which shall be an Authorized Denomination. A new Bond representing the unredeemed balance of such Bond shall be issued to the Owner thereof, such exchange being without charge. If any Bonds are to be redeemed and such redemption results in the unredeemed portion of a single Bond in an amount less than the Authorized Denomination, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

The Trustee shall give notice of any redemption of the Bonds by sending notice by first class United States mail, postage prepaid, not less than 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 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 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 holders of Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, 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 holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders 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 Paying Agent/Registrar, and upon delivery to the Paying Agent/Registrar 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 Trustee shall be required to issue, transfer, or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

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 KYLE, TEXAS, HAYS COUNTY, TEXAS, 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 Kyle, Texas

\_\_\_\_\_  
City Secretary, City of Kyle, Texas

[City Seal]

i. 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 an opinion 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]

- ii. 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,  
Houston, Texas, as Trustee

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signatory

- iii. 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

iv. 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) hereof); and

- (iii) the Initial Bond shall be numbered T-1.



**EXHIBIT B**

**FORM OF CITY CERTIFICATE**

[City Letterhead]

BOKF, NA  
1401 McKinney, Suite 1000  
Houston, Texas 77010  
Attn: Ms. Rosalyn Davis  
Rosalyn.Davis@bokf.com  
713.289.5829

Re: City of Kyle, Texas Special Assessment Revenue Bonds (Plum Creek North  
Public Improvement District Major Improvement Area Project)

Reference is made to the Indenture of Trust (the “Indenture”) by and between the City of Kyle,  
Texas (the “City”) and BOKF, NA (the “Trustee”), regarding the above-described transaction. In  
accordance with the Indenture, we hereby instruct you as follows:

[insert instructions]

This City Certificate, as executed by the City Representative (as defined in the Indenture) below,  
is provided in accordance with and complies with the provisions of the Indenture. The Trustee is  
hereby authorized to rely upon this City Certificate and to take the foregoing action(s). By  
submission of this City Certificate, the City hereby affirms that it remains in compliance with the  
covenants as set forth in the Indenture and all supplements related thereto.

Very truly yours,

CITY OF KYLE, TEXAS

By:     /s/    

Name: \_\_\_\_\_

Title: \_\_\_\_\_

APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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# Plum Creek North Public Improvement District

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AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN  
JANUARY 18, 2022



## TABLE OF CONTENTS

Table of Contents .....	1
Introduction .....	3
Section I: Definitions .....	4
Section II: The District .....	11
Section III: Authorized Improvements .....	11
Section IV: Service Plan .....	14
Section V: Assessment Plan .....	14
Section VI: Terms of the Assessments .....	18
Section VII: Assessment Roll .....	23
Section VIII: Additional Provisions .....	23
List of Exhibits .....	26
Exhibit A-1 – District Legal Description .....	27
Exhibit A-2 – Improvement Area #1 Legal Description .....	38
Exhibit A-3 – Major Improvement Area Legal Description .....	42
Exhibit B-1 – District Boundary Map .....	49
Exhibit B-2 – Improvement Area #1 Boundary Map .....	50
Exhibit B-3 – Major Improvement Area Boundary Map .....	51
Exhibit C – Authorized Improvements .....	52
Exhibit D – Service Plan .....	53
Exhibit E – Sources and Uses .....	54
Exhibit F – Improvement Area #1 Assessment Roll .....	55
Exhibit G – Improvement Area #1 Annual Installments .....	61
Exhibit H – Major Improvement Area Assessment Roll .....	62
Exhibit I – Major Improvement Area Annual Installments .....	63
Exhibit J – Maximum Assessment Per Lot Type .....	64
Exhibit K – Estimated Buildout Value for Improvement Area #1 and Major Improvement Area .....	65
Exhibit L – Lot Type Classification Map .....	66
Exhibit M – Maps of Major Improvements .....	67
Exhibit N – Maps of Improvement Area #1 Improvements .....	70
Exhibit O – Phase 2 Section 1 Plat .....	75
Exhibit P – Notice of PID Assessment Termination .....	79

Exhibit Q-1 – Lot Type 1 Disclosure ..... 82  
Exhibit Q-2 – Lot Type 2 Disclosure ..... 88  
Exhibit Q-3 – Lot Type 3 Disclosure ..... 94  
Exhibit Q-4 – Lot Type 4 Disclosure ..... 100  
Appendix A – Engineer’s Report ..... 106

## INTRODUCTION

Capitalized terms used in this Amended and Restated Service and Assessment Plan shall have the meanings given to them in Section I unless otherwise defined in this Amended and Restated 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 Amended and Restated Service and Assessment Plan, or an Exhibit attached to and made a part of this Amended and Restated Service and Assessment Plan for all purposes.

On April 16, 2019, the City passed and approved Resolution No. 1139 authorizing the creation of the District. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 389.19 acres located within the City, as described by metes and bounds on **Exhibit A-1** and depicted on **Exhibit B-1**.

On November 16, 2021 the City Council passed and approved Ordinance No. 1174 authorizing the levy of Assessments on Assessed Property.

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 the District based on the special benefits conferred on the District 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 its 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 included as **Exhibit F**. The Major Improvement Area Assessment Roll is included as **Exhibit H**.

## SECTION I: DEFINITIONS

**“Actual Costs”** mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner: (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 the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. 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 Assessments securing 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 Amended and Restated Service and Assessment Plan, an 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”** mean the actual or budgeted 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 Amended and Restated Service and Assessment Plan and the Act with respect to 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.

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

**“Appraisal District”** means Hays Central Appraisal District.

**“Assessed Property”** means any Parcel within the District against which an Assessment is levied.

**“Assessment”** means an assessment levied against a Parcel within the District and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and 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 one or more assessment rolls for the Assessed Property within the District, as updated, modified or amended from time to time in accordance with the procedures set forth herein, and in the PID Act, including any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included as **Exhibit F**. The Major Improvement Area Assessment Roll is included as **Exhibit H**.

**“Authorized Improvements”** means improvements authorized by Section 372.003 of the PID Act as described in **Section III** and **Exhibit C** and depicted on **Exhibit M** and **Exhibit N**.

**“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.

**“City”** means the City of Kyle, Texas.

**“City Council”** means the governing body of the City.

**“County”** means Hays County, Texas.

**“Delinquent Collection Costs”** mean, 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 Amended and Restated Service and Assessment Plan, including costs and expenses to foreclose liens.

**“District”** means the Plum Creek North Public Improvement District containing approximately 389.19 acres located within the City and shown on **Exhibit B-1** and more specifically described in **Exhibit A-1**.

**“District Formation Expenses”** means the costs associated with forming the District, including but not limited to 1st year District administration reserves, and any other cost or expense directly associated with the establishment of the District.

**“Estimated Buildout Value”** means the estimated buildout value of an Assessed Property at the time Assessments are levied, 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, reports from third party consultants, or any other information that may impact value.

**“Financing and Reimbursement Agreement”** means that certain Plum Creek North Public Improvement District Financing and Reimbursement Agreement between Lennar Homes of Texas Land and Construction, Ltd., a Texas Limited Partnership, and City of Kyle, Texas, dated November 16, 2021.

**“Improvement Area #1”** means approximately 123.086 acres located within the District, as shown on **Exhibit B-2** and more specifically described in **Exhibit A-2**.

**“Improvement Area #1 Annual Installment”** means the annual installment payment of the Improvement Area #1 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.

**“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 Improvement Area #1 Assessed Property 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 Amended and Restated 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 Bonds”** mean those certain “City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2022 (Plum Creek North Public Improvement District Improvement Area #1 Project)”, that are secured by Improvement Area #1 Assessments.

**“Improvement Area #1 Improvements”** mean those Authorized Improvements that only benefit Improvement Area #1, more specifically described in **Section III.B**.

**“Improvement Area #1 Remainder Parcel”** means all of the area within Improvement Area #1, save and except the Phase 2 Section 1 Plat, consisting of approximately 55.45 acres. Until a plat has been recorded and a Property ID has been assigned by the Appraisal District to each Lot within the Improvement Area #1 Remainder Parcel, the Annual Installment will be allocated to each property ID within the Improvement Area #1 Remainder Parcel based on the Hays Central Appraisal District acreage for billing purposes only.

**“Improvement Area #1 Projects”** mean the Improvement Area #1 Improvements and Improvement Area #1’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 or supplemented from time to time, between the City and a Trustee setting forth terms and conditions related to PID Bonds.

**“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 Lot within Improvement Area #1 designated as a 35’ single-family residential lot by the Owner, as shown on the map attached as **Exhibit L**.

**“Lot Type 2”** means a Lot within Improvement Area #1 designated as a 43’ single-family residential lot by the Owner, as shown on the map attached as **Exhibit L**.

**“Lot Type 3”** means a Lot within Improvement Area #1 designated as a 50’ single-family residential lot by the Owner, as shown on the map attached as **Exhibit L**.

**“Lot Type 4”** means a Lot within Improvement Area #1 designated as a 55’ single-family residential lot by the Owner, as shown on the map attached as **Exhibit L**.

**“Major Improvement Area”** means approximately 266.104 acres located within the District, as shown on **Exhibit B-3** and more specifically described in **Exhibit A-3**.

**“Major Improvement Area Annual Installment”** means the annual installment payment of the 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.

**“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 the Major Improvement Area Assessed Property 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 and included in this Amended and Restated 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.

**“Major Improvement Area Bonds”** mean those certain “City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2022 (Plum Creek North 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-3** and shown on the map on **Exhibit B-3**, consisting of approximately 266.104 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 Hays Central Appraisal District acreage for billing purposes only.

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

**“Major Improvements”** mean the improvements and associated soft costs that benefit the entire District, and are more specifically described in **Section III.A**.

**“Maximum Assessment”** means, for each Lot within Improvement Area #1, the amount shown for each Lot Type on **Exhibit J**. The Maximum Assessment results in an equivalent tax rate that is equal to or less than \$0.44 per \$100 of Estimated Buildout Value, as required by the Financing and Reimbursement Agreement. The Maximum Assessment shall be reduced annually by the principal portion of the Annual Installment.

**“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 Lennar Homes of Texas Land and Construction, LTD., and any successor and assigns.

**“Parcel(s)”** means a property within the District, identified by either a tax map identification number assigned by the Hays Central Appraisal District for real property tax purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means determined by the City.

**“Phase 2 Section 1 Plat”** means the final Plum Creek Phase 2 Section 1 Plat recorded with the County on August 11, 2020, as shown on **Exhibit O**.

**“PID Act”** means Chapter 372, Texas Local Government Code, as amended.

**“PID Bonds”** mean bonds issued by the City, to finance the Actual Costs of the Authorized Improvements, inclusive of the Improvement Area #1 Bonds and the Major Improvement Area Bonds.

**“Prepayment”** means the payment of all or a portion of an Assessment before the due date of the final installment thereof. 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 the payment of the regularly scheduled Annual Installment of the Assessment.

**“Prepayment Costs”** mean interest and Annual Collection Costs incurred up to the date of Prepayment.

**“Property ID”** mean a unique number assigned to each Parcel by the Appraisal District.

**“Service and Assessment Plan”** means the original Service and Assessment Plan approved by City Council on November 16, 2021.

**“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**.

**“Trustee”** means a trustee (or successor trustee) under the applicable Indenture.

## SECTION II: THE DISTRICT

The District includes approximately 389.19 contiguous acres located within the corporate limits of the City, as more particularly described by metes and bounds on **Exhibit A-1** and depicted on **Exhibit B-1**. Development of the District is anticipated to include approximately 1,216 single-family units.

Improvement Area #1 includes approximately 123.086 acres located within the District, as more particularly described by metes and bounds on **Exhibit A-2** and depicted on **Exhibit B-2**. Development of Improvement Area #1 is anticipated to include approximately 403 single-family units.

The Major Improvement Area includes approximately 266.104 acres located within the District, as more particularly described by metes and bounds on **Exhibit A-3** and depicted on **Exhibit B-3**. Development of the Major Improvement Area is anticipated to include approximately 813 single-family units.

## SECTION III: AUTHORIZED IMPROVEMENTS

The City Council, based on information provided by the Owner and their engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Major Improvements, the Improvement Area #1 Improvements, and District Formation Expenses and Bond Issuance Costs are Authorized Improvements and confer a special benefit on the Assessed Property. The budget for the Authorized Improvements is shown on **Exhibit C**, and a map depicting the Authorized Improvements is shown on **Exhibit M** and **Exhibit N**.

### A. Major Improvements

- *Water*

Improvements include trench excavation and embedment, trench safety, PVC piping, fire hydrant assemblies, air release valves, gate valves, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to all property within the District.

- *Wastewater*

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to all property within the District.

- *Detention*

Improvements include clearing, pond excavation and embankment, soil testing, channels, rock riprap, loose riprap walls, and construction of outfall structures. Erosion controls, revegetation, and utility improvements are also included.

- *Clearing and Erosion Control*

Improvements include clear and grub, excavation, embankment, silt fence, rock berms, construction entrances, inlet protection, topsoil, and irrigation sleeves.

## **B. Improvement Area #1 Improvements**

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to provide water service to each Lot within Improvement Area #1.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to provide wastewater service to each Lot within Improvement Area #1.

- *Drainage*

Improvements including trench excavation and embedment, trench safety, reinforced concrete pipe, manholes, storm outfalls, storm drain inlets, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to ensure proper drainage of the public roadways within Improvement Area #1.

- *Streets*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and street lights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included to provide roads to each Lot within Improvement Area #1.

- *Clearing and Erosion Control*

Improvements include clear and grub, excavation, embankment, silt fence, rock berms, construction entrances, inlet protection, topsoil, and irrigation sleeves.



- *Parks and Common Areas*  
Improvements including landscaping, earthwork and construction of all common area and pocket parks within Improvement Area #1.
- *Soft Costs*  
Improvements including engineering, planning and legal expenses to construct the above-described hard costs.
- *Contingency*  
Estimated to be 15% of civil hard costs and 10% of landscaping hard costs, inclusive of a 4% construction management fee.

**C. Bond Issuance Costs**

- *Debt Service Reserve Fund*  
Equals the amount required under an applicable Indenture in connection with the issuance of PID Bonds.
- *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, and includes 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. District Formation Expenses**

Costs associated with forming the District, including but not limited to 1st year District administration reserves, and any other cost or expense directly associated with the establishment of the District.

## 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 must be reviewed and updated, at least annually, and approved by the City Council. **Exhibit D** summarizes the Service Plan for the District.

**Exhibit E** summarizes the sources and uses of funds required to construct the Authorized Improvements and pay the District Formation Expenses and Bond Issuance Costs. The sources and uses of funds shown on **Exhibit E** shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

## SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council 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 Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council 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 reasonable classifications and formulas for the apportionment of the cost between the municipality or the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The determination by the City Council 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, District Formation Expenses, and Bond Issuance Costs shall be allocated as follows:

- Major Improvements shall be allocated pro rata between the Major Improvement Area Initial Parcel and Improvement Area #1 Assessed Property based on Estimated Buildout Value, as shown on **Exhibit K**.

- The Improvement Area #1 Improvements are allocated entirely to the Improvement Area #1 Assessed Property.
- District Formation Expenses shall be allocated pro rata between the Major Improvement Area Initial Parcel and Improvement Area #1 Assessed Property based on Estimated Buildout Value, as shown on **Exhibit K**.
- Bond Issuance Costs shall be allocated entirely to the Assessed Property securing the applicable PID Bond.

**B. Assessments**

Improvement Area #1 Assessments will be levied on the Improvement Area #1 Assessed Property 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.

Major Improvement Area Assessments will be levied on the Major Improvement Area Initial Parcel as shown on the Major Improvement Area Assessment Roll, attached hereto as **Exhibit H**. The projected Major Improvement Area Annual Installments are shown on **Exhibit I**, subject to revisions made during any Annual Service Plan Update.

Upon subdivisions of the Improvement Area #1 Remainder Parcel or the Major Improvement Area Initial Parcel by final plat, the applicable Assessment shall be reallocated pursuant to **Section VI.A**.

**C. 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 and the District Formation Expenses allocated to Improvement Area #1 and Bond Issuance Costs equal \$21,581,684, as shown on **Exhibit C**; and
  2. The Improvement Area #1 Assessed Property receives special benefit from Improvement Area #1 Projects and applicable District Formation Expenses and Bond Issuance Costs equal to or greater than the Actual Costs of the Improvement Area #1 Projects and applicable District Formation Expenses and Bond Issuance Costs; and
  3. The Improvement Area #1 Assessed Property will be allocated 100% of the Improvement Area #1 Assessments levied on the Improvement Area #1 Assessed Property for Improvement Area #1 Projects and the applicable District Formation

Expenses and Bond Issuance Costs, which equal \$6,385,000, as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F**; and

4. The special benefit ( $\geq$  \$21,581,684) received by the Improvement Area #1 Assessed Property from Improvement Area #1 Projects and applicable District Formation Expenses and Bond Issuance Costs is equal to or greater than the amount of the Improvement Area #1 Assessments (\$6,385,000) levied on the Improvement Area #1 Assessed Property; and
5. At the time the City Council approved the Assessment Ordinance levying the Improvement Area #1 Assessments, the Owner owned 100% of the Improvement Area #1 Assessed Property. The Owner acknowledged that Improvement Area #1 Projects and the applicable District Formation Expenses and Bond Issuance Costs confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessments to pay for Improvement Area #1 Projects and applicable District Formation Expenses and Bond Issuance Costs associated therewith. The Owner 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.

- *Major Improvement Area*

1. The costs of the Major Improvement Area Projects and allocated to the Major Improvement Area District Formation Expenses and Bond Issuance Costs equal \$2,779,193, as shown on **Exhibit C**; and
2. The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Projects and District Formation Expenses and Bond Issuance Costs equal to or greater than the Actual Costs of the Major Improvement Area Projects and District Formation Expenses and Bond Issuance Costs; and
3. The Major Improvement Area Assessed Property will be allocated 100% of the Major Improvement Area Assessments levied on the Major Improvement Area Initial Parcel for the Major Improvement Area Projects and District Formation Expenses and Bond Issuance Costs, which equal \$2,730,000, as shown on the Major Improvement Area Assessment Roll attached hereto as **Exhibit H**; and
4. The special benefit ( $\geq$  \$2,779,193) received by the Major Improvement Area Assessed Property from the Major Improvement Area Projects and District Formation Expenses and Bond Issuance Costs is equal to or greater than the amount of the Major

Improvement Area Assessments (\$2,730,000) levied on the Major Improvement Area Initial Parcel; and

5. At the time the City Council approved the Assessment Ordinance levying the Major Improvement Area Assessments, the Owner owned 100% of the Major Improvement Area Assessed Property. The Owner acknowledged that the Major Improvement Area Projects and District Formation Expenses and Bond Issuance Costs confers a special benefit on the Major Improvement Area Assessed Property and consented to the imposition of the Major Improvement Area Assessments to pay for the Major Improvement Area Projects and District Formation Expenses and Bond Issuance Costs associated therewith. The Owner 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 Initial Parcel.

#### **D. Annual Collection Costs**

The Annual Collection Costs shall be paid for on a pro rata basis by each Parcel of 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.

#### **E. Additional Interest**

The interest rate on Assessments levied on the Assessed Property to pay the 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.

## 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 of 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 an update to this Amended and Restated Service and Assessment Plan 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 and a Property ID has been assigned by the Appraisal District, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the newly subdivided Lots based on Estimated 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 of the newly subdivided Lots excluding Non-Benefited 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 considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact value. 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 an update to this Amended and Restated Service and Assessment Plan 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 Owner must 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 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.

#### **D. Reduction of Assessments**

If as a result of cost savings or Authorized Improvements 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 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.

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; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached hereto as **Exhibit P**.

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**

Subject to applicable law, 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-Benefited 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-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay in Annual Installments, or payable as otherwise provided by this Amended and Restated 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 Assessment 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 of the Remaining Property 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 applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of prepayment, with any remainder credited against the assessment on the Remainder Property.

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-Benefited 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.

Notwithstanding the previous paragraphs in this subsection, if the owner of the Taken Property 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. Said 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 never be reduced to an amount less than the amount required to pay all outstanding debt service requirement on all outstanding PID Bonds.

### **G. Payment of Assessment in Annual Installments**

**Exhibit G** shows the projected Improvement Area #1 Annual Installments. **Exhibit I** shows the projected Major Improvement Area Annual Installments.

Assessments that are not paid in full shall be due and payable in Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update. Until a plat has been recorded on a Parcel and a Property ID has been assigned by the Appraisal District within Improvement Area #1 or the Major Improvement Area, the Annual Installment will be allocated to each Property ID within the Improvement Area #1 Remainder Parcel and Major Improvement Area Initial Parcel, respectively, based on the Hays Central Appraisal District acreage for billing purposes only.

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 collected 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 non-delinquent Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with the PID Act and the applicable Indenture. 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 shall be due when billed and shall be delinquent if not paid prior to February 1, 2023.

## **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 Major Improvement Area 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 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 Amended and Restated 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 1<sup>st</sup> 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 Amended and Restated Service

and Assessment Plan, the Assessment Ordinance, or the 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 Amended and Restated 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 Amended and Restated 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 Amended and Restated Service and Assessment Plan.

#### **C. Administration and Interpretation**

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Amended and Restated Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Amended and Restated Service and Assessment Plan. Interpretations of this Amended and Restated 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 during 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. Form of Buyer Disclosure**

Per Section 5.014 of the Texas Property Code, as amended, this Amended and Restated Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Exhibit Q-1, Exhibit Q-2, Exhibit Q-3** and **Exhibit Q-4**. Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance of this Amended and Restated Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this Amended and Restated Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

#### **E. Severability**

If any provision of this Amended and Restated 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

<b>Exhibit A-1</b>	District Legal Description
<b>Exhibit A-2</b>	Improvement Area #1 Legal Description
<b>Exhibit A-3</b>	Major Improvement Area Legal Description
<b>Exhibit B-1</b>	District Boundary Map
<b>Exhibit B-2</b>	Improvement Area #1 Boundary Map
<b>Exhibit B-3</b>	Major Improvement Area Boundary Map
<b>Exhibit C</b>	Authorized Improvements
<b>Exhibit D</b>	Service Plan
<b>Exhibit E</b>	Sources and Uses
<b>Exhibit F</b>	Improvement Area #1 Assessment Roll
<b>Exhibit G</b>	Improvement Area #1 Annual Installments
<b>Exhibit H</b>	Major Improvement Area Assessment Roll
<b>Exhibit I</b>	Major Improvement Area Annual Installments
<b>Exhibit J</b>	Maximum Assessment Per Lot Type
<b>Exhibit K</b>	Estimated Buildout Value for Improvement Area #1 and Major Improvement Area
<b>Exhibit L</b>	Lot Type Classification Map
<b>Exhibit M</b>	Maps of Major Improvements
<b>Exhibit N</b>	Maps of Improvement Area #1 Improvements
<b>Exhibit O</b>	Phase 2 Section 1 Plat
<b>Exhibit P</b>	Notice of PID Assessment Termination
<b>Exhibit Q-1</b>	Lot Type 1 Disclosure
<b>Exhibit Q-2</b>	Lot Type 2 Disclosure
<b>Exhibit Q-3</b>	Lot Type 3 Disclosure
<b>Exhibit Q-4</b>	Lot Type 4 Disclosure

## EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

### Exhibit A

#### **TRACT 1:**

324.250 acres of land, more or less, out of the M. M. MCCARVER LEAGUE NO. 4, ABSTRACT NO. 10 situated in Hays County, Texas; being a portion of the remainder of the 329.46 acres described as Tract One, Parcel One in Warranty Deed to PC Operating Partners, Ltd., a Texas limited partnership recorded in Volume 5233, Page 155, Official Public Records, Hays County, Texas and more particularly described by metes and bounds in Exhibit 'A-1' attached hereto and made a part hereof.

#### **TRACT 2:**

51.48 acres of land, more or less, out of the M. M. MCCARVER LEAGUE NO. 4, ABSTRACT NO. 10 situated in Hays County, Texas and being the same property described as Tract One, Parcel Two in Warranty Deed to PC Operating Partners, Ltd., a Texas limited partnership recorded in Volume 5233, Page 155, Official Public Records, Hays County, Texas. Said 51.48 acres of land being more particularly described by metes and bounds in Exhibit 'A-2' attached hereto and made a part hereof.

#### **TRACT 3:**

10.869 acres of land, more or less, out of the M. M. MCCARVER LEAGUE NO. 4, ABSTRACT NO. 10 situated in Hays County, Texas and being a portion of that 14.42 acre tract of land described as Tract Two in Warranty Deed to PC Operating Partners, Ltd., a Texas limited partnership recorded in Volume 5233, Page 170, Official Public Records, Hays County, Texas. Said 10.869 acres of land being more particularly described by metes and bounds in Exhibit 'A-3' attached hereto and made a part hereof.

#### **TRACT 4:**

2.581 acres of land, more or less, out of the M. M. MCCARVER LEAGUE NO. 4, ABSTRACT NO. 10 situated in Hays County, Texas and being a portion of that 983.99 acre tract of land described Deed to Mountain Plum, Ltd. recorded in Volume 2297, Page 139, Official Public Records, Hays County, Texas. Said 2.581 acres of land being more particularly described by metes and bounds in Exhibit 'A-4' attached hereto and made a part hereof.

**FIELD NOTES DESCRIPTION**

DESCRIPTION OF 324.250 ACRES OF LAND IN THE M.M. MCCARVER LEAGUE NUMBER 4, A-10, HAYS COUNTY, TEXAS; BEING A PORTION OF THE REMAINDER OF A CERTAIN 983.99 ACRE TRACT DESIGNATED AS TRACT 2 OF EXHIBIT "A" AND DESCRIBED IN THE DEED WITHOUT WARRANTY TO MOUNTAIN PLUM, LTD. OF RECORD IN VOLUME 2297, PAGE 139, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 324.250 ACRES OF LAND AS SURVEYED BY BOWMAN CONSULTING GROUP, LTD. BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING** at a 1/2-inch iron rod with a plastic cap stamped "LAI" previously set in the north right-of-way line of Kohler's Crossing (County Road 171), a variable width right-of-way, for the northwest corner of a certain called 1.171 acre tract designated as Parcel 3, Tract 1, and described in a deed to the City of Kyle, Texas, of record in Volume 3220, Page 508, Official Public Records of Hays County, Texas;

**THENCE** N 87° 01' 11" E, with the north right-of-way line of said Kohler's Crossing (County Road 171), with the north line of the said 1.171 acre tract, a distance of 765.77 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for the southerly southwest corner and **POINT OF BEGINNING** of the tract described herein;

**THENCE** leaving the north right-of-way line of said Kohler's Crossing (County Road 171), crossing the said 983.99 acre tract, with the west and south lines of the tract described herein, the following two (2) courses and distances:

1. N 12° 30' 54" E, a distance of 810.89 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for a re-entrant corner, and
2. S 88° 23' 03" W, a distance of 767.32 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set in the curving east right-of-way line of R.M. 2770 (Old Austin-San Marcos Road), a variable width right-of-way, being the east line of a certain called 1.663 acre tract designated as Exhibit A, Parcel No. 1, and described in a deed to the State of Texas of record in Volume 1076, Page 205, Official Public Records of Hays County, Texas, for the westerly southwest corner of the tract described herein, from which a Texas Department of Transportation (TXDOT) Type 2 right-of-way marker found for a point of tangency in the east right-of-way line of said R.M. 2770 (Old Austin-San Marcos Road), and the east line of the said 1.663 acre tract bears with the arc of a curve to the right, having a radius of 2970.17, an arc distance of 4.01 feet, and a chord which bears S 15° 41' 07" W, a distance of 4.01 feet;

**THENCE** with the east right-of-way line of said R.M. 2770 (Old Austin-San Marcos Road) and the east line of the said 1.663 acre tract, with the west 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 2970.17, an arc distance of 298.47 feet, and a chord which bears N 12° 46' 04" E, a distance of 298.34 feet to a Texas Department of Transportation (TXDOT) Type 2 right-of-way marker found for a point of tangency,
2. N 09° 53' 14" E, a distance of 1255.36 feet to a Texas Department of Transportation (TXDOT) Type 2 right-of-way marker found for a point of curvature, and
3. with the arc of a curve to the right, having a radius of 5659.58, an arc distance of 264.66 feet, and a chord which bears N 11° 13' 39" E, a distance of 264.64 feet to a Texas Department of Transportation (TXDOT) Type 2 right-of-way marker found



for a point of tangency in the east line of said R.M. 2770 (Old Austin-San Marcos Road) and the east line of the said 1.663 acre tract, for the westerly northwest corner of the tract described herein, from which a Texas Department of Transportation (TXDOT) Type 2 right-of-way marker found for a point of curvature in the east right-of-way line of said R.M. 2770 (Old Austin-San Marcos Road) and the east line of the said 1.663 acre tract bears N 12° 33' 31" E, a distance of 553.60 feet;

**THENCE** leaving the east right-of-way line of said R.M. 2770 (Old Austin-San Marcos Road) and the east line of the said 1.663 acre tract, crossing the said 983.99 acre tract, with the west and north lines of the tract described herein, the following nine (9) courses and distances:

1. S 77° 26' 29" E, a distance of 400.00 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for a re-entrant corner,
2. N 12° 33' 31" E, a distance of 553.60 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for a point of curvature,
3. with the arc of a curve to the right, having a radius of 2394.79 feet, an arc distance of 356.92 feet, and a chord which bears N 16° 50' 54" E, a distance of 356.59 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for an angle point,
4. N 08° 03' 05" E, a distance of 107.69 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for an angle point,
5. N 19° 21' 47" E, a distance of 1436.41 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for a point of curvature,
6. with the arc of a curve to the left, having a radius of 6179.58 feet, an arc distance of 246.28 feet, and a chord which bears N 18° 13' 04" E, a distance of 246.26 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for a point of tangency,
7. N 17° 04' 43" E, a distance of 225.64 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for a northwest corner of the tract described herein,
8. N 88° 07' 40" E, a distance of 1618.53 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for a re-entrant corner, and
9. N 01° 48' 26" W, a distance of 922.01 feet to a 1/2-inch iron rod found at a re-entrant corner in the north line of the said 983.99 acre tract, for the southerly southwest corner of a certain tract of land described in a deed to Texas-Lehigh Cement Company of record in Volume 609, Page 843, Real Property Records of Hays County, Texas, for the northerly northwest corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "BCG" set for the northerly northeast corner of the said 983.99 acre tract and for a re-entrant corner in the west line of the said Texas-Lehigh Cement Company tract bears N 01° 48' 26" W, a distance of 869.97 feet, and from said 1/2-inch iron rod with a plastic cap stamped "BCG" set, a 1/2-inch iron rod found in the north line of the said 983.99 acre tract and the south line of the said Texas-Lehigh Cement Company tract bears S 88° 07' 40" W, a distance of 22.55 feet;

**THENCE** N 88° 09' 34" E, with the north line of the said 983.99 acre tract and the south line of the said Texas-Lehigh Cement Company tract, with the north line of the tract described herein, a distance of 516.32 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for the northerly northeast corner of the tract described herein, from which a calculated point in the curving west right-of-way line of F.M. Highway 1626, being a certain called 28.91 acre tract described in a deed to the City of Kyle, Texas, of record in Volume

1871, Page 236, Official Public Records of Hays County, Texas bears N 88° 09' 34" E, a distance of 500.07 feet, and from said calculated point, a Texas Department of Transportation (TXDOT) Type 2 right-of-way marker found bears N 03° 01' 08" E, a distance of 0.55 feet;

THENCE leaving the south line of the said Texas-Lehigh Cement Company tract, crossing the said 983.99 acre tract, with the east and south lines of the tract described herein, the following nineteen (19) courses and distances:

1. with the arc of a curve to the left, having a radius of 3464.79 feet, an arc distance of 1139.26 feet, and a chord which bears S 12° 07' 40" E, a distance of 1134.13 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for a point of tangency,
2. S 21° 32' 51" E, a distance of 1391.43 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for a point of curvature,
3. with the arc of a curve to the right, having a radius of 2264.79 feet, an arc distance of 915.45 feet, and a chord which bears S 09° 58' 04" E, a distance of 909.23 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for the easterly southeast corner of the tract described herein,
4. S 82° 22' 26" W, at a distance of 480.93 feet passing a 1/2-inch iron rod with a plastic cap stamped "Chaparral Boundary" found and continuing for a total distance of 610.78 feet to a 1/2-inch iron rod with a plastic cap stamped "Chaparral Boundary" found at an angle point,
5. N 47° 15' 44" W, a distance of 538.63 feet to a 1/2-inch iron rod with a plastic cap stamped "Chaparral Boundary" found at an angle point,
6. S 47° 53' 10" W, a distance of 93.75 feet to a 1/2-inch iron rod with a plastic cap stamped "Chaparral Boundary" found at an angle point,
7. S 44° 44' 47" W, a distance of 259.46 feet to a 1/2-inch iron rod with a plastic cap stamped "Chaparral Boundary" found at an angle point,
8. S 54° 50' 52" W, a distance of 110.19 feet to a 1/2-inch iron rod with a plastic cap stamped "Chaparral Boundary" found at an angle point,
9. S 60° 11' 22" W, a distance of 72.39 feet to a 1/2-inch iron rod with a plastic cap stamped "Chaparral Boundary" found at an angle point,
10. S 43° 07' 49" W, a distance of 67.72 feet to a 1/2-inch iron rod with a plastic cap stamped "Chaparral Boundary" found at an angle point,
11. S 45° 36' 55" W, a distance of 316.61 feet to a 1/2-inch iron rod with a plastic cap stamped "Chaparral Boundary" found at an angle point,
12. S 27° 58' 58" W, at a distance of 4.51 feet passing a 1/2-inch iron rod with a plastic cap stamped "Chaparral Boundary" found and continuing for a total distance of 4.93 feet to a calculated point for an angle point,
13. S 73° 20' 14" W, a distance of 4.89 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for a re-entrant corner,
14. S 12° 27' 56" W, a distance of 448.13 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for an angle point,

15. S 12° 33' 58" W, a distance of 413.82 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for an angle point,
16. S 20° 39' 46" W, a distance of 412.04 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for an angle point,
17. S 28° 43' 08" W, a distance of 349.81 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for an angle point,
18. S 33° 32' 22" W, a distance of 340.44 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for an angle point, and
19. S 00° 29' 00" E, a distance of 715.18 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set in the north right-of-way line of said Kohler's Crossing (County Road 171) and the north line of the said 1.171 acre tract, for the southeast corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "BCG" set at an angle point in the north right-of-way line of said Kohler's Crossing (County Road 171) and the north line of the said 1.171 acre tract bears N 87° 19' 58" E, a distance of 27.10 feet;

**THENCE** with the north right-of-way line of said Kohler's Crossing (County Road 171), and the north line of the said 1.171 acre tract, with the south line of the tract described herein, the following eight (8) courses and distances:

1. S 87° 19' 58" W, a distance of 283.45 feet to a 1/2-inch iron rod with a plastic cap stamped "LAI" previously set for an angle point,
2. S 87° 12' 01" W, a distance of 37.39 feet to a 1/2-inch iron rod with a plastic cap stamped "LAI" previously set for an angle point,
3. N 02° 56' 00" W, a distance of 9.33 feet to a 1/2-inch iron rod with a plastic cap stamped "LAI" previously set for an angle point,
4. S 87° 04' 00" W, a distance of 150.00 feet to a 1/2-inch iron rod with a plastic cap stamped "LAI" previously set for an angle point;
5. S 02° 56' 00" E, a distance of 9.06 feet to a 1/2-inch iron rod with a plastic cap stamped "LAI" previously set for an angle point,
6. S 86° 58' 28" W, a distance of 450.68 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for an angle point;
7. S 86° 50' 31" W, a distance of 322.43 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for an angle point, and
8. S 87° 01' 11" W, a distance of 392.04 feet to the **POINT OF BEGINNING** and containing 324.250 acres of land, more or less.

**BEARING BASIS:** Texas Coordinate System, South Central Zone, NAD83, Grid.

**BOWMAN WORD FILE:** FN1626R2(en)

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324.250-Ac.  
M.M. McCarver Sur. No. 4, A-10,  
Hays County, Texas

Exhibit A - 1

Job No. 5549-01-001  
FN1626R3(en)  
Page 5 of 4

THE STATE OF TEXAS     §  
  §     KNOW ALL MEN BY THESE PRESENTS  
COUNTY OF TRAVIS     §

That I, John D. Barnard, 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 property described herein was determined by a series of surveys made on the ground during the months of July through October 2014, under my direction and supervision.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, on this 26<sup>th</sup> day of August 2016 A.D.

Bowman Consulting Group, Ltd.  
Austin, Texas 78746



  
John D. Barnard  
Registered Professional Land Surveyor  
No. 5749 - State of Texas

Bowman Consulting | 3101 Bee Cave Road, Suite 100 | Austin, TX 78746 | P: 512.327.1180  
TBPE Firm No. 14309 | TBPLS Firm No. 101206-00

## EXHIBIT A-2

### TRACT 2 DESCRIPTION

51.48-Ac.  
M.M. McCarver Sur. No. 4, A-10,  
Hays County, Texas

EXHIBIT A

Job No. 5549-01-001  
FN1627(en)  
Page 1 of 2

#### FIELD NOTES DESCRIPTION

DESCRIPTION OF 51.48 ACRES OF LAND IN THE M.M. MCCARVER LEAGUE NUMBER 4, A-10, HAYS COUNTY, TEXAS; BEING A PORTION OF THE REMAINDER OF A CERTAIN 963.99 ACRE TRACT DESIGNATED AS TRACT 2 OF EXHIBIT "A" AND DESCRIBED IN THE DEED WITHOUT WARRANTY TO MOUNTAIN PLUM, LTD. OF RECORD IN VOLUME 2297, PAGE 139, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 51.48 ACRES OF LAND AS SURVEYED BY BOWMAN CONSULTING GROUP, LTD. BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a calculated point in the east right-of-way line of R.M. 2770 (Old Austin-San Marcos Road), a variable width right-of-way, for the northwest corner of the said 963.99 acre tract and for the west corner of a certain tract of land described in a deed to Texas-Lehigh Cement Company of record in Volume 608, Page 843, Real Property Records of Hays County, Texas, from which a 1/2-inch iron rod found bears N 88°07'40" E, a distance of 0.80 feet;

THENCE N 88°07'40" E, leaving the east right-of-way line of said R.M. 2770 (Old Austin-San Marcos Road), with the north line of the said 963.99 acre tract and a south line of the said Texas-Lehigh Cement Company tract, a distance of 551.74 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for the northwest corner and POINT OF BEGINNING of the tract described herein;

THENCE N 88°07'40" E, continuing with north line of the said 963.99 acre tract and the south line of the said Texas-Lehigh Cement Company tract, with the north line of the tract described herein, at a distance of 622.93 feet, passing a 1/2-inch iron rod found, and continuing for a total distance of 645.48 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for the northerly northeast corner of the said 963.99 acre tract and for a re-entrant corner in the west line of the said Texas-Lehigh Cement Company tract, for the northeast corner of the tract described herein;

THENCE S 01°48'26" E, with the east line of the said 963.99 acre tract and the west line of the said Texas-Lehigh Cement Company tract, with the east line of the tract described herein, a distance of 890.97 feet to a 1/2-inch iron rod found at a re-entrant corner in the east line of the said 963.99 acre tract being the southwest corner of the said Texas-Lehigh Cement Company tract for a point-on-line in the east line of the tract described herein, from which a calculated point in the curving west right-of-way line of F.M. 1626, being a certain called 28.91 acre tract described in a deed to the City of Kyle, Texas, of record in Volume 1871, Page 236, Official Public Records of Hays County, Texas bears N 88°06'34" E, a distance of 1016.39 feet, and from said calculated point, a Texas Department of Transportation (TXDOT) Type 2 right-of-way marker found bears N 03°01'08" E, a distance of 0.55 feet;

THENCE crossing the said 963.99 acre tract, with the east, south, and west lines of the tract described herein, the following five (5) courses and distances:

1. S 01°48'28" E, a distance of 922.01 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for the southeast corner of the tract described herein,
2. S 88°07'40" W, a distance of 1616.53 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for the southwest corner of the tract described herein,
3. N 17°04'43" E a distance of 1116.23 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for a point of curvature,
4. with the arc of a curve to the right, having a radius of 695.92 feet, an arc distance of 299.41 feet, and a chord which bears N 29°24'58" E, a distance of 297.11 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for a point of tangency, and
5. N 41°39'39" E, a distance of 665.35 feet to the POINT OF BEGINNING and containing 51.48 acres of land, more or less.

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TBPE Firm No. 14309 | TBPLS Firm No. 161206-00

51.48-Ac.  
M.M. McCarver Sur. No. 4, A-10,  
Hays County, Texas

Job No. 5549-01-001  
FN1627(en)  
Page 2 of 2

BEARING BASIS: Texas Coordinate System, South Central Zone, NAD83, Grid.

BOWMAN WORD FILE: FN1627(en)  
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THE STATE OF TEXAS       §  
  §       KNOW ALL MEN BY THESE PRESENTS  
  §  
COUNTY OF TRAVIS       §

That I, John D. Barnard, 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 property described herein was determined by a series of surveys made on the ground during the month of July 2014, under my direction and supervision.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, on this 31<sup>st</sup> day of July 2014 A.D.

Bowman Consulting Group, Ltd.  
Austin, Texas 78746



John D. Barnard  
Registered Professional Land Surveyor  
No. 5748 – State of Texas



Bowman Consulting | 3101 Bee Cave Road, Suite 100 | Austin, TX 78746 | P: 512.327.1180  
TBPE Firm No. 14309 | TBPLS Firm No. 101206-00



## TRACT 3 DESCRIPTION

10.869-Ac.  
M.M. McCarver Sur. No. 4, A-10,  
John Cooper Survey No. 13, A-100  
Hays County, Texas

Exhibit A-3

Job No. 6548-01-001  
FN1755(en)  
Page 1 of 4

### FIELD NOTES DESCRIPTION

DESCRIPTION OF 10.869 ACRES OF LAND IN THE M.M. MCCARVER LEAGUE NUMBER 4, A-10, AND THE JOHN COOPER SURVEY NUMBER 13, A-100, HAYS COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 14.42 ACRE TRACT DESIGNATED AS TRACT TWO: AREA 14, AND DESCRIBED IN THE SPECIAL WARRANTY DEED WITH VENDOR'S LIEN TO PC OPERATING PARTNERS, LTD. OF RECORD IN VOLUME 8233, PAGE 170, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 10.869 ACRES OF LAND AS SURVEYED BY BOWMAN CONSULTING GROUP, LTD., AND SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2-inch iron rod with a plastic cap stamped "LAN" previously set in the north right-of-way line of Kohler's Crossing (County Road 171), a variable width right-of-way, for the northwest corner of a certain called 1.171 acre tract designated as Parcel 3, Tract 1, and described in a deed to the City of Kyle, Texas, of record in Volume 3220, Page 508, Official Public Records of Hays County, Texas, same being the southerly southwest corner of the said 14.42 acre tract;

THENCE N 87°01'11" E, with the north right-of-way line of said Kohler's Crossing and the north line of the said 1.171 acre tract, with the south line of the said 14.42 acre tract, a distance of 582.26 feet to a 1/4-inch iron rod with a plastic cap stamped "BCG" set, for the southerly southwest corner and POINT OF BEGINNING of the tract described herein;

THENCE leaving the north right-of-way line of said Kohler's Crossing and the north line of the said 1.171 acre tract, crossing the said 14.42 acre tract, with the west and south lines of the tract described herein, the following four (4) courses and distances:

1. N 02°58'46" W, a distance of 283.01 feet to a 1/4-inch iron rod with a plastic cap stamped "BCG" set for a re-entrant corner,
2. S 67°01'11" W, a distance of 292.57 feet to a 1/4-inch iron rod with a plastic cap stamped "BCG" set for a point-of-curvature,
3. with the arc of a curve to the right, having a radius of 585.00 feet, an arc distance of 190.97 feet, and a chord which bears N 63°37'41" W, a distance of 180.13 feet to a 1/4-inch iron rod with a plastic cap stamped "BCG" set for a point-of-tangency, and
4. N 74°16'34" W, a distance of 73.76 feet to a 1/4-inch iron rod with a plastic cap stamped "BCG" set in the east right-of-way line of R.M. Highway No. 2770, in the west line of the said 14.42 acre tract, same being the east line of a certain called 1.663 acre tract designated as Exhibit A, Parcel No. 1, and described in a deed to the State of Texas of record in Volume 1076, Page 205, Official Public Records of Hays County, Texas, for the westerly southwest corner of the tract described herein, from which a 1/4-inch iron rod with a plastic cap stamped "BCG" previously set in the east right-of-way line of said R.M. Highway No. 2770, for a point-of-curvature in the west line of the said 14.42 acre tract and the east line of the said 1.663 acre tract bears S 15°44'17" W, a distance of 112.47 feet;

THENCE with the east right-of-way line of said R.M. 2770 and the east line of the said 1.663 acre tract, with the west line of the said 14.42 acre tract, and with the west line of the tract described herein, the following two (2) courses and distances:

1. N 15°44'17" E, a distance of 504.16 feet to a Texas Department of Transportation (TXDOT) Type 2 right-of-way marker found for a point-of-curvature, and
2. with the arc of a curve to the left, having a radius of 2970.17 feet, an arc distance of 4.01 feet, and a chord which bears N 15°41'37" E, a distance of 4.01 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" previously set for a point-on-line in the curving east right-of-way line of said R.M. 2770 and the east line of the said 1.663 acre tract, for the northwest corner of the said 14.42 acre tract, and the northwest corner of the tract described herein, from which a Texas Department of Transportation (TXDOT) Type 2 right-of-way marker found at a point-of-tangency in the east right-of-way line of said R.M. 2770 and the east line of the said 1.663 acre tract bears with the arc of a curve to the left, having a

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TBPE Firm No. 14309 | TBPLS Firm No. 101206-00

radius of 2970.17 feet, an arc distance of 298.47 feet, and a chord which bears N 12°48'04" E, a distance of 298.34 feet

THENCE leaving the east right-of-way line of said R.M. 2770 and the east line of the said 1.863 acre tract, with the north and east lines of the said 14.42 acre tract and of the tract described herein, the following two (2) courses and distances:

1. N 88°23'03" E, at a distance of 416.49 feet, passing a 1/2-inch iron rod with a plastic cap stamped "BCG" previously set for a point-on-line, and continuing for a total distance of 767.32 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" previously set for the northeast corner of the said 14.42 acre tract, and the northeast corner of the tract described herein, and
2. S 12°30'54" W, a distance of 810.89 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" previously set in the north right-of-way line of said Kohler's Crossing and the north line of the said 1.171 acre tract, for the southeast corner of the said 14.42 acre tract and the southeast corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "BCG" previously set for an angle point in the north right-of-way line of said Kohler's Crossing and the north line of the said 1.171 acre tract bears N 87°01'11" E, a distance of 382.04 feet;

THENCE S 87°01'11" W, with the north right-of-way line of said Kohler's Crossing and the north line of the said 1.171 acre tract, with the south line of the said 14.42 acre tract, and the south line of the tract described herein, a distance of 203.51 feet to the POINT OF BEGINNING and containing 10.869 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, South Central Zone, NAD83, Grid.  
BOWMAN WORD FILE: FN1755(en)  
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THE STATE OF TEXAS §  
COUNTY OF TRAVIS § KNOW ALL MEN BY THESE PRESENTS

That I, John D. Bernard, 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 property described herein was determined by a series of surveys made on the ground during the months of July and August 2014, under my direction and supervision.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, on this 29<sup>th</sup> day of August 2015 A.D.

Bowman Consulting Group, Ltd.  
Austin, Texas 78746



  
John D. Bernard  
Registered Professional Land Surveyor  
No. 5749 - State of Texas



TRACT 4 DESCRIPTION



Professional Land Surveying, Inc.  
Surveying and Mapping

Office: 512-443-1724

Fax: 512-389-0943

3500 McCall Lane  
Austin, Texas 78744

**2.581 ACRES  
HAYS COUNTY, TEXAS**

A DESCRIPTION OF 2.581 ACRES (APPROXIMATELY 112,437 SQ. FT.) IN THE MORTON M. McCARVER SURVEY NO. 4, ABSTRACT NO. 10, HAYS COUNTY, TEXAS, BEING A PORTION OF A 983.99 ACRE TRACT DESCRIBED IN A DEED TO MOUNTAIN PLUM, LTD. RECORDED IN VOLUME 2297, PAGE 139 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 2.581 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** at a 1/2" rebar with "BCG" cap found for an angle point in the east line of a 329.46 acre tract described in a deed to PC Operating Partners, Ltd. recorded in Volume 5233, Page 155 of the Official Public Records of Hays County, Texas, which (said east line) severs said 983.99 acre tract, the 329.46 acres being a portion of the 983.99 acre tract, from which a calculated point for the southeast corner of the 983.99 acre tract bears South 38°56'53" East, a distance of 3591.27 feet, and a 1/2" rebar with "BCG" cap found for a point of curvature in said east line bears North 9°57'58" West, a chord distance of 909.20 feet;

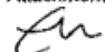
**THENCE** crossing the 983.99 acre tract, the following two (2) courses and distances:

1. South 3°42'40" West, a distance of 476.82 feet to a 1/2" rebar with "Chaparral" cap set;
2. North 47°15'44" West, a distance of 607.08 feet to a 1/2" rebar with "Chaparral" cap set in said east line, from which a 1/2" rebar with "BCG" cap found for an angle point in said east line bears South 82°22'29" West, a distance of 530.29 feet;

**THENCE** North 82°22'29" East, with said east line, a distance of 481.00 feet to the **POINT OF BEGINNING**, containing 2.581 acres of land, more or less.

Surveyed on the ground July 11, 2016. Bearing Basis: The Texas Coordinate System of 1983 (NAD83), South Central Zone, based on GPS solutions from the Texas Cooperative RTK Network.

Attachments: Drawing 625-003-SWAP2.

 7/15/10  
Eric J. Dannheim Date  
Registered Professional Land Surveyor  
State of Texas No. 6075  
TBPLS Firm No. 10124500



704330.1)

Exhibit "A-4" - 1

## EXHIBIT A-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

Hays County, Texas  
M.M. McCarver League No. 4, Abstract No. 10

PJD 1 – 123.086 Acres  
Page 1 of 4

### FIELD NOTES DESCRIPTION

DESCRIPTION OF 123.086 ACRES OF LAND IN THE M.M. McCARVER LEAGUE NO. 4, ABSTRACT NO. 10, HAYS COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 324.250 ACRE TRACT OF LAND DESIGNATED AS TRACT 1 AND A PORTION OF A CERTAIN CALLED 10.869 ACRE TRACT OF LAND DESIGNATED AS TRACT 3, BOTH DESCRIBED IN THE SPECIAL WARRANTY DEED WITH VENDOR'S LIEN TO LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD. OF RECORD IN INSTRUMENT NO. 16029226, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, AND ALSO BEING ALL OF A CERTAIN CALLED 0.421 OF ONE ACRE TRACT OF LAND DESCRIBED IN THE STREET DEED TO THE CITY OF KYLE OF RECORD IN INSTRUMENT NO. 20060733, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, AND ALSO BEING ALL OF PLUM CREEK PHASE 2, SECTION 1, A SUBDIVISION ACCORDING TO THE MAP OR PLAT OF RECORD IN INSTRUMENT NO. 20042677, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 123.086 ACRES OF LAND, AS SURVEYED BY LANDEV CONSULTING, LLC, AND SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METRES AND BOUNDS AS FOLLOWS:

**BEGINNING** at a ½-inch iron rod with a plastic cap stamped "BCG" found in the north right-of-way line of Kohler's Crossing (County Road 171), a variable-width right-of-way, in the north line of a certain called 1.171 acre tract designated as Tract 1, being a portion of a certain called 2.163 acre tract described in the Special Warranty Deed Dedication of Right-of-Way to the City of Kyle, Texas, of record in Volume 3220, Page 508, Official Public Records of Hays County, Texas, at the southerly southeast corner of the said 324.250 acre tract, same being the southeast corner of said Plum Creek Phase 2, Section 1, at the southwest corner of a certain called 0.2754 of one acre described in the Special Warranty Deed to the City of Kyle of record in Instrument No. 20020541, Official Public Records of Hays County, Texas, for the southeast corner and **POINT OF BEGINNING** of the tract described herein:

**THENCE**, with the north right-of-way line of Kohler's Crossing, with the north line of the said 1.171 acre tract, with the southerly south line of the said 324.250 acre tract, with the south line of said Plum Creek Phase 2, Section 1, with a south line of the said 10.869 acre tract, with the south line of the said 0.421 acre tract, with the south line of the tract described herein, the following eight (8) courses and distances:

1. S 87°20'02" W, at a distance of 28.20 feet pass a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set in the intersecting west right-of-way line of San Juan, a variable-width right-of-way, as shown on said Plum Creek Phase 2, Section 1 and the north right-of-way line of said Kohler's Crossing, at the easterly southeast corner of Lot 19, Block "A", said Plum Creek Phase 2, Section 1, and continuing a total distance of 283.51 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at an angle point,
2. S 87°15'30" W, a distance of 37.35 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at an angle point,
3. N 02°41'42" W, a distance of 9.35 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at an angle point,
4. S 87°01'34" W, a distance of 150.02 feet to a ½-inch iron rod with a plastic cap stamped "LAI" found at an angle point,
5. S 03°07'07" E, a distance of 9.09 feet to a ½-inch iron rod with a plastic cap stamped "LAI" found at an angle point,
6. S 86°59'25" W, a distance of 450.74 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at an angle point,
7. S 86°49'54" W, at a distance of 96.47 feet pass a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set at the intersecting north right-of-way line of said Kohler's Crossing and the west right-of-way line of Sanders, a variable-width right-of-way, as shown on said Plum Creek Phase 2, Section 1, and continuing for a total distance of 322.35 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at an angle point, and
8. S 87°01'16" W, at a distance of 392.12 feet pass a calculated point for the southerly southwest corner of the said 324.250 acre tract, same being the southeast corner of the said 10.869 acre tract, at a distance of 525.63 feet pass a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set for the southeast corner of the said 0.421

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TBPE Firm No. 16384 | TBPLS Firm No. 10194101

acre tract, and continuing for a total distance of 595.63 feet to a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set for the southwest corner of the said 0.421 acre tract, same being the southerly southwest corner of the said 10.869 acre tract, for the southeast corner of Lot 1, Block "A", Plum Creek Phase II, Northwest Business Park, a subdivision according to the map or plat of record in Instrument No. 17042348, Official Public Records of Hays County, Texas, for the southerly southwest corner of the tract described herein, from which a ½-inch iron rod with a plastic cap stamped "LAI" found at the intersecting north right-of-way line of said Kohler's Crossing and the east right-of-way line of R.M. 2770, also known as Jack C. Hays Trail, a variable width right-of-way, at the southwest corner of said Lot 1, Block "A", Plum Creek Phase II, Northwest Business Park, same being the northwest corner of the said 1.171 acre tract bears S 87°01'16" W, a distance of 562.19 feet;

**THENCE**, leaving the north right-of-way line of Kohler's Crossing, leaving the north line of the said 1.171 acre tract, with the west line of the said 0.421 acre tract, with the east and north lines of said Lot 1, Block "A", Plum Creek Phase II, Northwest Business Park, with a west and south line of the said 10.869 acre tract, with a west and south line of the tract described herein, the following four (4) courses and distances:

1. N 02°58'42" W, a distance of 263.91 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at a re-entrant corner of the said 10.869 acre tract, at the northwest corner of the said 0.421 acre tract, same being the northeast corner of said Lot 1, Block "A", Plum Creek Phase II, Northwest Business Park, for a re-entrant corner of the tract described herein;
2. S 87°00'54" W, a distance of 252.57 feet to a calculated point for a point-of-curvature;
3. with the arc of a curve to the right, having a radius of 585.00 feet, an arc distance of 191.02 feet, and a chord which bears N 83°38'01" W, a distance of 190.17 feet to a calculated point for a point-of-tangency, and
4. N 74°16'51" W, a distance of 73.75 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found in the east right-of-way line of R.M. 2770, also known as Jack C. Hays Trail, at the westerly southwest corner of the said 10.869 acre tract, same being the northwest corner of said Lot 1, Block "A", Plum Creek Phase II, Northwest Business Park, for the westerly southwest corner of the tract described herein;

**THENCE**, with the east right-of-way line of R.M. 2770, also known as Jack C. Hays Trail, with a west line of the said 10.869 acre tract, with a west line of the said 324.250 acre tract, with a west line of the tract described herein, the following five (5) courses and distances:

1. N 15°43'39" E, a distance of 504.22 feet to a Texas Department of Transportation (TXDOT) Type 2 right-of-way marker (disk set in concrete) found at a point-of-curvature;
2. with the arc of a curve to the left, having a radius of 2,970.17 feet, an arc distance of 3.86 feet, and a chord which bears N 18°06'54" E, a distance of 3.86 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at the northwest corner of the said 10.869 acre tract, same being the westerly southwest corner of the said 324.250 acre tract;
3. continuing with the arc of a curve to the left, having a radius of 2,970.17 feet, an arc distance of 298.57 feet, and a chord which bears N 12°45'19" E, a distance of 298.45 feet to a TXDOT Type 2 marker found at a point-of-tangency;
4. N 09°53'12" E, a distance of 1,255.39 feet to a TXDOT Type 2 marker found at a point-of-curvature, and
5. with the arc of a curve to the right, having a radius of 5,659.58 feet, an arc distance of 264.54 feet, and a chord which bears N 11°13'16" E, a distance of 264.52 feet to a TXDOT Type 2 marker found at a point-of-tangency in the east right-of-way line of said F.M. 2770, also known as Jack C. Hays Trail, at a point-of-tangency in the east line of the said 1.663 acre tract, at a northwest corner of the said 324.250 acre tract, for a northwest corner of the tract described herein;

**THENCE** S 77°26'02" E, leaving the east right-of-way line of R.M. 2770, also known as Jack C. Hays Trail, with a north line of the said 324.250 acre tract, with a north line of the tract described herein, a distance of 400.12 feet to a calculated point for a re-entrant corner in the west line of the said 324.250 acre tract, for an angle point in the north line of the tract described herein;



**THENCE**, crossing the said 324.250 acre tract, with a north line of the tract described herein, the following nine (9) courses and distances:

1. S 75°57'03" E, a distance of 20.01 feet to a calculated angle point,
2. S 21°57'26" E, a distance of 93.03 feet to a calculated angle point,
3. S 09°53'14" W, a distance of 82.50 feet to a calculated angle point,
4. S 80°06'46" E, a distance of 103.43 feet to a calculated angle point,
5. S 09°53'14" W, a distance of 150.00 feet to a calculated angle point,
6. S 80°06'46" E, a distance of 44.12 feet to a calculated point-of-curvature,
7. with the arc of a curve to the left, having a radius of 15.00 feet, an arc distance of 23.56 feet, and a chord which bears N 54°53'14" E, a distance of 21.21 feet to a calculated point for a non-tangent end of curve,
8. S 80°06'46" E, a distance of 92.50 feet to a calculated angle point, and
9. S 09°53'14" W, a distance of 63.37 feet to a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set for the northwest corner of Lot 5, Block "G", said Plum Creek Phase 2, Section 1, for an angle point in the north line of the tract described herein;

**THENCE**, continuing across the said 324.250 acre tract, with the north line of said Plum Creek Phase 2, Section 1, continuing with northern line of the tract described herein, the following ten (10) courses and distances:

1. N 82°11'26" E, a distance of 159.98 feet to a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set for an angle point,
2. S 76°03'31" E, a distance of 84.20 feet to a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set for an angle point,
3. S 54°18'28" E, a distance of 107.54 feet to a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set for an angle point,
4. S 20°51'57" E, a distance of 79.51 feet to a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set in the north line of Lot 12, Block "G", said Plum Creek Phase 2, Section 1, for the southeast corner of Lot 8, Block "G", said Plum Creek Phase 2, Section 1, for an angle point of the tract described herein,
5. N 68°20'34" E, a distance of 303.54 feet to a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set for the common north corner of Lot 21 and Lot 22, Block "G", said Plum Creek Phase 2, Section 1, for an angle point of the tract described herein,
6. N 42°03'00" E, a distance of 61.35 feet to a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set for the common north corner of Lot 22 and Lot 23, Block "G", said Plum Creek Phase 2, Section 1, for an angle point of the tract described herein,
7. N 68°20'25" E, a distance of 120.09 feet to a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set for the common north corner of Lot 24 and Lot 25, Block "G", said Plum Creek Phase 2, Section 1, for an angle point of the tract described herein,
8. N 50°19'03" E, a distance of 476.39 feet to a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set for an angle point;
9. N 60°18'32" E, a distance of 515.65 feet to a ½-inch iron rod with a plastic cap stamped "LANDEV" previously set for an angle point, and

10. S 40°20'07" E, a distance of 204.42 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDEV" previously set in an east line of the said 324,250 acre tract, for the northeast corner of said Lot 25, Block "G", said Plum Creek Phase 2, Section 1, for the northeast corner of the tract described herein;

**THENCE**, with an east line of the said 324,250 acre tract, with the east line of said Plum Creek Phase 2, Section 1, with the east line of the tract described herein, the following six (6) courses and distances:

1. S 12°27'49" W, a distance of 433.06 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" found at an angle point,
2. S 12°33'30" W, a distance of 413.85 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" found at an angle point,
3. S 20°40'17" W, a distance of 412.04 feet to a 1/2-inch iron rod found at an angle point,
4. S 28°42'48" W, a distance of 349.90 feet to a 1/2-inch iron rod found at an angle point,
5. S 33°31'58" W, a distance of 340.39 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" found at an angle point, and
6. S 00°28'58" E, a distance of 715.15 feet to the **POINT OF BEGINNING** and containing 123.086 acres of land, more or less.

**BEARING BASIS:** Texas Coordinate System, South 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 January, May, August, and October 2019 and March and April 2021.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 28<sup>th</sup> day of June 2021 A.D.

LANDEV CONSULTING, LLC  
5508 Highway 290 West, Suite 150  
Austin, Texas 78735

  
Ernesto Navarrete  
Registered Professional Land Surveyor  
No. 6642 - State of Texas.



**EXHIBIT A-3 – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION**

Comprised of a 164.403 acre tract and a 101.701 acre tract totaling 266.104 acres, as follows:

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#### FIELD NOTES DESCRIPTION

DESCRIPTION OF 164.403 ACRES OF LAND IN THE M.M. McCARVER LEAGUE NO. 4, ABSTRACT NO. 10, HAYS COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 324.250 ACRE TRACT OF LAND DESIGNATED AS TRACT 1 AND ALL OF A CERTAIN CALLED 2.581 ACRE TRACT OF LAND DESIGNATED AS TRACT 4, BOTH TRACTS DESCRIBED IN THE SPECIAL WARRANTY DEED WITH VENDOR'S LIEN TO LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD. OF RECORD IN INSTRUMENT NO. 16029226, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 164.403 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 ½-inch iron rod with a plastic cap stamped "CHAPARRAL" found at the south corner of the said 2.581 acre tract, for the southeast corner and **POINT OF BEGINNING** of the tract described herein;

**THENCE** N 47°16'06" W, with the southwest line of the said 2.581 acre tract, with a southwest line of the tract described herein, a distance of 607.02 feet to a ½-inch iron rod with a plastic cap stamped "CHAPARRAL" found in a south line of the said 324.250 acre tract, at the northwest corner of the said 2.581 acre tract, for an angle point of the tract described herein;

**THENCE** S 82°23'39" W, with a south line of the said 324.250 acre tract, with a south line of the tract described herein, a distance of 129.82 feet to a ½-inch iron rod with a plastic cap stamped "CHAPARRAL" found at an angle point in a south line of the said 324.250 acre tract, at the southeast corner of a certain called 5.207 acre tract of land described in the Special Warranty Deed to Mountain Plum, Ltd. of record in Instrument No. 16029244, Official Public Records of Hays County, Texas, for an angle point in the south line of the tract described herein, acre tract;

**THENCE**, continuing with a south line of the said 324.250 acre tract, with the northeast and northwest lines of the said 5.207 acre tract, with the south line of the tract described herein, the following eight (8) courses and distances:

1. N 47°15'52" W, a distance of 538.62 feet to a ½-inch iron rod with a plastic cap stamped "CHAPARRAL" found at the north corner of the said 5.207 acre tract,
2. S 47°51'18" W, a distance of 93.76 feet to a ½-inch iron rod with a plastic cap stamped "CHAPARRAL" found at an angle point,
3. S 44°44'39" W, a distance of 259.50 feet to a ½-inch iron rod with a plastic cap stamped "CHAPARRAL" found at an angle point,
4. S 54°52'01" W, a distance of 110.12 feet to a ½-inch iron rod with a plastic cap stamped "CHAPARRAL" found at an angle point,
5. S 60°03'19" W, a distance of 72.51 feet to a ½-inch iron rod with a plastic cap stamped "CHAPARRAL" found at an angle point,
6. S 43°14'54" W, a distance of 67.64 feet to a ½-inch iron rod with a plastic cap stamped "CHAPARRAL" found at an angle point,
7. S 45°36'49" W, a distance of 316.57 feet to a ½-inch iron rod with a plastic cap stamped "CHAPARRAL" found at an angle point, and
8. S 28°05'57" W, at a distance of 4.53 feet pass a ½-inch iron rod with a plastic cap stamped "CHAPARRAL" found for reference, and continuing for a total distance of 4.95 feet to a calculated angle point in a south line of the said 324.250 acre tract, at the southwest corner of the said 5.207 acre tract, for an angle point in the south line of the tract described herein

**THENCE**, continuing with a south line of the said 324.250 acre tract, with the south line of the tract described herein, the following two (2) courses and distances:

1. S 73°19'55" W, a distance of 4.92 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at an angle point, and

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2. S 12°27'49" W, a distance of 15.00 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" previously set for the northeast corner of Lot 25, Block "G", Plum Creek Phase 2, Section 1, a subdivision according to the map or plat of record in Instrument No. 20042677, Official Public Records of Hays County, Texas, for an angle point in the south line of the tract described herein;

**THENCE**, crossing the said 324.250 acre tract, with the north line of the said Plum Creek Phase 2, Section 1 subdivision, with the north line of said Block "G", Plum Creek Phase 2, Section 1, continuing with the south line of the tract described herein, the following ten (10) courses and distances:

1. N 40°20'07" W, a distance of 204.42 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point,
2. S 60°18'32" W, a distance of 515.65 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point of the tract described herein,
3. S 50°19'03" W, a distance of 476.39 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" previously set for the common north corner of Lot 24 and Lot 25, Block "G", said Plum Creek Phase 2, Section 1, and for an angle point of the tract described herein,
4. S 68°20'25" W, a distance of 120.09 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" previously set for the common north corner of Lot 22 and Lot 23, Block "G", said Plum Creek Phase 2, Section 1, and for an angle point of the tract described herein,
5. S 42°03'00" W, a distance of 61.35 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" previously set for the common north corner of Lot 21 and Lot 22, Block "G", said Plum Creek Phase 2, Section 1, and for an angle point of the tract described herein,
6. S 68°20'34" W, a distance of 503.54 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" previously set for the southeast corner of Lot 8, Block "G", said Plum Creek Phase 2, Section 1, and for an angle point of the tract described herein,
7. N 20°51'57" W, a distance of 79.51 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point,
8. N 54°18'28" W, a distance of 107.54 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point,
9. N 76°03'31" W, a distance of 84.20 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point, and
10. S 82°11'26" W, a distance of 159.98 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" previously set for the northwest corner of Lot 5, Block "G", said Plum Creek Phase 2, Section 1, for an angle point of the tract described herein;

**THENCE**, leaving the north line of the said Plum Creek Phase 2, Section 1 Subdivision, continuing across the said 324.250 acre tract, continuing with the south line of the tract described herein, the following nine (9) courses and distances:

1. N 09°53'14" E, a distance of 63.37 feet to a calculated angle point,
2. N 80°06'46" W, a distance of 92.50 feet to a calculated point at the beginning of a non-tangent curve,
3. 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 S 54°53'14" W, a distance of 21.21 feet to a calculated point-of-tangency,
4. N 80°06'46" W, a distance of 44.12 feet to a calculated angle point,
5. N 09°53'14" E, a distance of 150.00 feet to a calculated angle point,



6. N 80°06'46" W, a distance of 103.43 feet to a calculated angle point,
7. N 09°53'14" E, a distance of 82.50 feet to a calculated angle point,
8. N 21°57'26" W, a distance of 93.05 feet to a calculated angle point, and
9. N 75°57'03" W, a distance of 20.01 feet to a calculated point for a re-entrant corner of the said 324.250 acre tract, for a southwest corner of the tract described herein, from which a Texas Department of Transportation (TXDOT) Type 2 right-of-way marker (disk set in concrete) found at a point-of-curvature in the east right-of-way line of R.M. 2770, also known as Jack C. Hays Trail, a variable width right-of-way, at a point-of-curvature in the east line of a certain called 1.663 acre tract described in the Deed to the State of Texas of record in Volume 1076, Page 211, Official Public Records of Hays County, Texas, at a northwest corner of the said 324.250 acre tract bears N 77°26'02" W, a distance of 400.12 feet;

**THENCE**, with a west line of the said 324.250 acre tract, with the west line of the tract described herein, the following six (6) courses and distances:

1. N 12°33'23" E, a distance of 553.60 feet to a calculated point-of-curvature,
2. with the arc of a curve to the right, having a radius of 2,394.79 feet, an arc distance of 356.92 feet, and a chord which bears N 16°50'46" E, a distance of 356.59 feet to a calculated point for a non-tangent end of curve,
3. N 08°03'02" E, a distance of 107.72 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at an angle point,
4. N 19°21'17" E, a distance of 1436.60 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at a point-of-curvature,
5. with the arc of a curve to the left, having a radius of 6,179.58 feet, an arc distance of 246.17 feet, and a chord which bears N 18°16'04" E, a distance of 246.15 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at a point-of-tangency, and
6. N 17°04'40" E, a distance of 164.70 feet to a calculated point for the northwest corner of the tract described herein, from which a ½-inch iron rod with a plastic cap stamped "BCG" found at a northwest corner of the said 324.250 acre tract, same being the southwest corner of a certain called 51.48 acre tract of land designated as Tract 2 and described in the Special Warranty Deed to Lennar Homes of Texas Land and Construction, Ltd. of record in Instrument No. 16029226, Official Public Records of Hays County, Texas bears N 17°04'40" E, a distance of 60.93 feet,

**THENCE**, crossing the said 324.250 acre tract, with the north line of the tract described herein, the following nine (9) courses and distances:

1. S 50°45'44" E, a distance of 542.64 feet to a calculated angle point,
2. S 47°15'44" E, a distance of 1,098.12 feet to a calculated angle point,
3. N 36°18'47" E, a distance of 176.56 feet to a calculated point-of-curvature,
4. with the arc of a curve to the right, having a radius of 845.91 feet, an arc distance of 574.78 feet, and a chord which bears N 55°46'52" E, a distance of 563.79 feet to a calculated point-of-tangency,
5. N 75°24'38" E, a distance of 42.57 feet to a calculated point-of-curvature,
6. with the arc of a curve to the left, having a radius of 53.13 feet, an arc distance of 35.26 feet, and a chord which bears N 53°33'30" E, a distance of 34.62 feet to a calculated point of reverse curvature,
7. with the arc of a curve to the right, having a radius of 73.50 feet, an arc distance of 112.13 feet, and a chord which bears N 75°24'42" E, a distance of 101.57 feet to a calculated point of reverse curvature,

8. with the arc of a curve to the left, having a radius of 46.50 feet, an arc distance of 35.47 feet, and a chord which bears S 82°44'11" E, a distance of 34.62 feet to a calculated point-of-tangency, and
9. N 75°24'38" E, a distance of 539.10 feet to a calculated point in the west line of Lot 2, Plum Creek Phase II, Uptown North Subdivision, a subdivision according to the map or plat recorded in Instrument No. 19044530, Official Public Records of Hays County, Texas, in an east line of the said 324.250 acre tract, for the northeast corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "BCG" found at a point-of-curvature in an east line of the said 324.250 acre tract and the west line of said Lot 2, Plum Creek Phase II, Uptown North Subdivision bears N 21°33'07" W, a distance of 412.42 feet;

**THENCE**, with an east line of the said 324.250 acre tract, with the west line of the said Plum Creek Phase II, Uptown North Subdivision, with the east line of the tract described herein, the following two (2) courses and distances:

1. S 21°33'07" E, a distance of 978.97 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" found at a point-of-curvature, and
2. with the arc of a curve to the right, having a radius of 2,264.79 feet, at an arc distance of 153.53 feet, passing a 1/2-inch iron rod with a plastic cap stamped "BCG" found at the southwest corner of Lot 1, said Plum Creek Phase II, Uptown North Subdivision, and continuing for a total arc distance of 915.52 feet, and a chord which bears S 09°58'06" E, a distance of 909.30 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" found at the easterly southeast corner of the said 324.250 acre tract, same being the northeast corner of the said 2.581 acre tract, for a point-of-tangency of the tract described herein;

**THENCE** S 03°43'02" W, with the east line of the said 2.581 acre tract, continuing with the east line of the tract described herein, a distance of 476.72 feet to the **POINT OF BEGINNING** and containing 164.403 acres of land, more or less

**BEARING BASIS:** Texas Coordinate System, South 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 January, May, August, and October 2019 and March and April 2021.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 28<sup>th</sup> day of June 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



**FIELD NOTES DESCRIPTION**

DESCRIPTION OF 101.701 ACRES OF LAND IN THE M.M. McCARVER LEAGUE NO. 4, ABSTRACT NO. 10, HAYS COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 324.250 ACRE TRACT OF LAND DESIGNATED AS TRACT 1 AND ALL OF A CERTAIN CALLED 51.48 ACRE TRACT OF LAND DESIGNATED AS TRACT 2, BOTH TRACTS DESCRIBED IN THE SPECIAL WARRANTY DEED WITH VENDOR'S LIEN TO LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., OF RECORD IN INSTRUMENT NO. 16029226, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 101.701 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 "BCG" found in a south line of a certain tract of land described in the deed to Texas-Lehigh Cement Company of record in Volume 609, Page 843, Real Property Records of Hays County, Texas, at the northwest corner of the said 51.48 acre tract, for the northwest corner and **POINT OF BEGINNING** of the tract described herein;

**THENCE** N 88°07'20" E, with the north line of the said 51.48 acre tract and the south line of the said Texas-Lehigh Cement Company Tract, with a north line of the tract described herein, a distance of 645.49 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" found at the northeast corner of the said 51.48 acre tract, same being a re-entrant corner of the said Texas-Lehigh Cement Company Tract, for the most northerly northeast corner of the tract described herein;

**THENCE** S 01°48'52" E, with the east line of the said 51.48 acre tract and a west line of the said Texas-Lehigh Cement Company Tract, a distance of 870.21 feet to a 1/2-inch iron rod found at an angle point in the east line of the said 51.48 acre tract, at the most northerly northwest corner of the said 324.250 acre tract, same being a southwest corner of the said Texas-Lehigh Cement Company Tract, for a re-entrant corner of the tract described herein;

**THENCE** N 88°08'29" E, leaving the east line of the said 51.48 acre tract, with a north line of the said 324.250 acre tract and a south line of the said Texas-Lehigh Cement Company Tract, with a north line of the tract described herein, a distance of 516.30 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" found at the northeast corner of the said 324.250 acre tract, same being the northwest corner of Lot 3, Plum Creek Phase II, Uptown North Subdivision, a subdivision according to the map or plat of record in Instrument No. 19044530, Official Public Records of Hays County, Texas, for the most easterly northeast corner of the tract described herein;

**THENCE**, leaving a south line of the said Texas-Lehigh Cement Company Tract, with an east line of the said 324.250 acre tract, with the west line of Plum Creek Phase II, Uptown North Subdivision, with an east line of the tract described herein, the following two (2) courses and distances:

1. with the arc of a curve to the left, having a radius of 3,464.79 feet, an arc distance of 1,139.23 feet, and a chord which bears S 12°07'32" E, a distance of 1,134.11 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" found at a point-of-tangency, and
2. S 21°33'07" E, a distance of 412.42 feet to a calculated point in the west line of Lot 2, said Plum Creek Phase II, Uptown North Subdivision, for the southeast corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "BCG" found at a point-of-curvature in an east line of the said 324.250 acre tract and in the west line of Lot 1, said Plum Creek Phase II, Uptown North Subdivision bears S 21°33'07" E, a distance of 978.97 feet;

**THENCE**, leaving the west line of Lot 2, said Plum Creek Phase II, Uptown North Subdivision, crossing the said 324.250 acre tract, with the south line of the tract described herein, the following nine (9) courses and distances:

1. S 75°24'38" W, a distance of 530.10 feet to a calculated point-of-curvature,
2. with the arc of a curve to the right, having a radius of 46.50 feet, an arc distance of 35.47 feet, and a chord which bears N 82°44'11" W, a distance of 34.62 feet to a calculated point of reverse curvature,
3. with the arc of a curve to the left, having a radius of 73.50 feet, an arc distance of 112.13 feet, and a chord which bears S 75°24'42" W, a distance of 101.57 feet to a calculated point of reverse curvature,



4. with the arc of a curve to the right, having a radius of 53.13 feet, an arc distance of 35.26 feet, and a chord which bears S 53°33'30" W, a distance of 34.62 feet to a calculated point-of-tangency,
5. S 75°24'38" W, a distance of 42.57 feet to a calculate point-of-curvature,
6. with the arc of a curve to the left, having a radius of 845.91 feet, an arc distance of 574.78 feet, and a chord which bears S 55°46'52" W, a distance of 563.79 feet to a calculated point-of-tangency,
7. S 36°18'47" W, a distance of 176.56 feet to a calculated angle point,
8. N 47°15'44" W, a distance of 1,098.12 feet to a calculated angle point, and
9. N 50°45'44" W, a distance of 542.64 feet to a calculated point in a west line of the said 324.250 acre tract, for the southwest corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "BCG" found at a point-of-curvature in a west line of the said 324.250 acre tract bears S 17°04'40" W, a distance of 164.70 feet;

**THENCE** N 17°04'40" E, with a west line of the said 324.250 acre tract, with the west line of the tract described herein, a distance of 60.93 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" found at the westerly northwest corner of the said 324.250 acre tract, same being the southwest corner of the said 51.48 acre tract, for an angle point in a west line of the tract described herein;

**THENCE**, with the west line of the said 51.48 acre tract, continuing with the west line of the tract described herein, the following three (3) courses and distances:

1. N 17°04'40" E, a distance of 1,116.29 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" found at a point of curvature;
2. with the arc of a curve to the right, having a radius of 695.92 feet, an arc distance of 299.48 feet, and a chord which bears N 29°24'45" E, a distance of 297.18 feet to a calculated point-of-tangency, and
3. N 41°39'41" E, a distance of 665.18 feet to the **POINT OF BEGINNING** and containing 101.701 acres of land, more or less.

**BEARING BASIS:** Texas Coordinate System, South 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 January, May, August, and October 2019 and March and April 2021.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 28<sup>th</sup> day of June 2021 A.D.

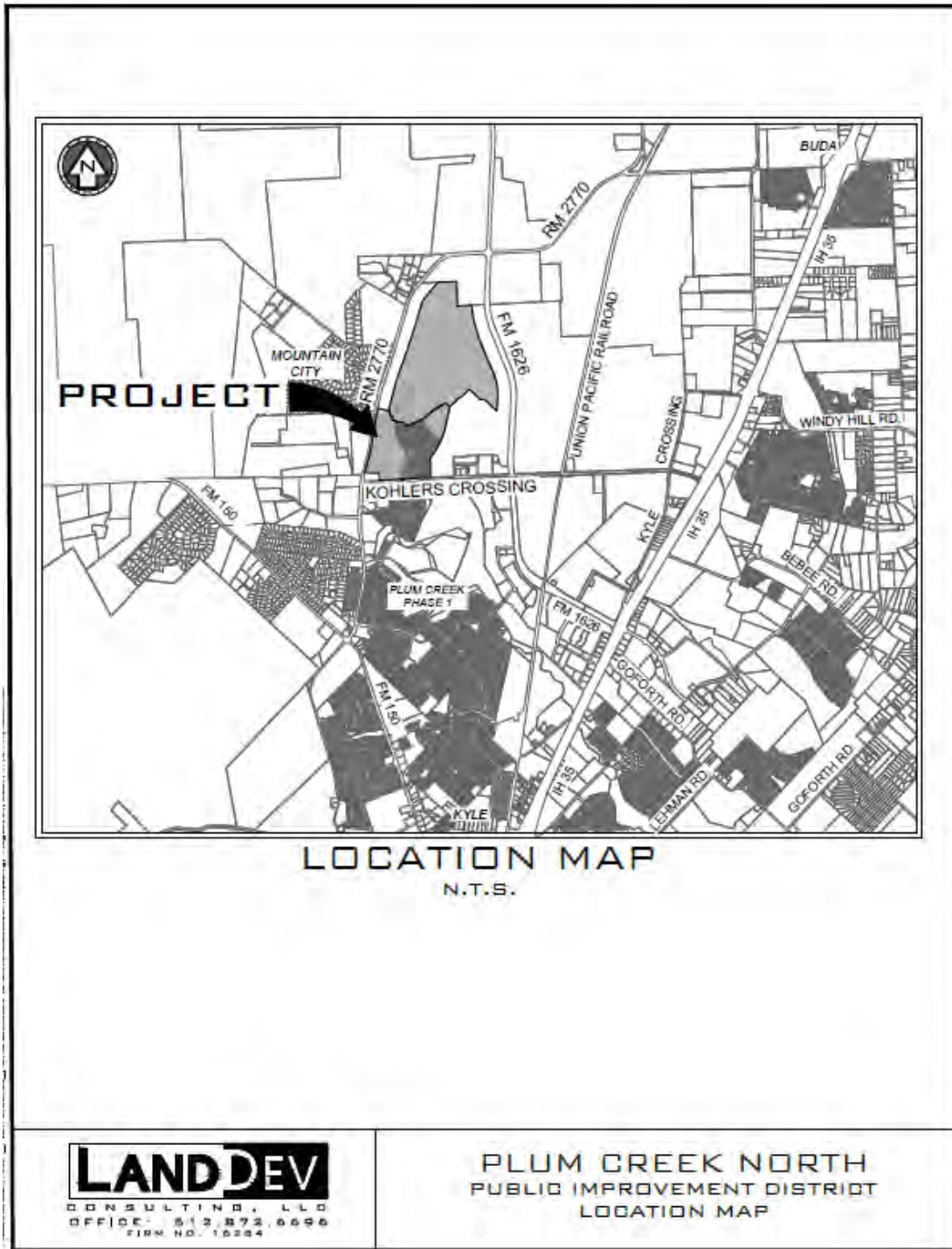
LANDDEV CONSULTING, LLC  
5508 Highway 290 West, Suite 150  
Austin, Texas 78735

  
Ernesto Navarrete  
Registered Professional Land Surveyor  
No. 6642 – State of Texas

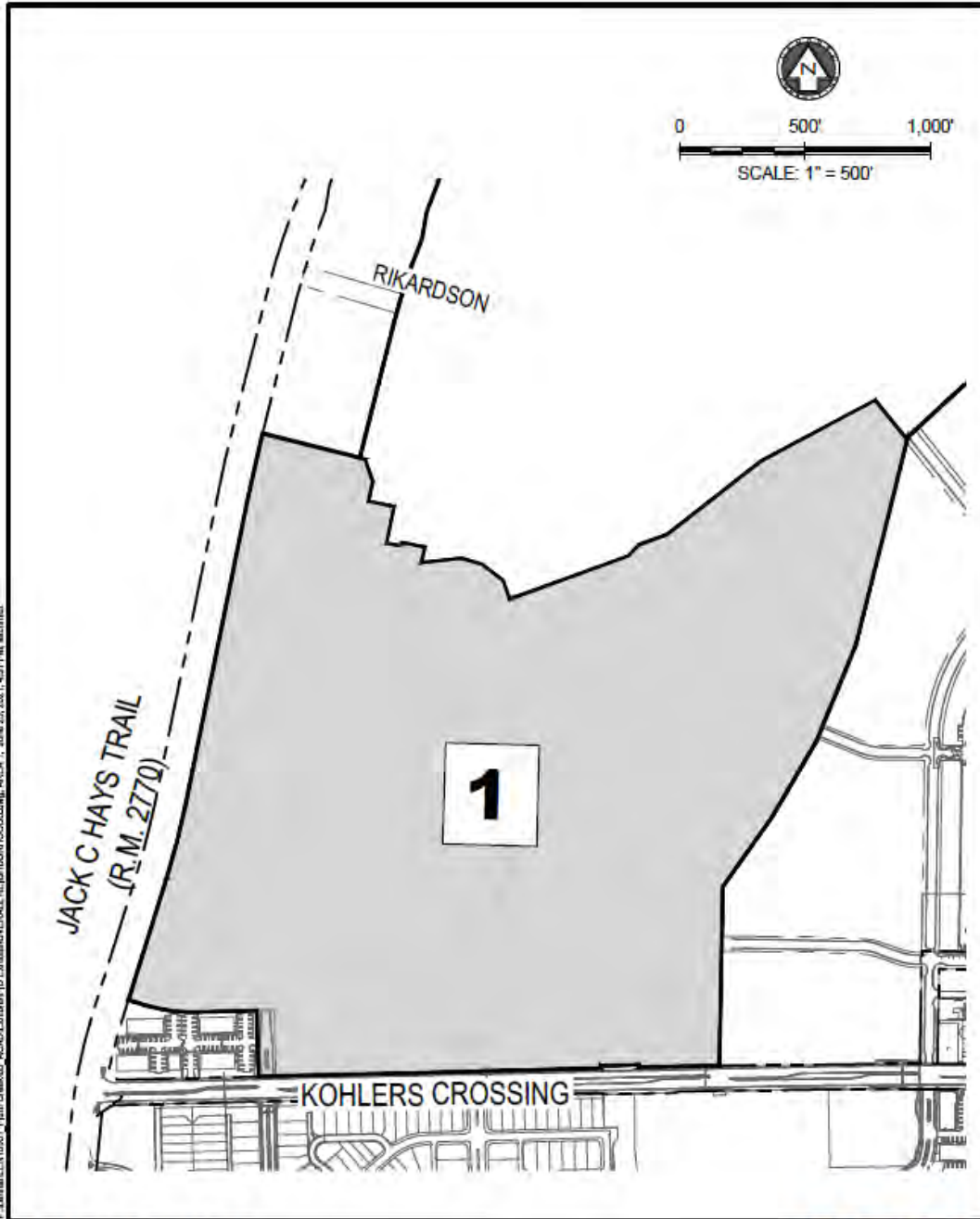


LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696  
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

**EXHIBIT B-1 – DISTRICT BOUNDARY MAP**



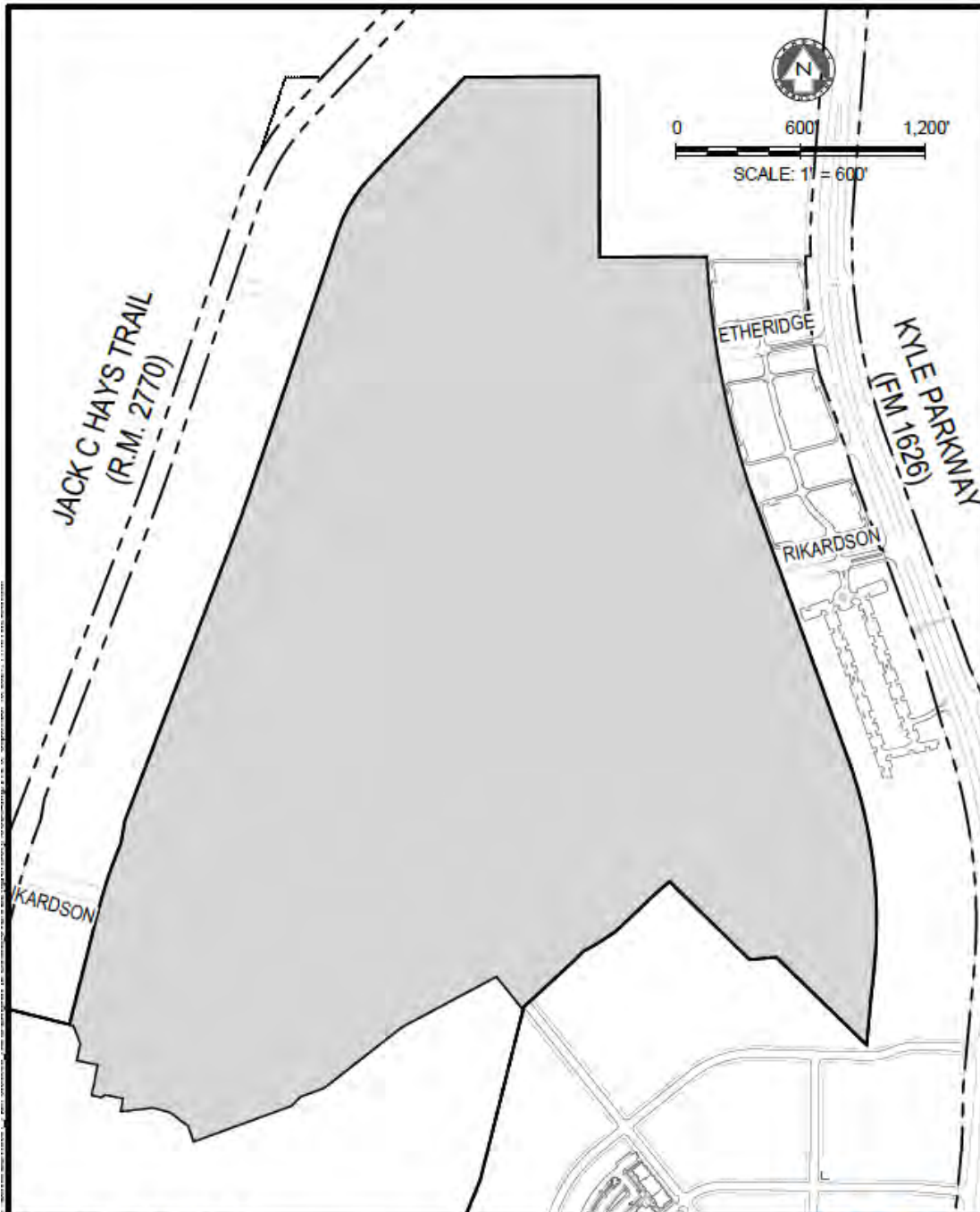
**EXHIBIT B-2 – IMPROVEMENT AREA #1 BOUNDARY MAP**



**PLUM CREEK PHASE 2**  
NEIGHBORHOOD IMPROVEMENT AREA 1  
KYLE, HAYS COUNTY, TEXAS  
JUNE, 2021



**EXHIBIT B-3 – MAJOR IMPROVEMENT AREA BOUNDARY MAP**



**PLUM CREEK PHASE 2**  
MAJOR IMPROVEMENT AREA  
KYLE, HAYS COUNTY, TEXAS  
SEPTEMBER, 2021



## EXHIBIT C – AUTHORIZED IMPROVEMENTS

	Total Costs	Improvement Area #1 [a]	Major Improvement Area [a]
<i>Major Improvements [b]</i>			
Water	\$ 524,967	\$ 171,551	\$ 353,416
Wastewater	1,514,192	494,815	1,019,377
Detention	776,927	253,888	523,039
Clearing & Erosion Control	297,165	97,109	200,056
	\$ 3,113,251	\$ 1,017,364	\$ 2,095,887
<i>Improvement Area #1 Improvements</i>			
Water	\$ 1,904,089	\$ 1,904,089	\$ -
Wastewater	1,664,789	1,664,789	-
Drainage	3,563,862	3,563,862	-
Streets	3,530,060	3,530,060	-
Clearing & Erosion Control	1,345,247	1,345,247	-
Parks & Common Areas	3,622,769	3,622,769	-
Soft Costs	1,538,668	1,538,668	-
Contingency	2,163,484	2,163,484	-
	\$ 19,332,968	\$ 19,332,968	\$ -
<i>Bond Issuance Costs and District Formation Expenses</i>			
Debt Service Reserve Fund	\$ 714,213	\$ 484,313	\$ 229,900
Capitalized Interest	320,095	130,360	189,735
Underwriter Discount	273,450	191,550	81,900
Cost of Issuance	546,900	383,100	163,800
First Year Annual Collection Costs	60,000	42,030	17,970
	\$ 1,914,658	\$ 1,231,353	\$ 683,305
<b>Total</b>	<b>\$ 24,360,877</b>	<b>\$ 21,581,684</b>	<b>\$ 2,779,193</b>

**Notes:**

[a] Costs were determined by the Engineer's Report prepared by LandDev Consulting dated October 2021.

[b] Major Improvements are allocated between Improvement Area #1 and the Major Improvement Area on a pro rata basis based on Estimated Buildout Value as shown on **Exhibit K**. Soft costs associated with the Major Improvements are not PID eligible.



## EXHIBIT D – SERVICE PLAN

Improvement Area #1						
Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ -	\$ 235,000	\$ 240,000	\$ 250,000	\$ 260,000
Interest		130,360	239,438	230,625	221,625	212,250
Capitalized Interest		(130,360)	-	-	-	-
	(1)	\$ -	\$ 474,438	\$ 470,625	\$ 471,625	\$ 472,250
Annual Collection Costs	(2)	\$ -	\$ 42,030	\$ 42,870	\$ 43,728	\$ 44,602
Additional Interest	(3)	\$ -	\$ 31,925	\$ 30,750	\$ 29,550	\$ 28,300
<b>Total Annual Installment</b>	<b>(4) = (1) + (2) + (3)</b>	<b>\$ -</b>	<b>\$ 548,392</b>	<b>\$ 544,245</b>	<b>\$ 544,903</b>	<b>\$ 545,152</b>

Major Improvement Area						
Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ -	\$ -	\$ 100,000	\$ 105,000	\$ 110,000
Interest		66,885	122,850	122,850	118,350	113,625
Capitalized Interest		(66,885)	(122,850)	-	-	-
	(1)	\$ -	\$ -	\$ 222,850	\$ 223,350	\$ 223,625
Annual Collection Costs	(2)	\$ -	\$ 17,970	\$ 18,330	\$ 18,696	\$ 19,070
Additional Interest	(3)	\$ -	\$ 13,650	\$ 13,650	\$ 13,150	\$ 12,625
<b>Total Annual Installment</b>	<b>(4) = (1) + (2) + (3)</b>	<b>\$ -</b>	<b>\$ 31,620</b>	<b>\$ 254,830</b>	<b>\$ 255,196</b>	<b>\$ 255,320</b>

## EXHIBIT E – SOURCES AND USES

	Improvement Area #1	Major Improvement Area
<b>Sources of Funds</b>		
Improvement Area #1 Bonds	\$ 6,385,000	\$ -
Major Improvement Area Bonds	-	2,730,000
Owner Contribution	15,196,684	49,193
<b>Total Sources</b>	<b>\$ 21,581,684</b>	<b>\$ 2,779,193</b>
<b>Uses of Funds</b>		
Major Improvements	\$ 1,017,364	\$ 2,095,887
Improvement Area #1 Improvements	19,332,968	-
	<u>\$ 20,350,332</u>	<u>\$ 2,095,887</u>
<i>Bond Issuance Costs and District Formation Expenses</i>		
Debt Service Reserve Fund	\$ 484,313	\$ 229,900
Capitalized Interest	130,360	189,735
Underwriter Discount	191,550	81,900
Cost of Issuance	383,100	163,800
First Year Annual Collection Costs	42,030	17,970
	<u>\$ 1,231,353</u>	<u>\$ 683,305</u>
<b>Total Uses</b>	<b>\$ 21,581,684</b>	<b>\$ 2,779,193</b>

## EXHIBIT F – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Parcel ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment	Annual Installment Due 1/31/2022
R173059	PLUM CREEK PHASE 2 SEC 1 Lot ROW	Non-Benefited	\$ -	\$ -
R173060	PLUM CREEK PHASE 2 SEC 1 Lot 1	Non-Benefited	\$ -	\$ -
R173061	PLUM CREEK PHASE 2 SEC 1 Lot 2	Non-Benefited	\$ -	\$ -
R173062	PLUM CREEK PHASE 2 SEC 1 Lot 3	Non-Benefited	\$ -	\$ -
R173063	PLUM CREEK PHASE 2 SEC 1 Lot 4	Non-Benefited	\$ -	\$ -
R173064	PLUM CREEK PHASE 2 SEC 1 Lot 5	Non-Benefited	\$ -	\$ -
R173065	PLUM CREEK PHASE 2 SEC 1 Lot 6	Non-Benefited	\$ -	\$ -
R173066	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 1	4	\$ 17,420.75	\$ -
R173067	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 2	4	\$ 17,420.75	\$ -
R173068	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 3	4	\$ 17,420.75	\$ -
R173069	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 4	4	\$ 17,420.75	\$ -
R173070	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 5	3	\$ 16,442.06	\$ -
R173071	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 6	Non-Benefited	\$ -	\$ -
R173072	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 7	3	\$ 16,442.06	\$ -
R173073	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 8	4	\$ 17,420.75	\$ -
R173074	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 9	3	\$ 16,442.06	\$ -
R173075	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 10	2	\$ 15,854.84	\$ -
R173076	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 11	3	\$ 16,442.06	\$ -
R173077	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 12	Non-Benefited	\$ -	\$ -
R173078	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 13	3	\$ 16,442.06	\$ -
R173079	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 14	3	\$ 16,442.06	\$ -
R173080	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 15	3	\$ 16,442.06	\$ -
R173081	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 16	3	\$ 16,442.06	\$ -
R173082	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 17	3	\$ 16,442.06	\$ -
R173083	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 18	3	\$ 16,442.06	\$ -
R173084	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 19	Non-Benefited	\$ -	\$ -
R173085	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 20	3	\$ 16,442.06	\$ -
R173086	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 21	3	\$ 16,442.06	\$ -
R173087	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 22	3	\$ 16,442.06	\$ -
R173088	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 23	3	\$ 16,442.06	\$ -
R173089	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 24	3	\$ 16,442.06	\$ -
R173090	PLUM CREEK PHASE 2 SEC 1 BLOCK A Lot 25	3	\$ 16,442.06	\$ -
R173091	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 1	3	\$ 16,442.06	\$ -
R173092	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 2	3	\$ 16,442.06	\$ -
R173093	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 3	3	\$ 16,442.06	\$ -
R173094	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 4	3	\$ 16,442.06	\$ -
R173095	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 5	3	\$ 16,442.06	\$ -
R173096	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 6	3	\$ 16,442.06	\$ -
R173097	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 7	3	\$ 16,442.06	\$ -
R173098	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 8	3	\$ 16,442.06	\$ -
R173099	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 9	3	\$ 16,442.06	\$ -
R173100	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 10	3	\$ 16,442.06	\$ -

Parcel ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment	Annual Installment Due 1/31/2022
R173101	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 11	3	\$ 16,442.06	\$ -
R173102	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 12	3	\$ 16,442.06	\$ -
R173103	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 13	3	\$ 16,442.06	\$ -
R173104	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 14	3	\$ 16,442.06	\$ -
R173105	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 15	3	\$ 16,442.06	\$ -
R173106	PLUM CREEK PHASE 2 SEC 1 BLOCK B Lot 16	3	\$ 16,442.06	\$ -
R173107	PLUM CREEK PHASE 2 SEC 1 BLOCK C Lot 1	3	\$ 16,442.06	\$ -
R173108	PLUM CREEK PHASE 2 SEC 1 BLOCK C Lot 2	3	\$ 16,442.06	\$ -
R173109	PLUM CREEK PHASE 2 SEC 1 BLOCK C Lot 3	3	\$ 16,442.06	\$ -
R173110	PLUM CREEK PHASE 2 SEC 1 BLOCK C Lot 4	3	\$ 16,442.06	\$ -
R173111	PLUM CREEK PHASE 2 SEC 1 BLOCK C Lot 5	3	\$ 16,442.06	\$ -
R173112	PLUM CREEK PHASE 2 SEC 1 BLOCK C Lot 6	3	\$ 16,442.06	\$ -
R173113	PLUM CREEK PHASE 2 SEC 1 BLOCK C Lot 7	3	\$ 16,442.06	\$ -
R173114	PLUM CREEK PHASE 2 SEC 1 BLOCK C Lot 8	3	\$ 16,442.06	\$ -
R173115	PLUM CREEK PHASE 2 SEC 1 BLOCK C Lot 9	Non-Benefited	\$ -	\$ -
R173116	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 1	3	\$ 16,442.06	\$ -
R173117	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 2	3	\$ 16,442.06	\$ -
R173118	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 3	3	\$ 16,442.06	\$ -
R173119	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 4	3	\$ 16,442.06	\$ -
R173120	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 5	3	\$ 16,442.06	\$ -
R173121	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 6	3	\$ 16,442.06	\$ -
R173122	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 7	3	\$ 16,442.06	\$ -
R173123	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 8	3	\$ 16,442.06	\$ -
R173124	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 9	3	\$ 16,442.06	\$ -
R173125	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 10	3	\$ 16,442.06	\$ -
R173126	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 11	Non-Benefited	\$ -	\$ -
R173127	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 12	3	\$ 16,442.06	\$ -
R173128	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 13	3	\$ 16,442.06	\$ -
R173129	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 14	3	\$ 16,442.06	\$ -
R173130	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 15	3	\$ 16,442.06	\$ -
R173131	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 16	3	\$ 16,442.06	\$ -
R173132	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 17	3	\$ 16,442.06	\$ -
R173133	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 18	3	\$ 16,442.06	\$ -
R173134	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 19	3	\$ 16,442.06	\$ -
R173135	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 20	3	\$ 16,442.06	\$ -
R173136	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 21	3	\$ 16,442.06	\$ -
R173137	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 22	3	\$ 16,442.06	\$ -
R173138	PLUM CREEK PHASE 2 SEC 1 BLOCK D Lot 23	Non-Benefited	\$ -	\$ -
R173139	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 1	3	\$ 16,442.06	\$ -
R173140	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 2	3	\$ 16,442.06	\$ -
R173141	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 3	3	\$ 16,442.06	\$ -
R173142	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 4	3	\$ 16,442.06	\$ -

Parcel ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment	Annual Installment Due 1/31/2022
R173143	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 5	3	\$ 16,442.06	\$ -
R173144	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 6	3	\$ 16,442.06	\$ -
R173145	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 7	3	\$ 16,442.06	\$ -
R173146	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 8	3	\$ 16,442.06	\$ -
R173147	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 9	3	\$ 16,442.06	\$ -
R173148	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 10	3	\$ 16,442.06	\$ -
R173149	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 11	3	\$ 16,442.06	\$ -
R173150	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 12	3	\$ 16,442.06	\$ -
R173151	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 13	3	\$ 16,442.06	\$ -
R173152	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 14	3	\$ 16,442.06	\$ -
R173153	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 15	3	\$ 16,442.06	\$ -
R173154	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 16	Non-Benefited	\$ -	\$ -
R173155	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 17	2	\$ 15,854.84	\$ -
R173156	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 18	2	\$ 15,854.84	\$ -
R173157	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 19	2	\$ 15,854.84	\$ -
R173158	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 20	2	\$ 15,854.84	\$ -
R173159	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 21	2	\$ 15,854.84	\$ -
R173160	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 22	2	\$ 15,854.84	\$ -
R173161	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 23	2	\$ 15,854.84	\$ -
R173162	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 24	3	\$ 16,442.06	\$ -
R173163	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 25	3	\$ 16,442.06	\$ -
R173164	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 26	3	\$ 16,442.06	\$ -
R173165	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 27	3	\$ 16,442.06	\$ -
R173166	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 28	3	\$ 16,442.06	\$ -
R173167	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 29	3	\$ 16,442.06	\$ -
R173168	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 30	3	\$ 16,442.06	\$ -
R173169	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 31	3	\$ 16,442.06	\$ -
R173170	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 32	3	\$ 16,442.06	\$ -
R173171	PLUM CREEK PHASE 2 SEC 1 BLOCK E Lot 33	Non-Benefited	\$ -	\$ -
R173172	PLUM CREEK PHASE 2 SEC 1 BLOCK F Lot 1	2	\$ 15,854.84	\$ -
R173173	PLUM CREEK PHASE 2 SEC 1 BLOCK F Lot 2	2	\$ 15,854.84	\$ -
R173174	PLUM CREEK PHASE 2 SEC 1 BLOCK F Lot 3	2	\$ 15,854.84	\$ -
R173175	PLUM CREEK PHASE 2 SEC 1 BLOCK F Lot 4	2	\$ 15,854.84	\$ -
R173176	PLUM CREEK PHASE 2 SEC 1 BLOCK F Lot 5	2	\$ 15,854.84	\$ -
R173177	PLUM CREEK PHASE 2 SEC 1 BLOCK F Lot 6	2	\$ 15,854.84	\$ -
R173178	PLUM CREEK PHASE 2 SEC 1 BLOCK F Lot 7	2	\$ 15,854.84	\$ -
R173179	PLUM CREEK PHASE 2 SEC 1 BLOCK F Lot 8	4	\$ 17,420.75	\$ -
R173180	PLUM CREEK PHASE 2 SEC 1 BLOCK F Lot 9	4	\$ 17,420.75	\$ -
R173181	PLUM CREEK PHASE 2 SEC 1 BLOCK F Lot 10	4	\$ 17,420.75	\$ -
R173182	PLUM CREEK PHASE 2 SEC 1 BLOCK F Lot 11	4	\$ 17,420.75	\$ -
R173183	PLUM CREEK PHASE 2 SEC 1 BLOCK F Lot 12	4	\$ 17,420.75	\$ -
R173184	PLUM CREEK PHASE 2 SEC 1 BLOCK F Lot 13	Non-Benefited	\$ -	\$ -

Parcel ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment	Annual Installment Due 1/31/2022
R173185	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 1	Non-Benefited	\$ -	\$ -
R173186	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 2	4	\$ 17,420.75	\$ -
R173187	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 3	4	\$ 17,420.75	\$ -
R173188	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 4	4	\$ 17,420.75	\$ -
R173189	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 5	4	\$ 17,420.75	\$ -
R173190	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 6	4	\$ 17,420.75	\$ -
R173191	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 7	4	\$ 17,420.75	\$ -
R173192	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 8	4	\$ 17,420.75	\$ -
R173193	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 9	4	\$ 17,420.75	\$ -
R173194	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 10	4	\$ 17,420.75	\$ -
R173195	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 11	4	\$ 17,420.75	\$ -
R173196	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 12	4	\$ 17,420.75	\$ -
R173197	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 13	Non-Benefited	\$ -	\$ -
R173198	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 14	4	\$ 17,420.75	\$ -
R173199	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 15	4	\$ 17,420.75	\$ -
R173200	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 16	4	\$ 17,420.75	\$ -
R173201	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 17	4	\$ 17,420.75	\$ -
R173202	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 18	4	\$ 17,420.75	\$ -
R173203	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 19	4	\$ 17,420.75	\$ -
R173204	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 20	4	\$ 17,420.75	\$ -
R173205	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 21	4	\$ 17,420.75	\$ -
R173206	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 22	4	\$ 17,420.75	\$ -
R173207	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 23	4	\$ 17,420.75	\$ -
R173208	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 24	4	\$ 17,420.75	\$ -
R173209	PLUM CREEK PHASE 2 SEC 1 BLOCK G Lot 25	Non-Benefited	\$ -	\$ -
R173210	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 1	2	\$ 15,854.84	\$ -
R173211	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 2	2	\$ 15,854.84	\$ -
R173212	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 3	2	\$ 15,854.84	\$ -
R173213	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 4	2	\$ 15,854.84	\$ -
R173214	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 5	2	\$ 15,854.84	\$ -
R173215	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 6	2	\$ 15,854.84	\$ -
R173216	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 7	2	\$ 15,854.84	\$ -
R173217	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 8	2	\$ 15,854.84	\$ -
R173218	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 9	Non-Benefited	\$ -	\$ -
R173219	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 10	3	\$ 16,442.06	\$ -
R173220	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 11	3	\$ 16,442.06	\$ -
R173221	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 12	3	\$ 16,442.06	\$ -
R173222	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 13	3	\$ 16,442.06	\$ -
R173223	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 14	3	\$ 16,442.06	\$ -
R173224	PLUM CREEK PHASE 2 SEC 1 BLOCK H Lot 15	3	\$ 16,442.06	\$ -
R173225	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 1	3	\$ 16,442.06	\$ -
R173226	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 2	3	\$ 16,442.06	\$ -

Parcel ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment	Annual Installment Due 1/31/2022
R173227	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 3	3	\$ 16,442.06	\$ -
R173228	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 4	3	\$ 16,442.06	\$ -
R173229	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 5	3	\$ 16,442.06	\$ -
R173230	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 6	3	\$ 16,442.06	\$ -
R173231	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 7	3	\$ 16,442.06	\$ -
R173232	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 8	3	\$ 16,442.06	\$ -
R173233	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 9	3	\$ 16,442.06	\$ -
R173234	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 10	Non-Benefited	\$ -	\$ -
R173235	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 11	2	\$ 15,854.84	\$ -
R173236	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 12	2	\$ 15,854.84	\$ -
R173237	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 13	2	\$ 15,854.84	\$ -
R173238	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 14	2	\$ 15,854.84	\$ -
R173239	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 15	2	\$ 15,854.84	\$ -
R173240	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 16	2	\$ 15,854.84	\$ -
R173241	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 17	2	\$ 15,854.84	\$ -
R173242	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 18	2	\$ 15,854.84	\$ -
R173243	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 19	2	\$ 15,854.84	\$ -
R173244	PLUM CREEK PHASE 2 SEC 1 BLOCK I Lot 20	2	\$ 15,854.84	\$ -
R173245	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 1	3	\$ 16,442.06	\$ -
R173246	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 2	3	\$ 16,442.06	\$ -
R173247	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 3	3	\$ 16,442.06	\$ -
R173248	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 4	3	\$ 16,442.06	\$ -
R173249	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 5	3	\$ 16,442.06	\$ -
R173250	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 6	3	\$ 16,442.06	\$ -
R173251	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 7	3	\$ 16,442.06	\$ -
R173252	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 8	3	\$ 16,442.06	\$ -
R173253	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 9	3	\$ 16,442.06	\$ -
R173254	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 10	3	\$ 16,442.06	\$ -
R173255	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 11	3	\$ 16,442.06	\$ -
R173256	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 12	3	\$ 16,442.06	\$ -
R173257	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 13	Non-Benefited	\$ -	\$ -
R173258	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 14	3	\$ 16,442.06	\$ -
R173259	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 15	3	\$ 16,442.06	\$ -
R173260	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 16	3	\$ 16,442.06	\$ -
R173261	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 17	3	\$ 16,442.06	\$ -
R173262	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 18	3	\$ 16,442.06	\$ -
R173263	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 19	3	\$ 16,442.06	\$ -
R173264	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 20	3	\$ 16,442.06	\$ -
R173265	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 21	3	\$ 16,442.06	\$ -
R173266	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 22	3	\$ 16,442.06	\$ -
R173267	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 23	3	\$ 16,442.06	\$ -
R173268	PLUM CREEK PHASE 2 SEC 1 BLOCK J Lot 24	3	\$ 16,442.06	\$ -

Parcel ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment	Annual Installment Due 1/31/2022
R173269	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 1	Non-Benefited	\$ -	\$ -
R173270	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 2	3	\$ 16,442.06	\$ -
R173271	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 3	3	\$ 16,442.06	\$ -
R173272	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 4	3	\$ 16,442.06	\$ -
R173273	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 5	3	\$ 16,442.06	\$ -
R173274	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 6	3	\$ 16,442.06	\$ -
R173275	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 7	3	\$ 16,442.06	\$ -
R173276	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 8	3	\$ 16,442.06	\$ -
R173277	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 9	3	\$ 16,442.06	\$ -
R173278	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 10	3	\$ 16,442.06	\$ -
R173279	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 11	3	\$ 16,442.06	\$ -
R173280	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 12	3	\$ 16,442.06	\$ -
R173281	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 13	3	\$ 16,442.06	\$ -
R173282	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 14	3	\$ 16,442.06	\$ -
R173283	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 15	3	\$ 16,442.06	\$ -
R173284	PLUM CREEK PHASE 2 SEC 1 BLOCK K Lot 16	Non-Benefited	\$ -	\$ -
R146068	Improvement Area #1 Remainder Parcel		\$ 2,932,406.73	\$ -
R151283	Improvement Area #1 Remainder Parcel		\$ 119,357.07	\$ -
<b>Total</b>			<b>\$ 6,385,000.00</b>	<b>\$ -</b>

*Note: For billing purposes only, until a plat has been recorded within the Improvement Area #1 Remainder Parcel, the Annual Installment will be billed to each Tax Parcel within the Improvement Area #1 Remainder Parcel based on the acreage of the Tax Parcel as calculated by the Hays Central Appraisal District.*



## EXHIBIT G – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 130,360.42	\$ -	\$ -	\$ (130,360.42)	\$ -
2023	235,000.00	239,437.50	42,029.62	31,925.00	-	548,392.12
2024	240,000.00	230,625.00	42,870.21	30,750.00	-	544,245.21
2025	250,000.00	221,625.00	43,727.62	29,550.00	-	544,902.62
2026	260,000.00	212,250.00	44,602.17	28,300.00	-	545,152.17
2027	270,000.00	202,500.00	45,494.21	27,000.00	-	544,994.21
2028	280,000.00	192,375.00	46,404.10	25,650.00	-	544,429.10
2029	290,000.00	181,875.00	47,332.18	24,250.00	-	543,457.18
2030	305,000.00	171,000.00	48,278.82	22,800.00	-	547,078.82
2031	315,000.00	159,562.50	49,244.40	21,275.00	-	545,081.90
2032	330,000.00	147,750.00	50,229.29	19,700.00	-	547,679.29
2033	340,000.00	135,375.00	51,233.87	18,050.00	-	544,658.87
2034	355,000.00	122,625.00	52,258.55	16,350.00	-	546,233.55
2035	370,000.00	109,312.50	53,303.72	14,575.00	-	547,191.22
2036	385,000.00	95,437.50	54,369.80	12,725.00	-	547,532.30
2037	400,000.00	81,000.00	55,457.19	10,800.00	-	547,257.19
2038	415,000.00	66,000.00	56,566.34	8,800.00	-	546,366.34
2039	430,000.00	50,437.50	57,697.66	6,725.00	-	544,860.16
2040	450,000.00	34,312.50	58,851.62	4,575.00	-	547,739.12
2041	465,000.00	17,437.50	60,028.65	2,325.00	-	544,791.15
Total	\$ 6,385,000.00	\$ 2,801,297.92	\$ 959,980.03	\$ 356,125.00	\$ (130,360.42)	\$ 10,372,042.53

[a] Interest is calculated at a 3.75% rate for illustrative purposes.

*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 – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Parcel ID	Legal Description	Major Improvement Area	
		Outstanding Assessment	Annual Installment Due 1/31/2022
R151279	Major Improvement Area Initial Parcel	\$ 22,680.07	\$ -
R146069	Major Improvement Area Initial Parcel	\$ 452,371.13	\$ -
R146068	Major Improvement Area Initial Parcel	\$ 2,254,948.81	\$ -
<b>Total</b>		<b>\$ 2,730,000.00</b>	<b>\$ -</b>

*Note: For billing purposes only, until a plat has been recorded within the Major Improvement Area Initial Parcel, the Annual Installment will be billed to each Tax Parcel within the Major Improvement Area Initial Parcel based on the acreage of the Tax Parcel as calculated by the Hays Central Appraisal District.*

## EXHIBIT I – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 66,885.00	\$ -	\$ -	\$ (66,885.00)	\$ -
2023	-	122,850.00	17,970.38	13,650.00	(122,850.00)	31,620.38
2024	100,000.00	122,850.00	18,329.79	13,650.00	-	254,829.79
2025	105,000.00	118,350.00	18,696.38	13,150.00	-	255,196.38
2026	110,000.00	113,625.00	19,070.31	12,625.00	-	255,320.31
2027	115,000.00	108,675.00	19,451.72	12,075.00	-	255,201.72
2028	120,000.00	103,500.00	19,840.75	11,500.00	-	254,840.75
2029	125,000.00	98,100.00	20,237.56	10,900.00	-	254,237.56
2030	130,000.00	92,475.00	20,642.32	10,275.00	-	253,392.32
2031	135,000.00	86,625.00	21,055.16	9,625.00	-	252,305.16
2032	145,000.00	80,550.00	21,476.27	8,950.00	-	255,976.27
2033	150,000.00	74,025.00	21,905.79	8,225.00	-	254,155.79
2034	155,000.00	67,275.00	22,343.91	7,475.00	-	252,093.91
2035	165,000.00	60,300.00	22,790.79	6,700.00	-	254,790.79
2036	175,000.00	52,875.00	23,246.60	5,875.00	-	256,996.60
2037	180,000.00	45,000.00	23,711.53	5,000.00	-	253,711.53
2038	190,000.00	36,900.00	24,185.76	4,100.00	-	255,185.76
2039	200,000.00	28,350.00	24,669.48	3,150.00	-	256,169.48
2040	210,000.00	19,350.00	25,162.87	2,150.00	-	256,662.87
2041	220,000.00	9,900.00	25,666.13	1,100.00	-	256,666.13
<b>Total</b>	<b>\$ 2,730,000.00</b>	<b>\$ 1,508,460.00</b>	<b>\$ 410,453.48</b>	<b>\$ 160,175.00</b>	<b>\$ (189,735.00)</b>	<b>\$ 4,619,353.48</b>

[a] Interest is calculated at a 4.50% rate for illustrative purposes.

*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 – MAXIMUM ASSESSMENT PER LOT TYPE**

Lot Type	Units	Total Assessment	Maximum Assessment per Lot Type	Equivalent Tax Rate Per \$100 of Estimated Buildout Value
<b>Improvement Area #1</b>				
1	64	\$ 776,691.60	\$12,135.81 per Unit	\$0.3347
2	48	\$ 761,032.50	\$15,854.84 per Unit	\$0.3347
3	227	\$ 3,732,347.64	\$16,442.06 per Unit	\$0.3347
4	64	\$ 1,114,928.26	\$17,420.75 per Unit	\$0.3347
<b>Total</b>		<b>\$ 6,385,000.00</b>		

Note: Per the Financing and Reimbursement Agreement, the Maximum Assessment cannot result in an equivalent tax rate that exceeds \$0.44 per \$100 of Estimated Buildout Value.

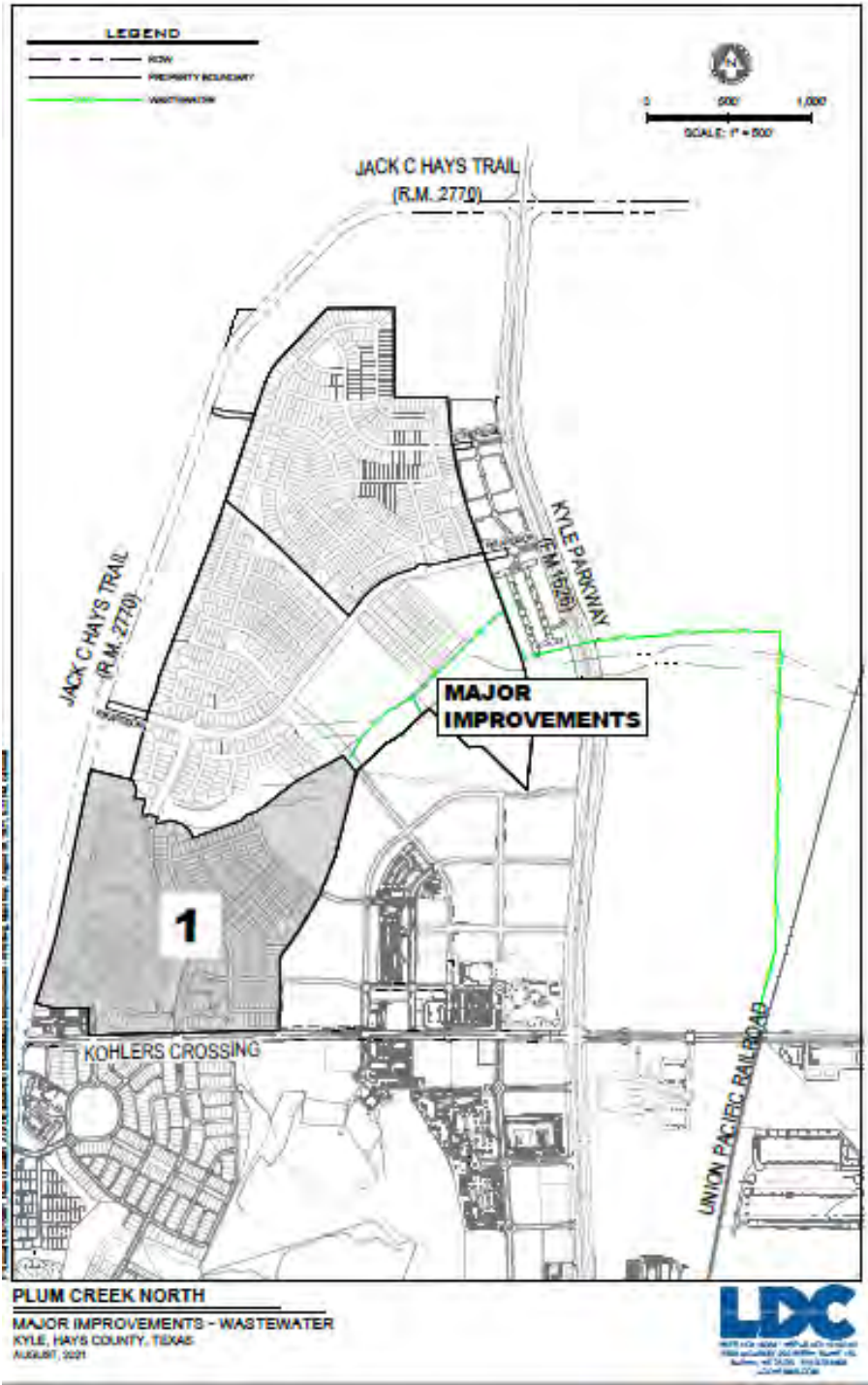
**EXHIBIT K – ESTIMATED BUILDOUT VALUE FOR IMPROVEMENT AREA #1 AND  
MAJOR IMPROVEMENT AREA**

	Units		Estimated Buildout Value	Total Buildout Value	% of Estimated Buildout Value
<b><i>Improvement Area #1</i></b>					
35'	64	lots	\$ 310,000	\$ 19,840,000	
43'	48	lots	\$ 405,000	\$ 19,440,000	
50'	227	lots	\$ 420,000	\$ 95,340,000	
55'	64	lots	\$ 445,000	\$ 28,480,000	
				<b>\$ 163,100,000</b>	<b>32.68%</b>
<b><i>Major Improvement Area</i></b>					
35'	70	lots	\$ 310,000	\$ 21,700,000	
43'	142	lots	\$ 405,000	\$ 57,510,000	
50'	426	lots	\$ 420,000	\$ 178,920,000	
55'	175	lots	\$ 445,000	\$ 77,875,000	
				<b>\$ 336,005,000</b>	<b>67.32%</b>
				<b>\$ 499,105,000</b>	<b>100.00%</b>

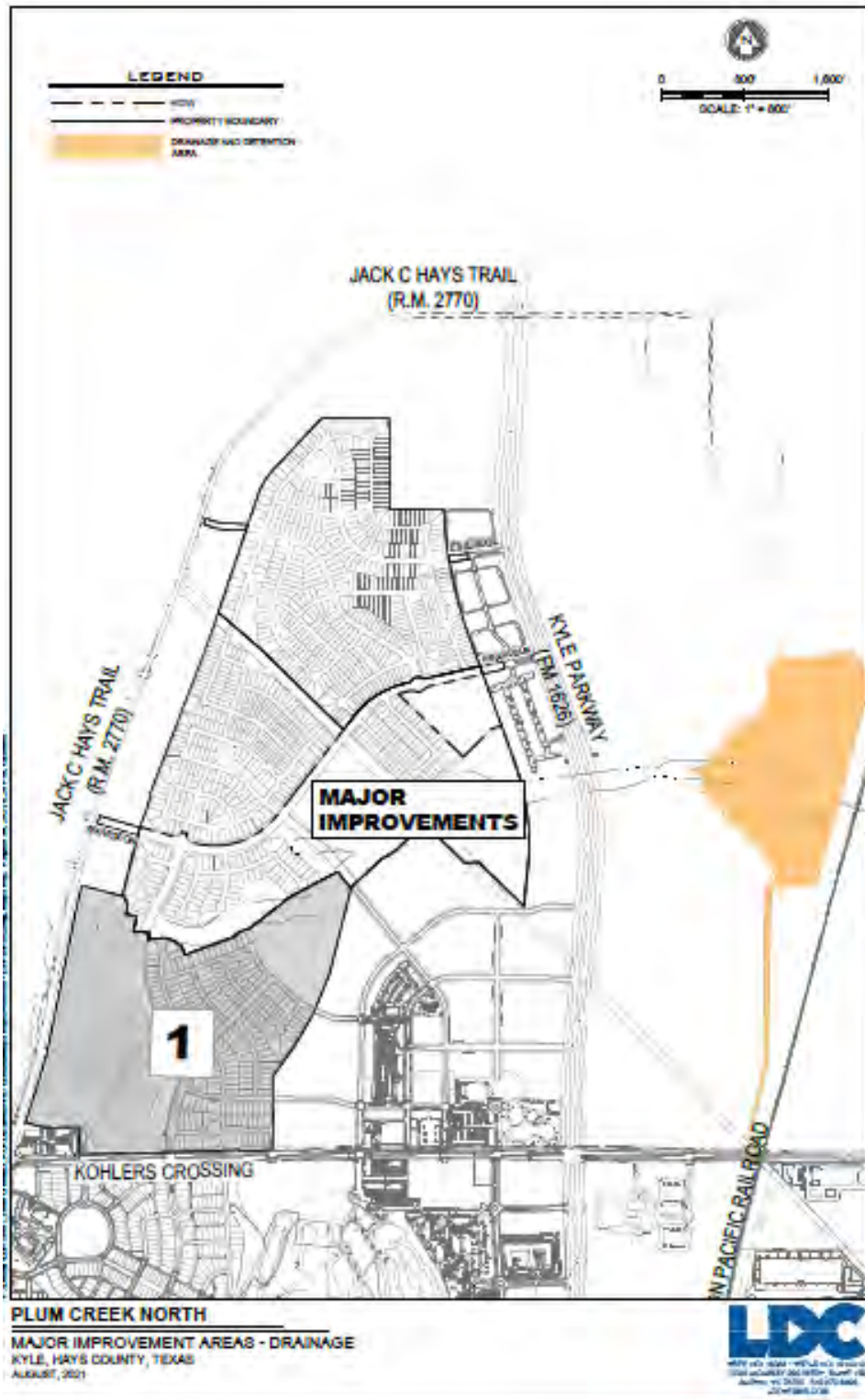
**EXHIBIT L – LOT TYPE CLASSIFICATION MAP**



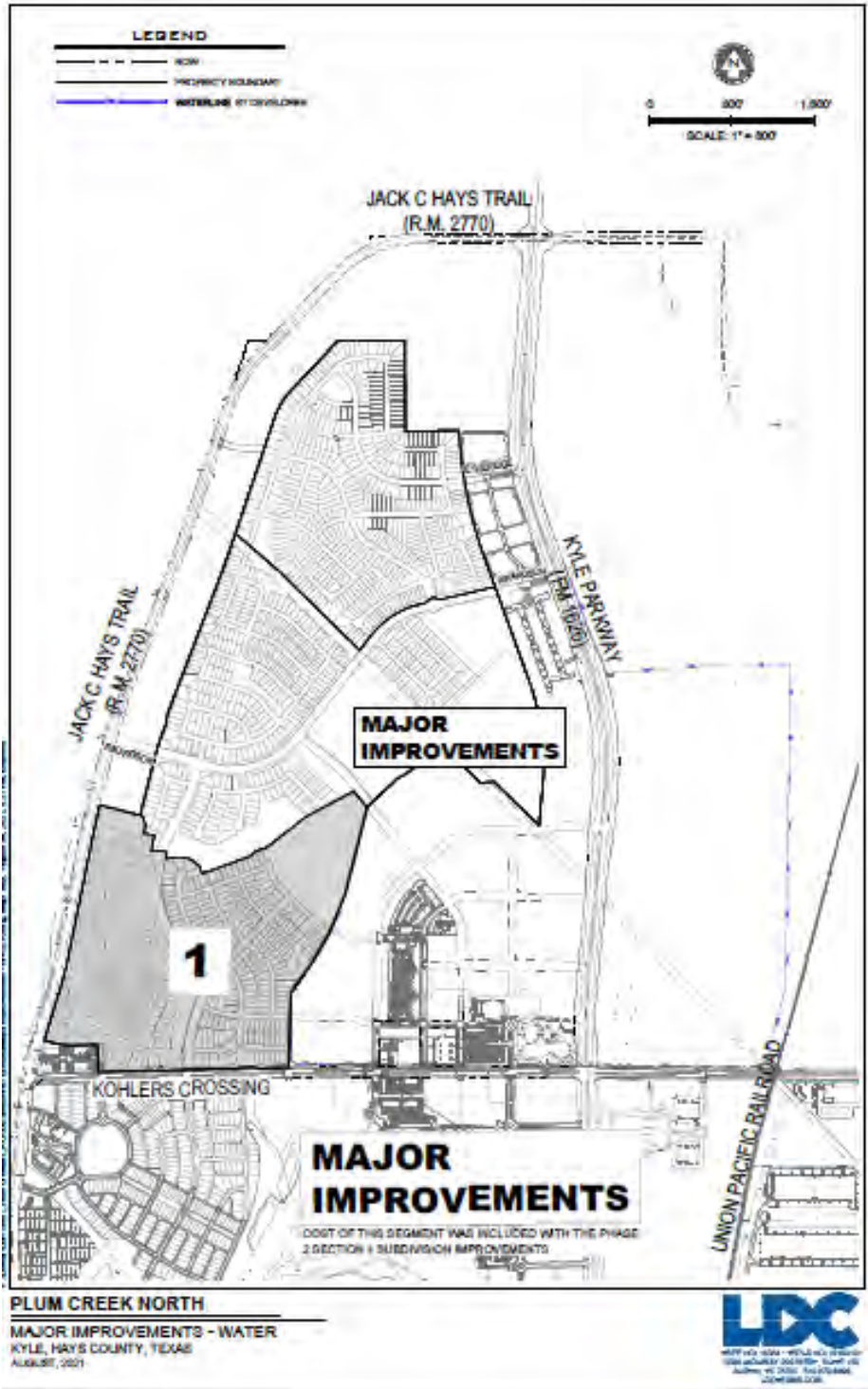
**EXHIBIT M – MAPS OF MAJOR IMPROVEMENTS**











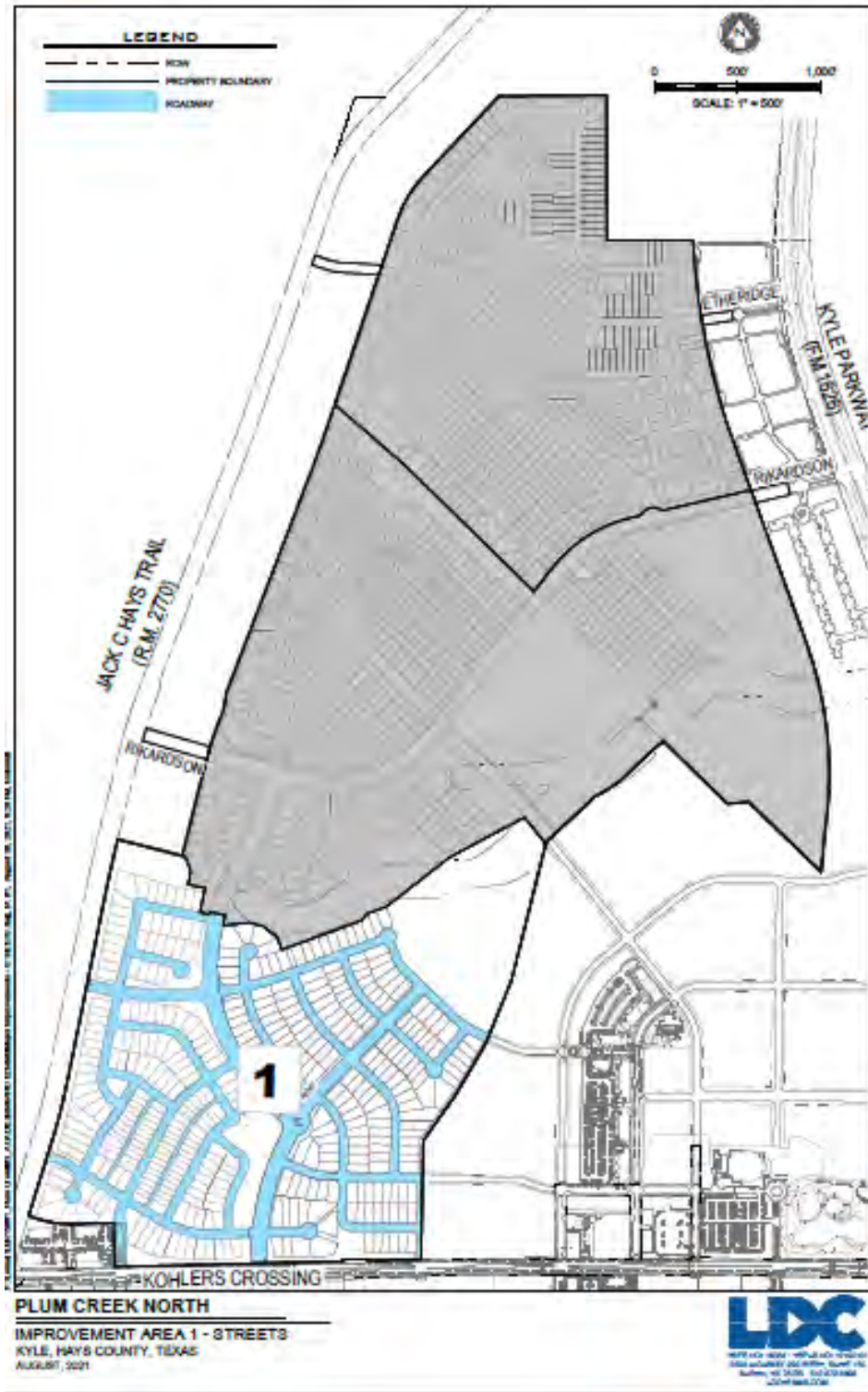
**EXHIBIT N – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS**













IMPROVEMENT AREA #1

**LEGEND**

- FACTORY HALLS
- PUBLIC OPEN SPACE
- ENHANCED ENTRY FEATURE - PAVEN
- COMMUNITY ENTRY FEATURE AND LANDSCAPE
- ENHANCED ENTRY FEATURE - ROUNDABOUT

**DISCLAIMER:**  
LANDSCAPE IMPROVEMENT EXHIBIT IS FOR DIAGNOSTIC PURPOSES ONLY AND IS SUBJECT TO CHANGE.



plum creek  
north

Improvement area #1  
PID exhibit

Kyle, Texas  
09/01/2021



TBG | 812.227.1911 | [tbgplanning.com](http://tbgplanning.com)  
15180 Lakeside II, Suite 500, Austin, Texas 78720  
The information shown is subject to change without notice.

# EXHIBIT O – PHASE 2 SECTION 1 PLAT

## PLUM CREEK PHASE 2, SECTION 1 HAYS COUNTY, TEXAS

STATE OF TEXAS  
COUNTY OF HAYS

KNOW ALL MEN BY THESE PRESENTS

THAT LEMNAI HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., ACTING BY AND THROUGH ITS GENERAL PARTNER, U.S. HOME CORPORATION, THE SOLE OWNER OF THE REAL ESTATE IN THE U.S. HOME SUBDIVISION IS TRACT NO. 4, ABSTRACT NO. 16, HAYS COUNTY, TEXAS, BEING A PORTION OF A CERTAIN CALLED 204.256 ACRES TRACT DESIGNATED AS TRACT 1 AND DESCRIBED IN DOCUMENT NO. 20190202, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, AND DOES HEREBY SUBDIVIDE BY EER ACRES OUT OF SAID 204.256 ACRES TRACT, AS SHOWN HEREON, DOES HEREBY CONSENT TO ALL PLAT RULES AND REGULATIONS SHOWN HEREON, AND DOES HEREBY DELEGATE TO THE CITY OF KYLE, TEXAS, THE STREETS, RIGHT-OF-WAY EASEMENTS, AND OTHER PUBLIC PLACES SHOWN HEREON FOR SUCH PUBLIC PURPOSES AS THE CITY OF KYLE MAY DEEM APPROPRIATE.

PLUM CREEK PHASE 2, SECTION 1

TO CERTIFY WHICH WITNESS BY MY HAND THIS 2<sup>ND</sup> DAY OF SEPTEMBER 2020

BY: LEMNAI HOMES OF TEXAS LAND AND CONSTRUCTION, LTD.  
A TRUST LIMITED PARTNERSHIP  
BY: U.S. HOME CORPORATION, A DELAWARE CORPORATION, ITS GENERAL PARTNER  
NAME: Ryan Pope  
TITLE: Authorized Agent  
ADDRESS: 15620 FM 680  
Plum Creek, Texas 78717  
STATE OF TEXAS  
COUNTY OF Williamson KNOW ALL MEN BY THESE PRESENTS

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED Ryan Pope, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT OF AND WHO ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN THE CAPACITY FOR THE PURPOSES AND CONSIDERATIONS THEREIN STATED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE 1<sup>ST</sup> DAY OF SEPTEMBER, 2020 A.D.

[Signature]  
NOTARY PUBLIC IN AND FOR Williamson COUNTY, TEXAS

HAYS COUNTY CLERK  
I, ELAINE H. GARDNER, COUNTY CLERK OF HAYS COUNTY, TEXAS, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT OF WRITING WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON 25<sup>th</sup> day of September 20, 2020 AT THE PLAT RECORDS OF HAYS COUNTY, TEXAS UNDER CLERK'S FILE NUMBER 20049617 WITNESS MY HAND AND SEAL OF OFFICE OF HAYS COUNTY ON THIS THE 25<sup>th</sup> day of September 20, 2020 A.D. FILED FOR RECORD AT 10:37 CLOCK A.M. ON THIS THE 25<sup>th</sup> day of September 20, 2020 A.D.  
Elaine H. Gardner, Secy. Hays County, Texas  
HAYS COUNTY, TEXAS

I, THE UNDERSIGNED CHAIRPERSON OF THE PLANNING COMMISSION OF THE CITY OF KYLE, HEREBY CERTIFY THAT THE SUBDIVISION PLAT CONFORMS TO ALL REQUIREMENTS OF THE SUBDIVISION REGULATIONS OF THE CITY AS TO WHICH THE COMMISSION'S APPROVAL IS REQUIRED.  
Nichole Christie  
CHAIRPERSON

THIS PLAT (PLUM CREEK PHASE 2, SECTION 1) HAS BEEN SUBMITTED TO AND CONSIDERED BY THE PLANNING COMMISSION OF THE CITY OF KYLE, TEXAS AND IS HEREBY APPROVED BY THE COMMISSION.  
DATED THIS 11<sup>th</sup> day of August, 2020

THIS PLAT (PLUM CREEK PHASE 2, SECTION 1) HAS BEEN SUBMITTED TO AND CONSIDERED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS AND IS HEREBY APPROVED BY THE COUNCIL.  
DATED THIS 18<sup>th</sup> day of August, 2020  
Jain Mitchell  
ATTEST: Nancy Holm  
CITY CLERK

ENGINEER'S CERTIFICATION  
I, SHAFIQ MOHAMMAD, A REGISTERED PROFESSIONAL ENGINEER IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THE PLAT AND ALL PLANS AND SPECIFICATIONS HEREON ARE INCLUDED WITH THIS PLAT, AND TO THE BEST OF MY PROFESSIONAL CAPACITY, COMPLETE AND ACCURATE AND IN COMPLIANCE WITH ALL RELEVANT CITY ORDINANCES, CODES, PLANS, AND RELEVANT STATE STANDARDS.  
[Signature]  
REGISTERED PROFESSIONAL ENGINEER  
NO. 06887 - STATE OF TEXAS  
LANDDEV CONSULTING, LLC  
P.O. BOX 1-0264  
5000 HIGHWAY 290 WEST, SUITE 100  
AUSTIN, TEXAS 78726  
02/21/2008

SURVEYOR'S CERTIFICATION  
I, ERNESTO MARRASQUE, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM AN ACTUAL, ON-THE-GROUND SURVEY MADE UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.  
[Signature]  
ERNESTO MARRASQUE, P.L.S.  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NO. 8846 - STATE OF TEXAS  
LANDDEV CONSULTING, LLC  
P.O. BOX 1-0264  
5000 HIGHWAY 290 WEST, SUITE 100  
AUSTIN, TEXAS 78726  
02/21/2008

FLOOD NOTE:  
BY CREATING FLOODING ONLY, A PORTION OF THIS SUBDIVISION (PLUM CREEK PHASE 2, SECTION 1) LIES WITHIN ZONE "X" (1% ANNUAL CHANCE FLOOD), FLOODING FLOOD, AND ANOTHER FLOODED RELATIONSHIP DETERMINED, AND A PORTION LIES WITHIN ZONE "V" (1% ANNUAL CHANCE FLOOD) PLAIN, AS IDENTIFIED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY NATIONAL FLOOD INSURANCE PROGRAM AS SHOWN ON MAP NO. 48050G0201, DATED SEPTEMBER 2, 2005, FOR HAYS COUNTY, TEXAS AND INCORPORATED ASSES.

THE ABOVE STATEMENT IS MEANT FOR FLOOD INSURANCE DETERMINATION ONLY AND THIS SURVEYOR ASSUMES NO LIABILITY FOR THE CORRECTNESS OF THE CITED MAPS.

PLAT PREPARATION DATE: JULY 28, 2019  
APPLICATION SUBMITTED DATE: \_\_\_\_\_ 2019

GENERAL NOTES  
1. TOTAL ACRES: 67.686 ACRES  
2. THE TOTAL AREA OF STREET RIGHTS-OF-WAY (BARRIOLOA, COKERY, JACK WYNN, CAMPBELL, SALTA, SANDERS, IRON, SAN JUAN TO BE DEDICATED IN THIS SUBDIVISION IS 13.438 ACRES.  
TOTAL NUMBER OF LOTS: 208 TOTAL LOTS  
200 SINGLE FAMILY LOTS  
1 ACCESS EASEMENT LOT  
1 FENCED GREEN LOT  
1 ORNAMENTAL EASEMENT LOT  
1 SIDEWALK, DRAINAGE, AND UTILITY EASEMENT LOT  
1 WALKWAY EASEMENT  
1 OPEN SPACE  
17 OPEN SPACE/LANDSCAPE LOTS  
3. PLAT COMPLETELY CONFORMS WITH PLUM CREEK P.L.D. ORDINANCE 3-11, PLUM CREEK SUBDIVISION ORDINANCE 306, 4 ORDINANCE 800  
4. ALL UTILITIES WITHIN THE SUBDIVISION WILL BE UNDERGROUND  
5. ALL STREETS, ALLEYS, PRIVATE RIGHTS-OF-WAY, PARKING/EASEMENT LOTS, ACCESS EASEMENTS, AND ALL LANDSCAPE EASEMENT AREAS SHOWN ON THIS PLAT SHALL BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION (HWA) OR ASSURED. IT SHALL BE THE HWA'S RESPONSIBILITY FOR KEEPING SAID RIGHTS-OF-WAY, LOTS AND LANDSCAPE EASEMENT AREAS NEATLY CUT, FREE OF OBSTACLES AND FREE OF ALL TREE/BUSH REGROWTH  
6. PUBLIC UTILITY EASEMENTS ARE HEREBY DEDICATED AS SHOWN HEREON  
7. ACCESS TO ALL PRIVATE RIGHTS-OF-WAY HEREON IS GRANTED TO CITY OF KYLE FOR THE PURPOSE OF ACCESSING AND MAINTAINING CITY OWNED FACILITIES LOCATED THEREON  
8. THE FINISHED FLOOR ELEVATION (FFE) OF ALL BUILDINGS IN THIS SUBDIVISION SHALL BE THE HIGHEST OF THE FOLLOWING CRITERIA:  
a) 1 FOOT ABOVE FINISHED FLOOR ADJACENT GRADE, EXCLUDING DRIVEWAYS; OR  
b) THE MINIMUM FINISHED FLOOR ELEVATION SHOWN ON THE INDIVIDUAL LOT

PUBLIC UTILITY INFORMATION  
THIS SUBDIVISION IS SERVICED BY THE FOLLOWING UTILITIES:  
WATERS: CITY OF KYLE  
100 W. CENTER ST.  
KYLE, TEXAS 78640  
GAS: INSTANTGAS  
CITY OF KYLE  
100 W. CENTER ST.  
KYLE, TEXAS 78640

VICINITY MAP - N.T.S.  
VICINITY MAP  
N.T.S.  
SHEET 3 OF 4  
SHEET INDEX

LANDDEV  
100 W. CENTER ST.  
KYLE, TEXAS 78640  
SHEET 1 OF 4











**EXHIBIT P – NOTICE OF PID ASSESSMENT TERMINATION**



P3Works, LLC  
9284 Huntington Square, Suite 100  
North Richland Hills, TX 76182

[Date]  
Hays County Clerk's Office  
Honorable [County Clerk Name]  
712 S Stagecoach Trail #2008  
San Marcos, Texas 78666

**Re: City of Kyle Lien Release documents for filing**

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Kyle 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 Kyle  
Attn: [City Secretary]  
100 W Center St.  
Kyle, TX 78640

Please contact me if you have any questions or need additional information.

Sincerely,  
[Signature]

P3Works, LLC  
P: (817) 393-0353  
admin@p3-works.com

**AFTER RECORDING RETURN TO:**

[City Secretary Name]  
100 W Center St.  
Kyle, TX 78640

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN**

STATE OF TEXAS                                    §  
    §                    **KNOW ALL MEN BY THESE PRESENTS:**  
COUNTY OF HAYS                                   §

**THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN** (this "Full Release") is executed and delivered as of the Effective Date by the City of Kyle, Texas.

**RECITALS**

**WHEREAS**, the governing body (hereinafter referred to as the "City Council") of the City of Kyle, Texas (hereinafter referred to as the "City "), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits and extraterritorial jurisdiction of the City; and

**WHEREAS**, on or about April 16, 2019, the City Council for the City, approved Resolution No. 1139, creating the Plum Creek North Public Improvement District; and

**WHEREAS**, the Plum Creek North Public Improvement District consists of approximately 389.19 contiguous acres located within the City; and

**WHEREAS**, on or about November 16, 2021, the City Council, approved an ordinance, (hereinafter referred to as the "Assessment Ordinance") approving a Service and Assessment Plan and assessment roll for the Property within the Plum Creek North Public Improvement District; and

**WHEREAS**, the Assessment Ordinance imposed an assessment in the amount of \$\_\_\_\_\_ (hereinafter referred to as the "Lien Amount") for the following property:

[legal description], a subdivision in Hays County, Texas, according to the map or plat of record in Document/Instrument No. \_\_\_\_\_ of the Plat Records of Hays 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 Hays 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 KYLE, TEXAS,**

By: \_\_\_\_\_  
[Manager Name], City Manager

**ATTEST:**

\_\_\_\_\_  
[Secretary Name], City Secretary

**STATE OF TEXAS**                    §  
   §  
**COUNTY OF HAYS**                §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by [Manager Name], City Manager for the City of Kyle, Texas, on behalf of said municipality.

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

## EXHIBIT Q-1 – 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 372.005), 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 RECORDING<sup>1</sup> RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
CITY OF KYLE, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

\_\_\_\_\_  
STREET ADDRESS

**LOT TYPE 1 PRINCIPAL ASSESSMENT: \$12,135.81**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, 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 *Plum Creek North 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 Kyle. The exact amount of each annual installment will be approved each year by the City of Kyle 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 Kyle.

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.

\_\_\_\_\_  
<sup>1</sup> 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 Hays 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]<sup>2</sup>

---

<sup>2</sup> 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]<sup>3</sup>

<sup>3</sup> 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 Hays 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]<sup>4</sup>

<sup>4</sup> 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 Hays County.

## ANNUAL INSTALLMENTS - LOT TYPE 1

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 247.77	\$ -	\$ -	\$ (247.77)	\$ -
2023	446.66	455.09	79.88	60.68	-	1,042.31
2024	456.16	438.34	81.48	58.45	-	1,034.43
2025	475.17	421.24	83.11	56.16	-	1,035.68
2026	494.18	403.42	84.77	53.79	-	1,036.16
2027	513.18	384.89	86.47	51.32	-	1,035.86
2028	532.19	365.64	88.20	48.75	-	1,034.78
2029	551.20	345.69	89.96	46.09	-	1,032.94
2030	579.71	325.02	91.76	43.34	-	1,039.82
2031	598.71	303.28	93.60	40.44	-	1,036.02
2032	627.22	280.82	95.47	37.44	-	1,040.96
2033	646.23	257.30	97.38	34.31	-	1,035.22
2034	674.74	233.07	99.33	31.08	-	1,038.21
2035	703.25	207.77	101.31	27.70	-	1,040.03
2036	731.76	181.40	103.34	24.19	-	1,040.68
2037	760.27	153.95	105.41	20.53	-	1,040.16
2038	788.78	125.44	107.51	16.73	-	1,038.46
2039	817.29	95.87	109.66	12.78	-	1,035.60
2040	855.30	65.22	111.86	8.70	-	1,041.07
2041	883.81	33.14	114.09	4.42	-	1,035.47
<b>Total</b>	<b>\$ 12,135.81</b>	<b>\$ 5,324.36</b>	<b>\$ 1,824.61</b>	<b>\$ 676.88</b>	<b>\$ (247.77)</b>	<b>\$ 19,713.88</b>

[a] Interest is calculated at a 3.75% rate for illustrative purposes.

*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 Q-2 – 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 372.005), 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 RECORDING<sup>1</sup> RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
CITY OF KYLE, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

\_\_\_\_\_  
STREET ADDRESS

**LOT TYPE 2 PRINCIPAL ASSESSMENT: \$15,854.84**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, 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 *Plum Creek North 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 Kyle. The exact amount of each annual installment will be approved each year by the City of Kyle 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 Kyle.

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.

\_\_\_\_\_  
<sup>1</sup> 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 Hays 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]<sup>2</sup>

<sup>2</sup> 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]<sup>3</sup>

<sup>3</sup> 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 Hays 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]<sup>4</sup>

<sup>4</sup> 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 Hays County.



## ANNUAL INSTALLMENTS - LOT TYPE 2

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 323.70	\$ -	\$ -	\$ (323.70)	\$ -
2023	583.54	594.56	104.37	79.27	-	1,361.73
2024	595.95	572.67	106.45	76.36	-	1,351.44
2025	620.78	550.33	108.58	73.38	-	1,353.07
2026	645.62	527.05	110.75	70.27	-	1,353.69
2027	670.45	502.84	112.97	67.04	-	1,353.30
2028	695.28	477.69	115.23	63.69	-	1,351.89
2029	720.11	451.62	117.53	60.22	-	1,349.48
2030	757.36	424.62	119.88	56.62	-	1,358.47
2031	782.19	396.22	122.28	52.83	-	1,353.51
2032	819.44	366.88	124.73	48.92	-	1,359.96
2033	844.27	336.15	127.22	44.82	-	1,352.46
2034	881.51	304.49	129.77	40.60	-	1,356.37
2035	918.76	271.44	132.36	36.19	-	1,358.75
2036	956.01	236.98	135.01	31.60	-	1,359.60
2037	993.26	201.13	137.71	26.82	-	1,358.92
2038	1,030.50	163.89	140.46	21.85	-	1,356.70
2039	1,067.75	125.24	143.27	16.70	-	1,352.96
2040	1,117.41	85.20	146.14	11.36	-	1,360.11
2041	1,154.66	43.30	149.06	5.77	-	1,352.79
<b>Total</b>	<b>\$ 15,854.84</b>	<b>\$ 6,956.01</b>	<b>\$ 2,383.76</b>	<b>\$ 884.31</b>	<b>\$ (323.70)</b>	<b>\$ 25,755.23</b>

[a] Interest is calculated at a 3.75% rate for illustrative purposes.

*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 Q-3 – 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 372.005), 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 RECORDING<sup>1</sup> RETURN TO:

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NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
CITY OF KYLE, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

---

STREET ADDRESS

**LOT TYPE 3 PRINCIPAL ASSESSMENT: \$16,442.06**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, 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 *Plum Creek North 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 Kyle. The exact amount of each annual installment will be approved each year by the City of Kyle 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 Kyle.

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.

---

<sup>1</sup> 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 Hays 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]<sup>2</sup>

---

<sup>2</sup> 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]<sup>3</sup>

<sup>3</sup> 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 Hays 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]<sup>4</sup>

<sup>4</sup> 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 Hays County.

### ANNUAL INSTALLMENTS - LOT TYPE 3

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 335.69	\$ -	\$ -	\$ (335.69)	\$ -
2023	605.15	616.58	108.23	82.21	-	1,412.17
2024	618.03	593.88	110.40	79.18	-	1,401.49
2025	643.78	570.71	112.60	76.09	-	1,403.18
2026	669.53	546.57	114.86	72.88	-	1,403.83
2027	695.28	521.46	117.15	69.53	-	1,403.42
2028	721.03	495.39	119.50	66.05	-	1,401.96
2029	746.78	468.35	121.89	62.45	-	1,399.46
2030	785.41	440.34	124.32	58.71	-	1,408.79
2031	811.16	410.89	126.81	54.79	-	1,403.64
2032	849.79	380.47	129.35	50.73	-	1,410.33
2033	875.54	348.61	131.93	46.48	-	1,402.56
2034	914.16	315.77	134.57	42.10	-	1,406.61
2035	952.79	281.49	137.26	37.53	-	1,409.08
2036	991.42	245.76	140.01	32.77	-	1,409.95
2037	1,030.04	208.58	142.81	27.81	-	1,409.25
2038	1,068.67	169.96	145.66	22.66	-	1,406.95
2039	1,107.30	129.88	148.58	17.32	-	1,403.07
2040	1,158.80	88.36	151.55	11.78	-	1,410.49
2041	1,197.42	44.90	154.58	5.99	-	1,402.90
<b>Total</b>	<b>\$ 16,442.06</b>	<b>\$ 7,213.64</b>	<b>\$ 2,472.05</b>	<b>\$ 917.06</b>	<b>\$ (335.69)</b>	<b>\$ 26,709.12</b>

[a] Interest is calculated at a 3.75% rate for illustrative purposes.

*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 Q-4 – 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 372.005), 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 RECORDING<sup>1</sup> RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
CITY OF KYLE, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

\_\_\_\_\_  
STREET ADDRESS

**LOT TYPE 4 PRINCIPAL ASSESSMENT: \$17,420.75**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, 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 *Plum Creek North 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 Kyle. The exact amount of each annual installment will be approved each year by the City of Kyle 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 Kyle.

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.

\_\_\_\_\_  
<sup>1</sup> 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 Hays 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]<sup>2</sup>

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<sup>2</sup> 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]<sup>3</sup>

<sup>3</sup> 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 Hays County.

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SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF \_\_\_\_\_

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Notary Public, State of Texas]<sup>4</sup>

<sup>4</sup> 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 Hays County.

## ANNUAL INSTALLMENTS - LOT TYPE 4

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 355.67	\$ -	\$ -	\$ (355.67)	\$ -
2023	641.17	653.28	114.67	87.10	-	1,496.23
2024	654.81	629.23	116.97	83.90	-	1,484.91
2025	682.10	604.68	119.31	80.62	-	1,486.71
2026	709.38	579.10	121.69	77.21	-	1,487.39
2027	736.66	552.50	124.13	73.67	-	1,486.96
2028	763.95	524.87	126.61	69.98	-	1,485.41
2029	791.23	496.23	129.14	66.16	-	1,482.76
2030	832.16	466.55	131.72	62.21	-	1,492.64
2031	859.44	435.35	134.36	58.05	-	1,487.19
2032	900.37	403.12	137.04	53.75	-	1,494.28
2033	927.65	369.36	139.79	49.25	-	1,486.04
2034	968.58	334.57	142.58	44.61	-	1,490.34
2035	1,009.50	298.25	145.43	39.77	-	1,492.95
2036	1,050.43	260.39	148.34	34.72	-	1,493.88
2037	1,091.35	221.00	151.31	29.47	-	1,493.13
2038	1,132.28	180.07	154.33	24.01	-	1,490.70
2039	1,173.21	137.61	157.42	18.35	-	1,486.59
2040	1,227.77	93.62	160.57	12.48	-	1,494.44
2041	1,268.70	47.58	163.78	6.34	-	1,486.40
<b>Total</b>	<b>\$ 17,420.75</b>	<b>\$ 7,643.03</b>	<b>\$ 2,619.20</b>	<b>\$ 971.65</b>	<b>\$ (355.67)</b>	<b>\$ 28,298.95</b>

[a] Interest is calculated at a 3.75% rate for illustrative purposes.

*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**  
**Plum Creek North**  
**Public Improvement District**  
**City of Kyle**  
**Hays County, Texas**

*Prepared For:*

**Lennar Homes**

And

City of  
**KYLE** Texas

Prepared By:



**5508 Highway 290 West #150**

**Austin, TX 78735**

**Firm #: 16384**

**October 2021**

## Table of Contents

<b>Introduction .....</b>	<b>1</b>
<b>Development Costs .....</b>	<b>1</b>
<b>Development Improvements .....</b>	<b>1</b>
<b>Landscape .....</b>	<b>2</b>
<b>Development Schedule.....</b>	<b>3</b>
Design Stage .....	3
Construction Stage .....	3

## List of Appendices

- Appendix 1 Site Location Map**
- Appendix 2 Engineers’ Opinion of Probable Cost**
- Appendix 3 Overall Improvements Map: Wastewater**
- Appendix 4 Overall Improvements Map: Drainage**
- Appendix 5 Overall Improvements Map: Potable Water**
- Appendix 6 Overall Improvements Map: Streets**
- Appendix 7 Improvement Area #1 Map: Wastewater**
- Appendix 8 Improvement Area #1 Map: Drainage**
- Appendix 9 Improvement Area #1 Map: Potable Water**
- Appendix 10 Improvement Area #1 Map: Streets**
- Appendix 11 Improvement Area #1 Map: Parks, Open Space, & Landscaping**
- Appendix 12 Major Improvement Area Map: Wastewater**
- Appendix 13 Major Improvement Area Map: Drainage**
- Appendix 14 Major Improvement Area Map: Potable Water**
- Appendix 15 Major Improvement Area Map: Streets**
- Appendix 16 Legal Description: Overall**
- Appendix 17 Legal Description: Improvement Area #1**
- Appendix 18 Legal Description: Major Improvement Area**



## Introduction

The Plum Creek North development is a single-family residential development tract currently under development and located in the City of Kyle, Texas located north of the intersection of Kohlers Crossing and Sanders. The development encompasses approximately 389-acre tract of land. 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 Engineers' 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**. Dry utilities and private costs have been excluded from the OPC and total construction costs. The offsite street extensions associated with Plum Creek North Major Improvement Area are included in the subdivision costs.

## Development Improvements

Development improvements have been defined as Improvement Area #1 and the Major Improvement Area. Improvement Area #1 consists of Plum Creek North, Sections 1 & 2 and is depicted in **Appendix 7 – 11** and **Appendix 17**. The Major Improvement Area, inclusive of all offsite improvements, is depicted in **Appendix 12 - 15** and **Appendix 18**.

Development improvements will be designed and constructed in accordance with City of Kyle standards and specifications and will be owned and operated by the City unless otherwise indicated. Development improvements include:

### Streets

Improvements include subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, handicapped ramps. Intersections and signage are included. These roadway improvements include streets that will provide street access to each Lot. These projects will provide access to community roadways and state highways.

### Drainage

Improvements include trench excavation and embedment, trench safety, reinforced concrete piping, manholes, inlets, channels/swales and ponds. These will include the

necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area.

**Water**

Improvements include trench excavation and embedment, trench safety, PVC piping, fire hydrant assemblies, air release valves, gate valves, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements.

**Wastewater**

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area.

**Erosion Control & Miscellaneous**

Includes silt fence, rock berms, construction entrances, inlet protection, topsoil, street lights, and irrigation sleeves for the limits of the improvement area.

**Clearing**

Includes clear and grub, excavation, and embankment for the limits of the improvement area.

**Regional Detention**

Includes clearing, pond excavation and embankment, soil testing, channels, rock riprap, loose riprap walls, construction of outfall structures. Erosion controls, revegetation, and utility improvements are also included.

**Landscape**

Distinct neighborhoods will contain street designs, pedestrian/bike circulation routes, landscaping, and recreational activities. A focus on public spaces combines with these to form a cohesive community. Neighborhood parks, public places and multi-use paths promote meaningful connections to the public and residents, community activities and the future Uptown Kyle development.

**Entry Monument and Neighborhood Entries**

Community and neighborhood entry monument signs and landscape entries are intended to identify the character of the community by expressing distinctive qualities and/or features of the neighborhoods.

**Common Area and Pocket Parks**

Common Areas include landscaped areas along the collector streets and roundabouts, including street trees, trails, and planting and irrigation. Pocket Parks are open space areas within each neighborhood which are landscaped and irrigated and provide outdoor landscape improvements open to the public and residents of the community.

**Trails**

Trails consist of multi-use paths, midblock pedestrian paths, and walkways located in public corridors that serve origin and destination points.

**Fencing for Common Areas**

Fencing for Common Areas include perimeter walls and walls along collector streets. These walls consist of durable materials including native stone and masonry units.

## Development Schedule

### Design Stage

The offsite wastewater interceptor ties in at the railroad at Kohlers Crossing and extends to Lennar's property.

The 12" offsite water transmission line ties in at Kohlers Crossing and extends to Kyle Parkway.

The Plum Creek Regional Detention pond as part of the subdivision improvements for North Hays County MUD #2 is located east of FM 1626. It will serve Improvement Area #1 and the Major Improvement Area.

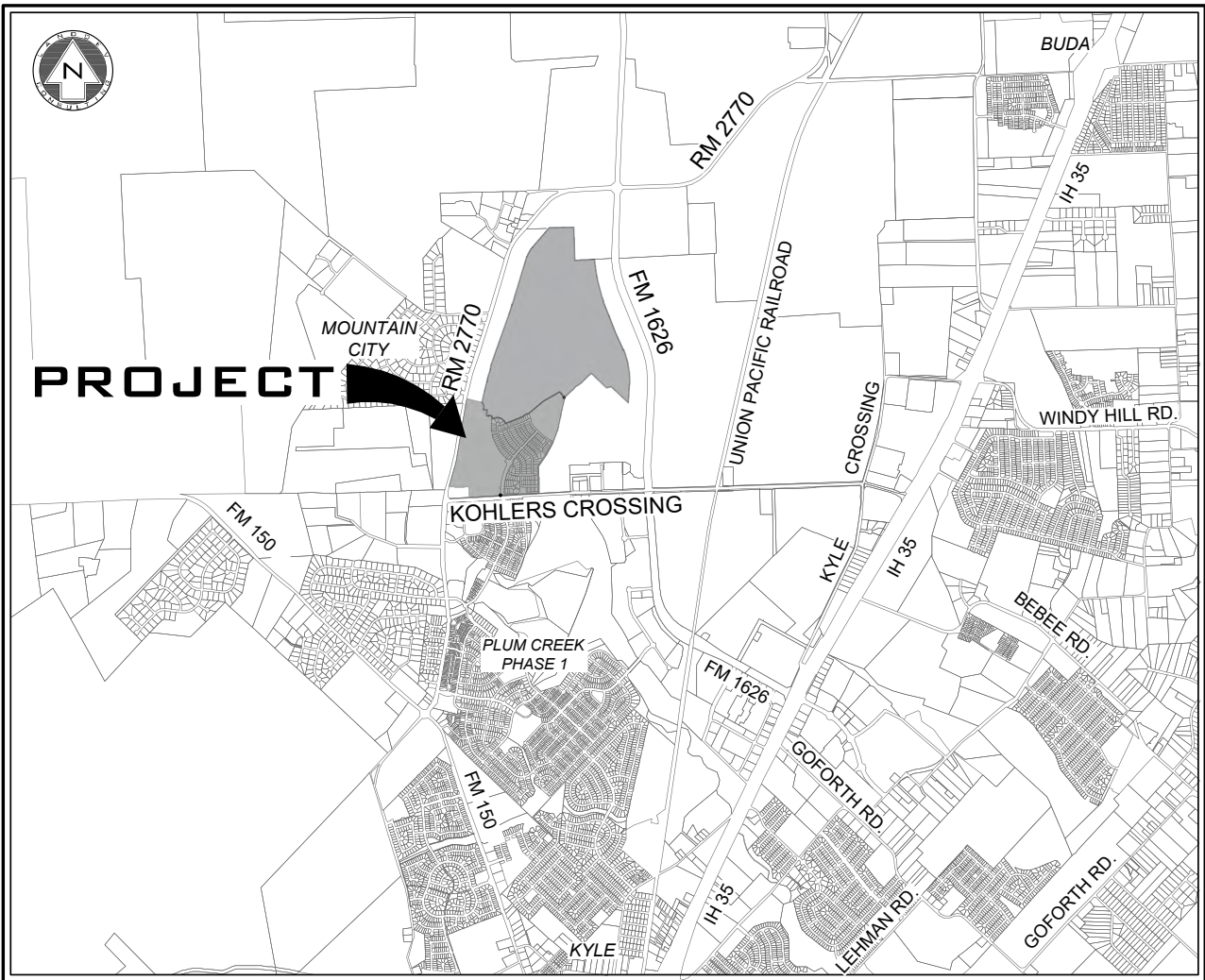
### Construction Stage

Portion of Improvement Area #1 is currently under construction and anticipate final acceptance February 2022.

# APPENDIX

# **APPENDIX 1**

## **SITE LOCATION MAP**



**PROJECT**

# LOCATION MAP

N.T.S.

**LANDDEV**

CONSULTING, LLC  
 OFFICE: 512.872.6696  
 FIRM NO. 16384

**PLUM CREEK NORTH  
 PUBLIC IMPROVEMENT DISTRICT  
 LOCATION MAP**

Appendix C – Page 115

## **APPENDIX 2**

# **ENGINEERS' OPINION OF PROBABLE COST**

**PLUM CREEK NORTH OVERALL SUMMARY**

<b>Neighborhood</b>	<b>Major Improvements</b>	<b>Improvement Area #1</b>	<b>Improvement Area #2</b>	<b>Improvement Area #3</b>	<b>Totals</b>
<b>Section 1: Hard Construction Costs</b>					
<b>Hard Costs</b>					
Water	\$ 524,967	\$ 1,904,089	\$ 2,133,478	\$ 1,426,778	\$ 5,989,312
Wastewater	1,514,192	1,664,789	1,627,777	1,719,101	6,525,859
Drainage (Other than Ponds)	-	3,563,862	3,042,936	2,527,663	9,134,460
Streets	-	3,530,060	3,932,208	2,158,593	9,620,861
Erosion Control & Miscellaneous	118,919	686,886	695,703	478,380	1,979,888
Clearing	178,246	658,361	879,739	421,226	2,137,572
Regional Detention	776,927	-	-	-	776,927
Landscaping, Hardscape, Entryways, & Parks	-	3,622,769	3,342,554	803,000	7,768,323
Other Construction Costs Subtotal	955,173	4,281,130	4,222,293	1,224,226	10,682,822
<b>Total Construction Costs</b>	<b>\$ 3,113,251</b>	<b>\$ 15,630,815</b>	<b>\$ 15,654,395</b>	<b>\$ 9,534,742</b>	<b>\$ 43,933,203</b>
<b>Section 2: Soft Costs</b>					
<b>Soft Costs</b>					
Engineering, Landscape Architecture, & Consulting Fees	\$ -	\$ 1,018,850	\$ 1,484,083	\$ 829,050	\$ 3,331,983
Plan, Review, & Inspection Fees	-	519,818	1,143,667	966,961	2,630,446
<b>Total Soft Costs</b>	<b>\$ -</b>	<b>\$ 1,538,668</b>	<b>\$ 2,627,750</b>	<b>\$ 1,796,011</b>	<b>\$ 5,962,429</b>
<b>Subtotal</b>	<b>3,113,251</b>	<b>17,169,483</b>	<b>18,282,146</b>	<b>11,330,753</b>	<b>49,895,632</b>
<b>Contingency - Civil (15%)</b>	<b>-</b>	<b>1,801,207</b>	<b>1,846,776</b>	<b>1,309,761</b>	<b>4,957,744</b>
<b>Contingency - Landscape (10%)</b>	<b>-</b>	<b>362,277</b>	<b>334,255</b>	<b>80,300</b>	<b>776,832</b>
<b>Total Qualified PID Costs</b>	<b>\$ 3,113,251</b>	<b>\$ 19,332,967</b>	<b>\$ 20,463,177</b>	<b>\$ 12,720,814</b>	<b>\$ 55,630,209</b>



<b>PLUM CREEK NORTH ENGINEERING SUMMARY</b>			
<b>IMPROVEMENT AREA</b>	<b>CONSTRUCTION COST (W/ 15% CONTINGENCY) <sup>1</sup></b>	<b>FEEES</b>	<b>TOTAL</b>
IMPROVEMENT AREA #1	\$13,270,316	\$3,245,364	\$16,515,681
IMPROVEMENT AREA #2	\$14,158,618	\$2,126,367	\$16,284,985
IMPROVEMENT AREA #3	\$10,041,503	\$1,675,561	\$11,717,064
MAJOR IMPROVEMENT AREA	\$3,113,251	\$0	\$3,113,251
<b>TOTAL</b>	<b>\$40,583,687</b>	<b>\$7,047,293</b>	<b>\$47,630,980</b>

<sup>1</sup> MAJOR IMPROVEMENT AREA DOES NOT INCLUDE A 15% CONTINGENCY.

**PLUM CREEK NORTH IMPROVEMENT AREA #1**  
**Streets, Drainage, Water, and Wastewater Improvements**  
**Construction Costs**  
**April 01, 2021**

<b>1. GENERAL (Plum Creek North Section 1)</b>					
<b>A. Erosion Controls &amp; Miscellaneous Items</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
A1	Mobilization	LS	\$103,465.42	1	\$103,465.42
A2	Furnish and install temporary silt fence within limits of construction - complete	LF	\$2.29	4,599	\$10,531.71
A3	Furnish and install rock berm - complete in place	LF	\$21.80	200	\$4,360.00
A4	Furnish and install stabilized construction entrance - complete in place &	EA	\$1,509.47	2	\$3,018.94
A5	Furnish and install inlet protection - complete in place & maintain during	EA	\$76.29	65	\$4,958.85
A6	Furnish and install topsoil (4" depth) and hydromulch for permanent erosion	SY	\$2.08	27,559	\$57,322.72
A7	Furnish and install hydromulch for permanent erosion control in all disturbed	SY	\$2.08	32,982	\$68,602.56
A8	Site demolition	LS	\$3,792.74	1	\$3,792.74
<b>SUBTOTAL</b>					<b>\$256,052.94</b>
<b>2. UNLOADED COLLECTOR STREETS (Plum Creek North Section 1)</b>					
<b>A. Clearing and Rough Cut</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
A1	Clear and grub (ROW)	AC	\$1,307.84	3.82	\$4,995.95
A2	Excavation (ROW)	LS	\$15,803.10	1	\$15,803.10
A3	Embankment (ROW)	LS	\$21,252.45	1	\$21,252.45
<b>SUBTOTAL</b>					<b>\$42,051.50</b>
<b>B. Street Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
B1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	12,731	\$24,061.59
B2	Furnish and install 2" Type D HMA in accordance with the geotech report -	SY	\$11.18	9,839	\$110,000.02
B3	Furnish and install 13" crushed limestone base to 3 feet behind back of curb in	SY	\$13.60	12,731	\$173,141.60
B4	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.96	5,486	\$87,556.56
B5	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads -	EA	\$1,030.20	20	\$20,604.00
B6	Furnish and install pavement marking and signage - complete in place	LS	\$5,449.35	1	\$5,449.35
B7	Provide temporary traffic control during construction, including barricades,	LS	\$5,994.28	1	\$5,994.28
B8	Furnish and install 5' wide developer sidewalk - complete in place	LF	\$26.94	1,844	\$49,677.36
B10	Furnish and install 8' wide developer sidewalk - complete in place	LF	\$41.41	1,745	\$72,260.45
<b>SUBTOTAL</b>					<b>\$548,745.21</b>
<b>C. Drainage Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
C1	Furnish and install 18-inch Class III RCP storm sewer including pipe, joints,	LF	\$54.04	420	\$22,696.80
C2	Furnish and install 24-inch Class III RCP storm sewer (all depths) including	LF	\$65.99	658	\$43,421.42
C3	Furnish and install 30-inch Class III RCP storm sewer (all depths) including	LF	\$81.67	36	\$2,940.12
C4	Furnish and install 36-inch Class III RCP storm sewer (all depths) including	LF	\$121.89	379	\$46,196.31
C6	Furnish and install 48-inch Class III RCP storm sewer (all depths) including	LF	\$1,409.92	108	\$152,271.36
C16	Furnish and install 10' curb inlet (all depths) per City of Austin standard detail -	EA	\$4,427.96	10	\$44,279.60
C18	Furnish and install temporary 4' x 4' area inlet - complete in place	EA	\$3,709.33	3	\$11,127.99
C19	Furnish and install (4' dia) storm sewer manhole (all depths) - complete and in	EA	\$3,044.87	2	\$6,089.74
C20	Furnish and install (5' dia) storm sewer manhole (all depths) - complete and in	EA	\$3,620.00	4	\$14,480.00
C21	Furnish and install (6' dia) storm sewer manhole (all depths) - complete and in	EA	\$4,349.10	1	\$4,349.10
C25	Trench safety systems for stormwater line	LF	\$1.09	1,601	\$1,745.09
C26	Furnish and install 2" diversion berm	LF	\$5.45	600	\$3,270.00
<b>SUBTOTAL</b>					<b>\$352,867.53</b>
<b>D. Potable Water Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
D1	Furnish and install 8-inch C-900 PVC DR-14 water line including pipe, fittings,	LF	\$45.61	2,142	\$97,696.62
D2	Furnish and install 12-inch C-900 PVC DR-14 water line including pipe,	LF	\$94.78	5	\$473.90
D3	Furnish and install 8" gate valve - complete in place	EA	\$1,680.06	9	\$15,120.54
D5	Connect to existing waterline - complete in place	EA	\$1,272.57	1	\$1,272.57
D6	Furnish and install standard fire hydrant assembly, including pipe, fittings,	EA	\$4,525.58	5	\$22,627.90
D8	Furnish and install 8-inch plug	EA	\$422.99	2	\$845.98
D13	Trench safety systems for waterline	LF	\$0.54	2,147	\$1,159.38
<b>SUBTOTAL</b>					<b>\$139,196.89</b>
<b>E. Gravity Wastewater Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
E1	Furnish and install 8-inch SDR-26 PVC gravity wastewater pipe (ASTM	LF	\$50.13	555	\$27,822.15
E2	Furnish and install 8-inch SDR-26 PVC pressure wastewater pipe (ASTM	LF	\$51.66	40	\$2,066.40
E3	Furnish and install 4-ft diameter wastewater manhole (all depths) - complete in	EA	\$3,893.24	2	\$7,786.48
E5	Trench safety systems for wastewater line	LF	\$1.09	595	\$648.55
E9	Adjust existing manhole	EA	\$3,433.73	1	\$3,433.73
<b>SUBTOTAL</b>					<b>\$41,757.31</b>
<b>3. SUBDIVISION IMPROVEMENTS (Plum Creek North Section 1)</b>					
<b>A. Clearing and Rough Cut</b>					

Bid Item	Description	Unit	Unit Price	Quantity	Amount
A1	Clear and grub (ROW and mass grading of lots)	AC	\$1,307.84	16.58	\$21,683.99
A2	Excavation (ROW)	LS	\$45,774.50	1	\$45,774.50
A3	Embankment (ROW)	LS	\$59,942.80	1	\$59,942.80
A4	Lot grading	LS	\$124,272.33	1	\$124,272.33
A5	Retaining wall	SY	\$1,181.32	10	\$11,813.20
A6	Process, haul, and place excess material on residential lots. Quantity is	LS	\$35,856.14	1	\$35,856.14
<b>SUBTOTAL</b>					<b>\$299,342.96</b>

#### B. Street Improvements

Bid Item	Description	Unit	Unit Price	Quantity	Amount
B1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	34,090	\$64,430.10
B2	Furnish and install 2" Type D HMA in accordance with the geotech report -	SY	\$11.18	24,943	\$278,862.74
B3	Furnish and install 8" crushed limestone base to 3 feet behind back of curb in	SY	\$8.89	34,090	\$303,060.10
B4	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.42	16,116	\$248,508.72
B5	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads -	EA	\$1,030.20	57	\$58,721.40
B6	Furnish and install pavement marking and signage - complete in place	LS	\$14,849.47	1	\$14,849.47
B7	Provide temporary traffic control during construction, including barricades,	LS	\$5,994.28	1	\$5,994.28
B8	Furnish and install 4' wide developer sidewalk - complete in place	LF	\$23.16	1,982	\$45,903.12
B11	Furnish and install concrete valley gutter - complete in place	EA	\$6,373.77	5	\$31,868.85
<b>SUBTOTAL</b>					<b>\$1,052,198.78</b>

#### C. Drainage Improvements

Bid Item	Description	Unit	Unit Price	Quantity	Amount
C1	Furnish and install 18-inch Class III RCP storm sewer including pipe, joints,	LF	\$53.07	2,909	\$154,380.63
C2	Furnish and install 24-inch Class III RCP storm sewer (all depths) including	LF	\$70.98	652	\$46,278.96
C3	Furnish and install 30-inch Class III RCP storm sewer (all depths) including	LF	\$86.91	1,367	\$118,805.97
C4	Furnish and install 36-inch Class III RCP storm sewer (all depths) including	LF	\$118.43	566	\$67,031.38
C5	Furnish and install 42-inch Class III RCP storm sewer (all depths) including	LF	\$151.53	514	\$77,886.42
C6	Furnish and install 48-inch Class III RCP storm sewer (all depths) including	LF	\$185.22	891	\$165,031.02
C7	Furnish and install 4' x 2' reinforced concrete box culvert (all depths) including	LF	\$207.00	131	\$27,117.00
C8	Furnish and install 6' x 4' reinforced concrete box culvert (all depths) including	LF	\$390.43	460	\$179,597.80
C9	Furnish and install 7' x 5' reinforced concrete box culvert (all depths) including	LF	\$502.77	323	\$162,394.71
C10	Furnish and install 18" headwall outlet structure - complete in place	EA	\$3,908.19	1	\$3,908.19
C11	Furnish and install 42" headwall outlet structure - complete in place	EA	\$11,185.85	1	\$11,185.85
C12	Furnish and install 48" headwall outlet structure - complete in place	EA	\$29,386.99	1	\$29,386.99
C13	Furnish and install 4' x 2' headwall inlet/outlet structure - complete in place	EA	\$12,631.24	2	\$25,262.48
C14	Furnish and install 6' x 4' headwall outlet structure - complete in place	EA	\$23,871.38	1	\$23,871.38
C15	Furnish and install 7' x 5' headwall outlet structure - complete in place	EA	\$27,671.05	1	\$27,671.05
C16	Furnish and install 10' curb inlet (all depths) per City of Austin standard detail -	EA	\$4,427.86	55	\$243,532.30
C17	Furnish and install 4' x 4' area inlet - complete in place	EA	\$3,709.33	2	\$7,418.66
C19	Furnish and install (4' dia) storm sewer manhole (all depths) - complete and in	EA	\$3,044.79	5	\$15,223.95
C20	Furnish and install (5' dia) storm sewer manhole (all depths) - complete and in	EA	\$3,620.07	9	\$32,580.63
C21	Furnish and install (6' dia) storm sewer manhole (all depths) - complete and in	EA	\$4,349.27	7	\$30,444.89
C22	Furnish and install 9' x 8' ID junction box (all depths) - complete in place	EA	\$17,418.42	1	\$17,418.42
C23	Furnish and install 9' x 9' ID junction box (all depths) - complete in place	EA	\$18,621.72	1	\$18,621.72
C25	Trench safety systems for stormwater line	LF	\$1.09	7,813	\$8,516.17
C26	Furnish and install 2" diversion berm	LF	\$5.45	395	\$2,152.75
C27	Northern channel	LF	\$5.45	600	\$3,270.00
C28	Eastern channel	LF	\$5.45	900	\$4,905.00
C29	Channel A	LF	\$5.45	300	\$1,635.00
<b>SUBTOTAL</b>					<b>\$1,505,529.32</b>

#### D. Potable Water Improvements

Bid Item	Description	Unit	Unit Price	Quantity	Amount
D1	Furnish and install 8-inch C-900 PVC DR-14 water line including pipe, fittings,	LF	\$38.79	8,558	\$331,964.82
D2	Furnish and install 12-inch C-900 PVC DR-14 water line including pipe,	LF	\$49.56	3,494	\$173,162.64
D3	Furnish and install 8" gate valve - complete in place	EA	\$1,680.06	31	\$52,081.86
D4	Furnish and install 12" gate valve - complete in place	EA	\$2,689.07	5	\$13,445.35
D5	Connect to existing waterline - complete in place	EA	\$1,272.57	1	\$1,272.57
D6	Furnish and install standard fire hydrant assembly, including pipe, fittings,	EA	\$4,556.29	25	\$113,907.25
D7	Furnish and install temporary blow-off valve - complete in place	EA	\$2,870.85	1	\$2,870.85
D8	Furnish and install 8-inch plug	EA	\$422.97	3	\$1,268.91
D10	Furnish and install single service including pipe, valves, meter box and	EA	\$1,447.72	22	\$31,849.84
D11	Furnish and install double service including pipe, valves, meter box and	EA	\$1,859.15	90	\$167,323.50
D12	Furnish and install air release valve including all appurtenances - complete in	EA	\$3,710.74	1	\$3,710.74
D13	Trench safety systems for waterline	LF	\$0.54	12,052	\$6,508.08
<b>SUBTOTAL</b>					<b>\$899,366.41</b>

#### E. Gravity Wastewater Improvements

Bid Item	Description	Unit	Unit Price	Quantity	Amount
E1	Furnish and install 8-inch SDR-26 PVC gravity wastewater pipe (ASTM	LF	\$49.51	6,895	\$341,371.45
E2	Furnish and install 8-inch SDR-26 PVC pressure wastewater pipe (ASTM	LF	\$54.64	280	\$15,299.20
E3	Furnish and install 4-ft diameter wastewater manhole (all depths) - complete in	EA	\$4,525.76	43	\$194,607.68
E4	Connect to wastewater stub	EA	\$2,573.75	1	\$2,573.75
E5	Furnish and install 8-inch plug	EA	\$22.93	3	\$68.79
E6	Furnish and install single service connection, per detail - complete in place	EA	\$2,072.62	22	\$45,597.64
E7	Furnish and install double service connection, per detail - complete in place	EA	\$2,316.29	90	\$208,466.10
E8	Trench safety systems for wastewater line	LF	\$1.09	7,175	\$7,820.75

E9	Adjust existing manhole	EA	\$3,433.58	2	\$6,867.16
				<b>SUBTOTAL</b>	<b>\$822,672.52</b>

#### 4. POWELL LANE IMPROVEMENTS

##### A. Erosion Controls & Miscellaneous Items

Bid Item	Description	Unit	Unit Price	Quantity	Amount
A1	Mobilization	LS	\$36,081.55	1.00	\$36,081.55
A2	Furnish and install temporary silt fence within limits of construction	LF	\$3.34	282	\$941.88
A3	Furnish and install stabilized construction entrance	EA	\$1,038.06	1	\$1,038.06
A4	Furnish and install inlet protection	EA	\$87.97	4	\$351.88
A5	Furnish and install topsoil (4" depth) and hydromulch for permanent erosion	SY	\$4.82	1,075	\$5,181.50
A6	Site demolition	LS	\$3,137.18	1	\$3,137.18
A7	Adjust existing wastewater manhole	EA	\$2,158.48	1	\$2,158.48
				<b>SUBTOTAL</b>	<b>\$48,890.53</b>

##### B. Clearing and Rough Cut

Bid Item	Description	Unit	Unit Price	Quantity	Amount
B1	Clear and grub (ROW and mass grading of lots)	AC	\$7,624.19	0.42	\$3,202.16
B2	Excavation (ROW)	LS	\$17,594.28	1	\$17,594.28
B3	Embankment (ROW)	LS	\$17,594.28	1	\$17,594.28
				<b>SUBTOTAL</b>	<b>\$38,390.72</b>

##### C. Street Improvements

Bid Item	Description	Unit	Unit Price	Quantity	Amount
C1	Subgrade preparation to 3 feet behind back of curb	SY	\$2.04	1,604	\$3,272.16
C2	Furnish and install 2" Type D HMA in accordance with the geotech report	SY	\$20.70	1,142	\$23,639.40
C3	Furnish and install 8" crushed limestone base to 3 feet behind back of curb in	SY	\$9.57	1,604	\$15,350.28
C4	Furnish and install standard 6" concrete curb and gutter	LF	\$19.06	759	\$14,466.54
C5	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads	EA	\$1,167.09	2	\$2,334.18
C6	Furnish and install pavement marking and signage	LS	\$4,795.10	1	\$4,795.10
C7	Provide temporary traffic control during construction, including barricades,	LS	\$5,864.76	1	\$5,864.76
C8	Furnish and install 4' wide sidewalk	LF	\$26.12	520	\$13,582.40
C9	Furnish and install concrete valley apron	EA	\$8,988.89	1	\$8,988.89
				<b>SUBTOTAL</b>	<b>\$92,293.71</b>

##### D. Drainage Improvements

Bid Item	Description	Unit	Unit Price	Quantity	Amount
D1	Furnish and install 18-inch Class III RCP storm sewer including pipe, joints,	LF	\$119.33	75	\$8,949.75
D2	Furnish and install 10' curb inlet (all depths) per City of Austin standard detail	EA	\$5,119.04	2	\$10,238.08
D3	Trench safety systems for stormwater line	LF	\$1.17	75	\$87.75
D4	Adjust existing storm sewer manhole	EA	\$2,111.54	1	\$2,111.54
				<b>SUBTOTAL</b>	<b>\$21,387.12</b>

##### E. Potable Water Improvements

Bid Item	Description	Unit	Unit Price	Quantity	Amount
E1	Furnish and install 12-inch C-900 PVC DR-14 water line including pipe,	LF	\$115.85	161	\$18,651.85
E2	Furnish and install 12" gate valve	EA	\$3,059.89	1	\$3,059.89
E3	Connect to existing waterline	EA	\$2,069.44	1	\$2,069.44
E4	Furnish and install 12-inch plug	EA	\$535.67	1	\$535.67
E5	Trench safety systems for waterline	LF	\$0.59	161	\$94.99
				<b>SUBTOTAL</b>	<b>\$24,411.84</b>

#### 5. CHANGE ORDER #1

##### UNLOADED COLLECTOR STREETS - STREET IMPROVEMENTS

Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	398	\$752.22
2	Furnish and install 2" Type D HMA in accordance with the geotech report -	SY	\$11.18	211	\$2,358.98
3	Furnish and install 13" crushed limestone base to 3 feet behind back of curb in	SY	\$13.60	398	\$5,412.80
4	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.98	307	\$4,905.86
5	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads -	EA	\$20.00	1	\$20.00
6	Furnish and install 5' wide developer sidewalk - complete in place	LF	\$26.94	-31	-\$835.14
7	Furnish and install 8' wide developer sidewalk - complete in place	LF	\$41.41	56	\$2,318.96

##### UNLOADED COLLECTOR STREETS - POTABLE WATER IMPROVEMENTS

8	Furnish and install standard fire hydrant assembly, including pipe, fittings,	EA	\$422.99	-2	-\$845.98
9	Combo Air Valve	EA	\$3,500.00	1	\$3,500.00

##### SUBDIVISION IMPROVEMENTS - CLEARING AND ROUGH CUT

10	Clear and grub (all disturbed areas including ROW, channels, mass grading of	AC	\$1,307.84	15.00	\$19,617.60
11	Added Excavation	LS	\$19,682.00	1	\$19,682.00
12	Added Embankment	LS	\$223,782.00	1	\$223,782.00

##### SUBDIVISION IMPROVEMENTS - STREET IMPROVEMENTS

13	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.42	-85	-\$1,310.70
14	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads -	EA	\$1,030.20	-3	-\$3,090.60
15	Furnish and install 4' wide developer sidewalk - complete in place	LF	\$23.16	-332	-\$7,689.12

##### SUBDIVISION IMPROVEMENTS - POTABLE WATER IMPROVEMENTS

16	Furnish and install 8-inch C-900 PVC DR-14 water line including pipe, fittings,	LF	\$38.79	-50	-\$1,939.50
17	Furnish and install 8" gate valve - complete in place	EA	\$1,680.06	2	\$3,360.12
18	Furnish and install 8-inch plug	EA	\$422.97	2	\$845.94
19	Trench safety systems for waterline	LF	\$0.54	-50	-\$27.00
20	Combo Air Valve	EA	\$3,500.00	3	\$10,500.00

21	P&P Bond Premium	LS	\$4,219.78	1	\$4,219.78
				<b>SUBTOTAL</b>	<b>\$285,538.22</b>

**6. CHANGE ORDER #2A**

Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Installation of moisture barrier	LF	\$5.247953	12,900	\$67,698.59
2	P&P Bond Premium	LS	\$1,015.48	1	\$1,015.48
				<b>SUBTOTAL</b>	<b>\$68,714.07</b>

**7. CHANGE ORDER #3**

Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Trench Excavation	LF	\$15.80	19,110	\$301,938.00
2	3" Sch 40 Conduit	LF	\$4.00	31,840	\$127,360.00
3	4" Sch 40 Conduit	LF	\$4.90	8,430	\$41,307.00
4	8X8 Switchgear with dual slotted lid	EA	\$15,000.00	3	\$45,000.00
5	74 Combo Pad	EA	\$2,500.00	2	\$5,000.00
6	74 Pad	EA	\$2,250.00	5	\$11,250.00
7	74 Cabinet with 18" riser	EA	\$2,150.00	4	\$8,600.00
8	74 Cabinet	EA	\$1,500.00	3	\$4,500.00
9	56 Combo Pad	EA	\$2,400.00	8	\$19,200.00
10	56 Pad	EA	\$1,900.00	5	\$9,500.00
11	56 Cabinet	EA	\$1,300.00	13	\$16,900.00
12	36 Combo Pad	EA	\$1,950.00	1	\$1,950.00
13	36 Cabinet	EA	\$975.00	1	\$975.00
14	Concrete Transformer Pad	EA	\$1,600.00	31	\$49,600.00
15	Meter Pedestal	EA	\$550.00	121	\$66,550.00
16	Primary Riser	EA	\$1,800.00	1	\$1,800.00
17	Dry Utility Staking	EA	\$11,000.00	1	\$11,000.00
18	Street Light Trench	LF	\$10.00	930	\$9,300.00
19	Street Light Conduit	LF	\$3.25	1,630	\$5,297.50
20	Street Light Wire	LF	\$2.25	2,465	\$5,546.25
21	Decorative Street Light	EA	\$5,250.00	24	\$126,000.00
22	P&P Bond Premium	LS	\$10,836.45	1	\$10,836.45
				<b>SUBTOTAL</b>	<b>\$879,410.20</b>

**8. CHANGE ORDER #4**

Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	3" Sch 40 Conduit	LF	\$4.00	600	\$2,400.00
2	74 Combo Pad	EA	\$2,500.00	1	\$2,500.00
3	74 Cabinet	EA	\$1,500.00	1	\$1,500.00
4	56 Combo Pad	EA	\$2,400.00	-1	-\$2,400.00
5	56 Cabinet	EA	\$1,300.00	-1	-\$1,300.00
6	P&P Bond Premium	LS	\$40.50	1	\$40.50
				<b>SUBTOTAL</b>	<b>\$2,740.50</b>

**9. CHANGE ORDER #5 (POWELL LANE)**

Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Decorative Street Light	EA	\$5,250.00	1	\$5,250.00
2	P&P Bond Premium	LS	\$78.75	1	\$78.75
				<b>SUBTOTAL</b>	<b>\$5,328.75</b>

**10. CHANGE ORDER #6 (POWELL LANE)**

Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	2" Bore for future street light	EA	\$6,800.00	1	\$6,800.00
2	P&P Bond Premium	LS	\$102.00	1	\$102.00
				<b>SUBTOTAL</b>	<b>\$6,902.00</b>

**11. CHANGE ORDER #7**

Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Decorative Double Head Street Lights	EA	\$8,082.02	5	\$40,410.10
2	Decorative Single Head Street Light	EA	\$5,250.00	-5	-\$26,250.00
3	Decorative Single Head Street Light (Mtl Only)	EA	\$3,886.29	3	\$11,658.87
4	P&P Bond Premium	LS	\$387.28	1	\$387.28
				<b>SUBTOTAL</b>	<b>\$26,206.25</b>

**12. CHANGE ORDER #8**

Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Repair of Moisture Barrier Damaged by Home Builders	LS	\$1,994.63	1	\$1,994.63
2	Lowering of Waterline/Relocated Fire Hydrant at Kohlers Crossing	LS	\$3,989.25	1	\$3,989.25
3	Added 2" Irrigation Meter/Service Sht 76/89/90 5.27.2020	EA	\$6,497.63	1	\$6,497.63
4	Added Silt Fence along Sanders Blvd	LS	\$928.00	1	\$928.00
5	Relocate Inlet at Amenity Center 9.28.2020	LS	\$1,994.63	1	\$1,994.63
6	Lower Storm Sewer on Jack Ryan	EA	\$2,991.94	1	\$2,991.94
7	Added Irrigation Sleeves Sheet 113/114 5.27.2020	EA	\$16,098.25	1	\$16,098.25
8	P&P Bond Premium	LS	\$89.75	1	\$89.75
				<b>SUBTOTAL</b>	<b>\$34,584.08</b>

<b>13. ENGINEERING &amp; CONSULTING FEES (Plum Creek Phase 2, Section 1 &amp; Powell Lane)</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
2	Eng-Bidding	LS	\$8,000.00	1	\$8,000.00
3	Eng-Civil Design	LS	\$308,000.00	1	\$308,000.00
4	Eng-Construction Phase Services	LS	\$36,000.00	1	\$36,000.00
11	Survey-Final Plat	LS	\$74,200.00	1	\$74,200.00
<b>SUBTOTAL</b>					<b>\$426,200.00</b>

<b>14. FEES</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Preliminary Plat Review Fee (\$1,002.58 + \$6.04 per lot + \$150 fire review)	LOTS	\$6.04	225	\$2,511.58
2	Construction Plan Review Fee - Plum Creek Phase 2, Section 1 (\$1,838.52 +	%	1.5%	5,053,076	\$77,634.66
3	Construction Plan Review Fee - Powell Lane (\$1,838.52 + 1.5% of the value	%	1.5%	106,411	\$3,434.69
4	Construction Inspection Fee - Plum Creek Phase 2, Section 1	%	2%	7,269,205.42	\$145,384.11
5	Construction Inspection Fee - Powell Lane	%	2%	225,373.92	\$4,507.48
6	Final Plat Review Fee (\$1,142.76 + \$18.11 per acre + \$150 fire review)	AC	\$18.11	67.6	\$2,517.00
7	Parkland Improvement Fee	LOTS	\$750.00	202	\$151,500.00
8	Parkland Dedication Fee	LOTS	\$750.00	202	\$151,500.00
12	Impact Fees Wastewater	LUE	\$2,826.00	202	\$570,852.00
13	Impact Fees Water	LUE	\$3,535.00	202	\$714,070.00
<b>SUBTOTAL</b>					<b>\$1,823,911.51</b>

<b>Summary - Construction (Plum Creek North Section 1 &amp; Powell Lane)</b>		
<b>1. GENERAL</b>		
A. Erosion Controls and Miscellaneous Items		\$256,052.94
<b>SUBTOTAL</b>		<b>\$256,052.94</b>
<b>2. UNLOADED COLLECTOR STREETS</b>		
A. Clearing and Rough Cut		\$42,051.50
B. Street Improvements		\$548,745.21
C. Drainage Improvements		\$352,867.53
D. Potable Water Improvements		\$139,196.89
E. Gravity Wastewater Improvements		\$41,757.31
<b>SUBTOTAL</b>		<b>\$1,124,618.44</b>
<b>3. SUBDIVISION IMPROVEMENTS</b>		
A. Clearing and Rough Cut		\$299,342.96
B. Street Improvements		\$1,052,198.78
C. Drainage Improvements		\$1,505,529.32
D. Potable Water Improvements		\$899,366.41
E. Gravity Wastewater Improvements		\$822,672.52
<b>SUBTOTAL</b>		<b>\$4,579,109.99</b>
<b>4. POWELL LANE IMPROVEMENTS</b>		
A. Erosion Controls & Miscellaneous Items		\$48,890.53
B. Clearing and Rough Cut		\$38,390.72
C. Street Improvements		\$92,293.71
D. Drainage Improvements		\$21,387.12
E. Potable Water Improvements		\$24,411.84
<b>SUBTOTAL</b>		<b>\$225,373.92</b>
5. CHANGE ORDER #1		\$285,538.22
6. CHANGE ORDER #2A		\$68,714.07
12. CHANGE ORDER #8		\$34,584.08
<b>DRY UTILITIES/PRIVATE COSTS (NOT INCLUDED IN OVERALL SUBTOTAL)</b>		
7. CHANGE ORDER #3		\$879,410.20
8. CHANGE ORDER #4		\$2,740.50
9. CHANGE ORDER #5 (POWELL LANE)		\$5,328.75
10. CHANGE ORDER #6 (POWELL LANE)		\$6,902.00
11. CHANGE ORDER #7		\$26,206.25
<b>OVERALL SUBTOTAL</b>		<b>\$6,573,991.66</b>
13. ENGINEERING & CONSULTING FEES (Plum Creek Phase 2, Section 1 & Powell Lane)		\$426,200.00
14. FEES		\$1,823,911.51
<b>GRAND TOTAL</b>		<b>\$8,824,103.17</b>

**PLUM CREEK NORTH IMPROVEMENT AREA #1**  
**Streets, Drainage, Water, and Wastewater Improvements**  
**OPINION OF PROBABLE COST**  
**January 8, 2021**

<b>1. GENERAL (Plum Creek North Section 2)</b>					
<b>A. Erosion Controls &amp; Miscellaneous Items</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
A1	Mobilization	LS	\$103,465.42	1	\$103,465.42
A2	Furnish and install temporary silt fence within limits of construction - complete in place & maintain during construction	LF	\$2.29	4,502	\$10,309.58
A3	Furnish and install rock berm - complete in place	LF	\$21.80	100	\$2,180.00
A4	Furnish and install stabilized construction entrance - complete in place & maintain during construction	EA	\$1,509.47	2	\$3,018.94
A5	Furnish and install inlet protection - complete in place & maintain during construction	EA	\$76.29	83	\$6,332.07
A6	Furnish and install topsoil (4" depth) and hydromulch for permanent erosion control in disturbed ROW - complete in place	SY	\$2.08	37,222	\$77,421.76
A7	Furnish and install hydromulch for permanent erosion control in all disturbed areas outside of ROW - complete in place	SY	\$2.08	37,222	\$77,421.76
A8	Site demolition	LS	\$3,792.74	1	\$3,792.74
A9	furnish and install street lights	EA	\$4,000.00	22	\$88,000.00
A10	furnish and install irrigation sleeves	LF	\$25.00	400	\$10,000.00
<b>SUBTOTAL</b>					<b>\$381,942.27</b>
<b>2. COLLECTOR C STREETS (SALTA)</b>					
<b>A. Clearing and Rough Cut</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
A1	Clear and grub (ROW)	AC	\$1,307.84	2.91	\$3,802.81
A2	Excavation (ROW)	CY	\$10.00	2,784	\$27,842.00
A3	Embankment (ROW)	CY	\$5.00	1,982	\$9,912.20
<b>SUBTOTAL</b>					<b>\$41,557.01</b>
<b>B. Street Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
B1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	10,239	\$19,351.33
B2	Furnish and install 2" Type D HMAC in accordance with the geotech report - complete in place	SY	\$11.18	6,981	\$78,049.45
B3	Furnish and install 13" crushed limestone base to 3 feet behind back of curb in accordance with the geotech report - complete in place	SY	\$13.60	10,239	\$139,247.68
B4	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.96	4,767	\$76,081.64
B5	Furnish and install mountable curb and gutter - complete in place	LF	\$15.96	223	\$3,562.58
B6	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads - complete in place	EA	\$1,030.20	8	\$8,241.60
B7	Furnish and install pavement marking and signage - complete in place	LS	\$5,449.35	1	\$5,449.35
B8	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	LS	\$5,994.28	1	\$5,994.28
B9	Furnish and install 5' wide developer sidewalk - complete in place	LF	\$26.94	1,319	\$35,542.21
B10	Furnish and install 8' wide developer sidewalk - complete in place	LF	\$41.41	1,221	\$50,554.16
<b>SUBTOTAL</b>					<b>\$422,074.28</b>
<b>C. Drainage Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
C1	Furnish and install 18-inch Class III RCP storm sewer including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$54.04	468	\$25,292.88
C2	Furnish and install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$65.99	610	\$40,224.20
C3	Furnish and install 30-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$81.67	108	\$8,823.63
C4	Furnish and install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$121.89	212	\$25,799.24
C5	Furnish and install 48-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$1,409.92	77	\$108,352.35
C6	Furnish and install 48" headwall outlet structure - complete in place	EA	\$29,386.99	1	\$29,386.99
C7	Furnish and install 10' curb inlet (all depths) per City of Austin standard detail - complete in place	EA	\$4,427.96	9	\$39,851.64
C8	Furnish and install 4' x 4' junction box - complete in place	EA	\$4,500.00	3	\$13,500.00
C9	Furnish and install (4' dia) storm sewer manhole (all depths) - complete and in place	EA	\$3,044.87	1	\$3,044.87
C10	Trench safety systems for stormwater line	LF	\$1.09	1,474	\$1,606.81
C11	Remove existing diversion berms	LF	\$5.45	600	\$3,270.00
C12	Remove temporary area inlet	EA	\$2,000.00	3	\$6,000.00
<b>SUBTOTAL</b>					<b>\$305,152.61</b>

<b>D. Potable Water Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
D1	Furnish and install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$45.61	578	\$26,346.62
D2	Furnish and install 12-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$94.78	928	\$87,992.80
D3	Furnish and install 8" gate valve - complete in place	EA	\$1,680.06	2	\$3,360.12
D4	Furnish and install 12" gate valve - complete in place	EA	\$2,690.00	4	\$10,760.00
D5	Furnish and install 12"x8" Reducer - complete in place	EA	\$3,000.00	1	\$3,000.00
D6	Connect to existing waterline - complete in place	EA	\$1,272.57	2	\$2,545.14
D7	Furnish and install standard fire hydrant assembly, including pipe, fittings, restraints, valve, hydrant, and all required appurtenances - complete in place	EA	\$4,525.58	3	\$13,576.74
D8	Furnish and install 12-inch plug	EA		1	
D9	Trench safety systems for waterline	LF	\$0.54	1,506	\$813.26
<b>SUBTOTAL</b>					<b>\$148,394.68</b>

<b>E. Gravity Wastewater Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
E1	Furnish and install 8-inch SDR-26 PVC gravity wastewater pipe (ASTM D3034) including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place **Measured to the interior wall of the MH	LF	\$50.13	619	\$31,034.48
E2	Furnish & install 4-ft diameter wastewater manhole (all depths) complete in place	EA	\$3,893.24	5	\$19,466.20
E3	Trench safety systems for wastewater line	LF	\$1.09	619	\$674.80
E4	Adjust existing manhole	EA	\$3,433.73	5	\$17,168.65
<b>SUBTOTAL</b>					<b>\$68,344.13</b>

**3. UNLOADED COLLECTOR A STREETS (JACK RYAN) (Plum Creek North Section 2)**

<b>A. Clearing and Rough Cut</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
A1	Clear and grub (ROW)	AC	\$1,307.84	1.09	\$1,425.55
A2	Excavation (ROW)	CY	\$10.00	1,619	\$16,185.40
A3	Embankment (ROW)	CY	\$5.00	521	\$2,603.10
<b>SUBTOTAL</b>					<b>\$20,214.05</b>

<b>B. Street Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
B1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	3,524	\$6,659.70
B2	Furnish and install 2" Type D HMMA in accordance with the geotech report - complete in place	SY	\$11.18	2,711	\$30,313.00
B3	Furnish and install 13" crushed limestone base to 3 feet behind back of curb in accordance with the geotech report - complete in place	SY	\$13.60	3,524	\$47,921.64
B4	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.96	1,522	\$24,292.24
B5	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads - complete in place	EA	\$1,030.20	6	\$6,181.20
B6	Furnish and install pavement marking and signage - complete in place	LS	\$5,449.35	1	\$5,449.35
B7	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	LS	\$5,994.28	1	\$5,994.28
B8	Furnish and install 5' wide developer sidewalk - complete in place	LF	\$26.94	681	\$18,353.41
B9	Furnish and install 8' wide developer sidewalk - complete in place	LF	\$41.41	654	\$27,098.29
<b>SUBTOTAL</b>					<b>\$172,263.11</b>

<b>C. Drainage Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
C1	Furnish and install 18-inch Class III RCP storm sewer including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$54.04	248	\$13,379.76
C2	Furnish and install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$65.99	157	\$10,385.51
C3	Furnish and install 10' curb inlet (all depths) per City of Austin standard detail - complete in place	EA	\$4,427.96	3	\$13,283.88
C4	Furnish and install (4' dia) storm sewer manhole (all depths) - complete and in place	EA	\$3,044.87	1	\$3,044.87
C5	Trench safety systems for stormwater line	LF	\$1.09	405	\$441.42
<b>SUBTOTAL</b>					<b>\$40,535.44</b>



<b>4. SUBDIVISION IMPROVEMENTS (Plum Creek North Section 2)</b>					
<b>A. Clearing and Rough Cut</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
A1	Clear and grub (all disturbed areas including ROW, channels)	AC	\$1,307.84	10.10	\$13,209.18
A2	Excavation (ROW)	CY	\$10.00	19,174	\$191,738.50
A3	Embankment (ROW) FILL	CY	\$5.00	2,371	\$11,857.05
<b>SUBTOTAL</b>					<b>\$216,804.73</b>
<b>B. Street Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
B1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	40,582	\$76,700.53
B2	Furnish and install 2" Type D HMAC in accordance with the geotech report - complete in place	SY	\$11.18	28,700	\$320,860.86
B3	Furnish and install 8" crushed limestone base to 3 feet behind back of curb in accordance with the geotech report - complete in place	SY	\$8.89	40,582	\$360,776.56
B4	furnish and install 6" concrete pavement for alleys	SY	\$50.00	2,307	\$115,338.44
B5	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.42	15,522	\$239,355.10
B6	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads - complete in place	EA	\$1,030.20	36	\$37,087.20
B7	Furnish and install pavement marking and signage - complete in place	LS	\$14,849.47	1	\$14,849.47
B8	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	LS	\$5,994.28	1	\$5,994.28
B9	Furnish and install 4' wide developer sidewalk - complete in place	LF	\$23.16	2,263	\$52,401.12
B10	Furnish and install concrete valley gutter - complete in place	EA	\$6,373.77	3	\$19,121.31
<b>SUBTOTAL</b>					<b>\$1,242,484.86</b>
<b>C. Drainage Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
C1	Furnish and install 18-inch Class III RCP storm sewer including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$53.07	2,844	\$150,925.77
C2	Furnish and install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$70.98	2,654	\$188,404.34
C3	Furnish and install 30-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$86.91	1,538	\$133,651.07
C4	Furnish and install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$118.43	618	\$73,232.37
C5	Furnish and install 42-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$151.53	347	\$52,580.91
C6	Furnish and install 48-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$185.22	120	\$22,204.17
C7	Furnish and install 60-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$207.00	335	\$69,369.84
C8	Furnish and install 60" headwall outlet structure - complete in place	EA	\$20,000.00	1	\$20,000.00
C9	Furnish and install 10' curb inlet (all depths) per City of Austin standard detail - complete in place	EA	\$4,427.86	63	\$278,955.18
C10	Furnish and install 4' x 4' junction box - complete in place	EA	\$4,500.00	4	\$18,000.00
C11	Furnish and install 5' x 5' junction box - complete in place	EA	\$5,500.00	3	\$16,500.00
C12	Furnish and install 6' x 6' junction box - complete in place	EA	\$7,000.00	2	\$14,000.00
C13	Furnish and install 8' x 8' junction box - complete in place	EA	\$10,000.00	1	\$10,000.00
C14	Furnish and install 4' x 4' grate inlet - complete in place	EA	\$3,709.33	7	\$25,965.31
C15	Furnish and install 5' x 5' grate inlet - complete in place	EA	\$4,500.00	1	\$4,500.00
C16	Furnish and install (4' dia) storm sewer manhole (all depths) - complete and in place	EA	\$3,044.79	5	\$15,223.95
C17	Furnish and install (5' dia) storm sewer manhole (all depths) - complete and in place	EA	\$3,620.07	8	\$28,960.56
C18	Furnish and install (6' dia) storm sewer manhole (all depths) - complete and in place	EA	\$4,349.27	2	\$8,698.54
C19	Furnish and install (7' dia) storm sewer manhole (all depths) - complete and in place	EA	\$6,000.00	1	\$6,000.00
C20	Furnish and install (8' dia) storm sewer manhole (all depths) - complete and in place	EA	\$8,500.00	2	\$17,000.00
C21	Trench safety systems for stormwater line	LF	\$1.09	8,456	\$9,217.48
C22	Detention Pond - Complete and in place	EA	\$175,000.00	1	\$175,000.00
<b>SUBTOTAL</b>					<b>\$1,338,389.50</b>

<b>D. Potable Water Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
D1	Furnish and install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$38.79	6,799	\$263,736.70
D2	Furnish and install 12-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$49.56	1,924	\$95,364.34
D3	Furnish and install 8" gate valve - complete in place	EA	\$1,680.06	23	\$38,641.38
D4	Furnish and install 12" gate valve - complete in place	EA	\$2,689.07	7	\$18,823.49
D5	Connect to existing waterline - complete in place	EA	\$1,272.57	1	\$1,272.57
D6	Furnish and install standard fire hydrant assembly, including pipe, fittings, restraints, valve, hydrant, and all required appurtenances - complete in place	EA	\$4,556.29	14	\$63,788.06
D7	Furnish and install 12-inch plug	EA	\$2,690.00	2	\$5,380.00
D8	Furnish and install single service including pipe, valves, meter box and appurtenances - complete in place	EA	\$1,447.72	13	\$18,820.36
D9	Furnish and install double service including pipe, valves, meter box and appurtenances - complete in place	EA	\$1,859.15	94	\$174,760.10
D10	Furnish and install air release valve including all appurtenances - complete in place	EA	\$3,710.74	2	\$7,421.48
D11	Trench safety systems for waterline	LF	\$0.54	8,723	\$4,710.59
<b>SUBTOTAL</b>					<b>\$692,719.07</b>

<b>E. Gravity Wastewater Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
E1	Furnish and install 8-inch SDR-26 PVC gravity wastewater pipe (ASTM D3034) including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place **Measured to the interior wall of the MH	LF	\$49.51	6,044	\$299,223.09
E2	Furnish and install 4-ft diameter wastewater manhole (all depths) - complete in place	EA	\$4,525.76	38	\$171,978.88
E3	Connect to wastewater stub	EA	\$2,573.75	3	\$7,721.25
E4	Furnish and install single service connection, per detail - complete in place	EA	\$2,072.62	15	\$31,089.30
E5	Furnish and install double service connection, per detail - complete in place	EA	\$2,316.29	93	\$215,414.97
E6	Trench safety systems for wastewater line	LF	\$1.09	6,044	\$6,587.62
<b>SUBTOTAL</b>					<b>\$732,015.11</b>

<b>5. ENGINEERING &amp; CONSULTING FEES (Plum Creek North Section 2)</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Eng-Bidding	LS	\$8,000.00	1	\$8,000.00
2	Eng-Civil Design	LS	\$362,750.00	1	\$362,750.00
3	Eng-Construction Phase Services	LS	\$25,000.00	1	\$25,000.00
4	Survey-Final Plat	LS	\$79,685.00	1	\$79,685.00
<b>SUBTOTAL</b>					<b>\$475,435.00</b>

<b>6. FEES</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Preliminary Plat Review Fee (\$1,002.58 + \$6.04 per lot + \$150 fire review)	LOTS	\$6.04	217	\$2,463.26
2	Construction Plan Review Fee (\$1,838.52 + 1.5% of the value of improvements)	%	1.5%	6,049,335.37	\$92,578.55
3	Construction Inspection Fee	%	2%	6,049,335.37	\$120,986.71
4	Final Plat Review Fee (\$1,142.76 + \$18.11 per acre + \$150 fire review)	AC	\$18.11	55.0	\$2,289.35
5	Parkland Improvement Fee	LOTS	\$750.00	201	\$150,750.00
6	Parkland Dedication Fee	LOTS	\$750.00	201	\$150,750.00
<b>SUBTOTAL</b>					<b>\$519,817.87</b>

<b>Summary - Construction (Plum Creek North Section 2)</b>	
<b>1. GENERAL</b>	
A. Erosion Controls and Miscellaneous Items	\$381,942.27
<b>SUBTOTAL</b>	<b>\$381,942.27</b>
<b>2. COLLECTOR C STREET</b>	
A. Clearing and Rough Cut	\$41,557.01
B. Street Improvements	\$422,074.28
C. Drainage Improvements	\$305,152.61
D. Potable Water Improvements	\$148,394.68
E. Gravity Wastewater Improvements	\$68,344.13
<b>SUBTOTAL</b>	<b>\$985,522.71</b>
<b>3. COLLECTOR A STREET</b>	
A. Clearing and Rough Cut	\$20,214.05
B. Street Improvements	\$172,263.11
C. Drainage Improvements	\$40,535.44
<b>SUBTOTAL</b>	<b>\$233,012.59</b>
<b>4. SUBDIVISION IMPROVEMENTS</b>	
A. Clearing and Rough Cut	\$216,804.73
B. Street Improvements	\$1,242,484.86
C. Drainage Improvements	\$1,338,389.50
D. Potable Water Improvements	\$692,719.07
E. Gravity Wastewater Improvements	\$732,015.11
<b>SUBTOTAL</b>	<b>\$4,222,413.28</b>
<b>OVERALL SUBTOTAL</b>	<b>\$5,822,890.85</b>
<b>CONTINGENCY (15%)</b>	<b>\$873,433.63</b>
<b>5. ENGINEERING &amp; CONSULTING FEES (Plum Creek North Section 2)</b>	
	<b>\$475,435.00</b>
<b>6. FEES</b>	
	<b>\$519,817.87</b>
<b>GRAND TOTAL</b>	<b>\$7,691,577.35</b>

**NOTES:**

1. This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction bids may vary significantly due to timing of construction, changing conditions, the competitive nature of the market, labor rate changes, or other factors.
2. Engineer's OPC is based on incomplete and unapproved construction plans.
3. Dry utility cost associated with electric, gas, cable and telecom is not included.
4. Hardscape and landscaping is not included.
5. Developer soft costs are not included
6. Unit prices were taken from Liberty Civil, 2019.
7. Geotech report not available at this time to verify pavement sections. High P.I. areas requiring moisture barrier are excluded and are part of the contingency.
8. Homebuilder sidewalk not included.
9. Assumes spoils are stockpiled onsite for future phase use.



**PLUM CREEK NORTH IMPROVEMENT AREA #2**  
**Streets, Drainage, Water, and Wastewater Improvements**  
**OPINION OF PROBABLE COST**  
 January 26, 2021

<b>1. GENERAL (Plum Creek North, Section 3)</b>					
<b>A. Erosion Controls &amp; Miscellaneous Items</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
A1	Mobilization	LS	\$103,465.42	1	\$103,465.42
A2	Furnish and install temporary silt fence within limits of construction - complete in place & maintain during construction	LF	\$2.29	6,826	\$15,631.54
A3	Furnish and install rock berm - complete in place	LF	\$21.80	250	\$5,450.00
A4	Furnish and install stabilized construction entrance - complete in place & maintain during construction	EA	\$1,509.47	1	\$1,509.47
A5	Furnish and install inlet protection - complete in place & maintain during construction	EA	\$76.29	27	\$2,059.83
A6	Furnish and install topsoil (4" depth) and hydromulch for permanent erosion control in disturbed ROW - complete in place	SY	\$2.08	15,058	\$31,319.60
A7	Furnish and install hydromulch for permanent erosion control in all disturbed areas outside of ROW - complete in place	SY	\$2.08	15,058	\$31,319.60
A8	Site demolition	LS	\$3,792.74	1	\$3,792.74
A9	Furnish and Install Street Lights	EA	\$4,000.00	14	\$56,000.00
A10	Furnish and Install Irrigation Sleeves	LF	\$25.00	1,000	\$25,000.00
<b>SUBTOTAL</b>					<b>\$275,548.20</b>
<b>2. COLLECTOR B STREETS (Plum Creek North, Section 3)</b>					
<b>A. Clearing and Rough Cut</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
A1	Clear and grub (ROW)	AC	\$1,307.84	5.01	\$6,547.44
A2	Excavation (ROW)	CY	\$10.00	12,115	\$121,152.50
A3	Embankment (ROW)	CY	\$5.00	8,481	\$42,403.38
<b>SUBTOTAL</b>					<b>\$170,103.32</b>
<b>B. Street Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
B1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	14,147	\$26,737.83
B2	Furnish and install 2" Type D HMA in accordance with the geotech report - complete in place	SY	\$11.18	11,137	\$124,511.66
B3	Furnish and install 13" crushed limestone base to 3 feet behind back of curb in accordance with the geotech report - complete in place	SY	\$13.60	14,147	\$192,399.20
B4	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.96	10,836	\$172,942.56
B5	Furnish and install mountable curb and gutter - complete in place	LF	\$15.96	0	\$0.00
B6	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads - complete in place	EA	\$1,030.20	12	\$12,362.40
B7	Furnish and install pavement marking and signage - complete in place	LS	\$5,449.35	1	\$5,449.35
B8	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	LS	\$5,994.28	1	\$5,994.28
B9	Furnish and install 5' wide developer sidewalk - complete in place	LF	\$26.94	2,709	\$72,980.46
B10	Furnish and install 8' wide developer sidewalk - complete in place	LF	\$41.41	2,709	\$112,179.69
<b>SUBTOTAL</b>					<b>\$725,557.43</b>
<b>C. Drainage Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
C1	Furnish and install 18-inch Class III RCP storm sewer including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$53.07	200	\$10,614.00
C4	Furnish and install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$118.43	850	\$100,665.50
C5	Furnish and install 42-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$151.53	250	\$37,882.50
C7	Furnish and install 54-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$200.00	400	\$80,000.00
C8	Furnish and install 42" headwall outlet structure - complete in place	EA	\$10,000.00	1	\$10,000.00
C9	Furnish and install 10' curb inlet (all depths) per City of Austin standard detail - complete in place	EA	\$4,427.86	8	\$35,422.88
C12	Furnish and install 6' x 6' junction box - complete in place	EA	\$7,000.00	3	\$21,000.00
C13	Furnish and install 8' x 8' junction box - complete in place	EA	\$10,000.00	1	\$10,000.00
C16	Furnish and install (4' dia) storm sewer manhole (all depths) - complete and in place	EA	\$3,044.79	2	\$6,089.58
C21	Trench safety systems for stormwater line	LF	\$1.09	1,700	\$1,853.00
<b>SUBTOTAL</b>					<b>\$313,527.46</b>

<b>D. Potable Water Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
D1	Furnish and install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$45.61	211	\$9,623.71
D2	Furnish and install 12-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$94.78	2,709	\$256,759.02
D3	Furnish and install 8" gate valve - complete in place	EA	\$1,680.06	4	\$6,720.24
D4	Furnish and install 12" gate valve - complete in place	EA	\$2,690.00	5	\$13,450.00
D5	Connect to existing waterline - complete in place	EA	\$1,272.57	1	\$1,272.57
D6	Furnish and install standard fire hydrant assembly, including pipe, fittings, restraints, valve, hydrant, and all required appurtenances - complete in place	EA	\$4,525.58	6	\$27,153.48
D7	Furnish and install 8-inch plug	EA	\$750.00	4	\$3,000.00
D8	Furnish and install 12-inch plug	EA	\$750.00	1	\$750.00
D9	Furnish and install air release valve including all appurtenances - complete in place	EA	\$3,710.74	3	\$11,132.22
D10	Trench safety systems for waterline	LF	\$0.54	2,920	\$1,576.80
<b>SUBTOTAL</b>					<b>\$331,438.04</b>

<b>E. Gravity Wastewater Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
E1	Furnish and install 8-inch SDR-26 PVC gravity wastewater pipe (ASTM D3034) including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place **Measured to the interior wall of the MH	LF	\$50.13	1,348	\$67,575.24
E2	Furnish and install 8-inch SDR-26 PVC pressure wastewater pipe (ASTM D2241) including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place **Measured to the interior wall of the MH	LF	\$51.66	50	\$2,583.00
E2	Furnish & install 4-ft diameter wastewater manhole (all depths) complete in place	EA	\$3,893.24	5	\$19,855.52
E3	Trench safety systems for wastewater line	LF	\$1.09	1,398	\$1,523.82
E4	Adjust existing manhole	EA	\$3,433.73	1	\$3,433.73
<b>SUBTOTAL</b>					<b>\$94,971.31</b>

**3. COLLECTOR B STREET (SCHOOL) (Plum Creek North, Section 3)**

<b>A. Clearing and Rough Cut</b>					
Bid Item	Conveyance Channel along boundary	Unit	Unit Price	Quantity	Amount
A1	Clear and grub (ROW)	AC	\$1,307.84	1.48	\$1,940.79
A2	Excavation (ROW)	CY	\$10.00	3,591	\$35,911.94
A3	Embankment (ROW)	CY	\$5.00	2,514	\$12,569.18
<b>SUBTOTAL</b>					<b>\$50,421.91</b>

<b>B. Street Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
B1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	4,193	\$7,925.61
B2	Furnish and install 2" Type D HMAC in accordance with the geotech report - complete in place	SY	\$11.18	3,301	\$36,907.66
B3	Furnish and install 13" crushed limestone base to 3 feet behind back of curb in accordance with the geotech report - complete in place	SY	\$13.60	4,193	\$57,030.84
B4	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.96	3,212	\$51,263.52
B5	Furnish and install mountable curb and gutter - complete in place	LF	\$15.96	0	\$0.00
B6	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads - complete in place	EA	\$1,030.20	2	\$2,060.40
B7	Furnish and install pavement marking and signage - complete in place	LS	\$5,449.35	1	\$5,449.35
B8	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	LS	\$5,994.28	1	\$5,994.28
B9	Furnish and install 5' wide developer sidewalk - complete in place	LF	\$26.94	803	\$21,632.82
B10	Furnish and install 8' wide developer sidewalk - complete in place	LF	\$41.41	803	\$33,252.23
<b>SUBTOTAL</b>					<b>\$221,516.72</b>

<b>C. Drainage Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
C1	Furnish and install 18-inch Class III RCP storm sewer including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$53.07	250	\$13,267.50
C6	Furnish and install 48-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$185.22	400	\$74,088.00
C7	Furnish and install 4' X 6' Box Culvert including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$400.00	130	\$52,000.00
C8	Furnish and install TxDOT headwall outlet structure - complete in place	EA	\$25,000.00	2	\$50,000.00
C9	Furnish and install 10' curb inlet (all depths) per City of Austin standard detail - complete in place	EA	\$4,427.86	4	\$17,711.44
C21	Trench safety systems for stormwater line	LF	\$1.09	780	\$850.20
<b>SUBTOTAL</b>					<b>\$207,917.14</b>

<b>D. Potable Water Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
D1	Furnish and install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$45.61	81	\$3,671.61
D2	Furnish and install 12-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$94.78	803	\$76,108.34
Bid Item	Furnish and install 8" gate valve - complete in place	EA	\$1,680.06	1	\$1,680.06
D4	Furnish and install 12" gate valve - complete in place	EA	\$2,690.00	1	\$2,690.00
D5	Connect to existing waterline - complete in place	EA	\$1,272.57	1	\$1,272.57
D6	Furnish and install standard fire hydrant assembly, including pipe, fittings, restraints, valve, hydrant, and all required appurtenances - complete in place	EA	\$4,525.58	2	\$9,051.16
D7	Furnish and install 12-inch plug	EA	\$750.00	2	\$1,500.00
D8	Furnish and install air release valve including all appurtenances - complete in place	EA	\$3,710.74	1	\$3,710.74
D9	Trench safety systems for waterline	LF	\$0.54	803	\$433.62
<b>SUBTOTAL</b>					<b>\$96,446.49</b>

<b>E. Gravity Wastewater Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
E1	Furnish and install 8-inch SDR-26 PVC gravity wastewater pipe (ASTM D3034) including pipe, joints, bedding ,and all other appurtenances (all depths) - complete in place **Measured to the interior wall of the MH	LF	\$50.13	40	\$2,017.73
E2	Furnish and install 12-inch SDR-26 PVC gravity wastewater pipe (ASTM D3034) including pipe, joints, bedding ,and all other appurtenances (all depths) - complete in place **Measured to the interior wall of the MH	LF	\$65.00	803	\$52,195.00
E3	Furnish & install 4-ft diameter wastewater manhole (all depths) complete in place	EA	\$3,893.24	3	\$13,237.02
E4	Trench safety systems for wastewater line	LF	\$1.09	40	\$43.87
E5	Adjust existing manhole	EA	\$3,433.73	1	\$3,433.73
<b>SUBTOTAL</b>					<b>\$70,927.35</b>

**4. COLLECTOR C STREET (Plum Creek North, Section 3)**

<b>A. Clearing and Rough Cut</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
A1	Clear and grub (ROW)	AC	\$1,307.84	6.12	\$8,009.68
A2	Excavation (ROW)	CY	\$10.00	14,821	\$148,209.44
A3	Embankment (ROW)	CY	\$5.00	10,375	\$51,873.31
<b>SUBTOTAL</b>					<b>\$208,092.43</b>

<b>B. Street Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
B1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	17,306	\$32,709.18
B2	Furnish and install 2" Type D HMAc in accordance with the geotech report - complete in place	SY	\$11.18	13,624	\$152,318.80
B3	Furnish and install 13" crushed limestone base to 3 feet behind back of curb in accordance with the geotech report - complete in place	SY	\$13.60	17,306	\$235,367.64
B4	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.96	13,256	\$211,565.76
B5	Furnish and install mountable curb and gutter - complete in place	LF	\$15.96	0	\$0.00
B6	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads - complete in place	EA	\$1,030.20	12	\$12,362.40
B7	Furnish and install pavement marking and signage - complete in place	LS	\$5,449.35	1	\$5,449.35
B8	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	LS	\$5,994.28	1	\$5,994.28
B9	Furnish and install 5' wide developer sidewalk - complete in place	LF	\$26.94	3,314	\$89,279.16
B10	Furnish and install 8' wide developer sidewalk - complete in place	LF	\$41.41	3,314	\$137,232.74
<b>SUBTOTAL</b>					<b>\$882,279.32</b>

<b>C. Drainage Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
C1	Furnish and install 18-inch Class III RCP storm sewer including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$53.07	900	\$47,763.00
C2	Furnish and install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$70.98	700	\$49,686.00
C8	Furnish and install Area Inlet - complete in place	EA	\$4,000.00	1	\$4,000.00
C9	Furnish and install 10' curb inlet (all depths) per City of Austin standard detail - complete in place	EA	\$4,427.86	14	\$61,990.04
C10	Furnish and install 4' x 4' junction box - complete in place	EA	\$4,500.00	1	\$4,500.00
C11	Furnish and install 5' x 5' junction box - complete in place	EA	\$5,500.00	2	\$11,000.00
C13	Furnish and install 4' X 6' Box Culvert - complete in place	LF	\$400.00	760	\$304,000.00
C14	Furnish and install 6'X4' TxDOT Headwalls - complete in place	EA	\$25,000.00	2	\$50,000.00
C14	Furnish and install 3-6'X4' TxDOT Headwalls - complete in place	EA	\$45,000.00	2	\$90,000.00
C16	Furnish and install (4' dia) storm sewer manhole (all depths) - complete and in place	EA	\$3,044.79	2	\$6,089.58
C21	Trench safety systems for stormwater line	LF	\$1.09	1,600	\$1,744.00
<b>SUBTOTAL</b>					<b>\$630,772.62</b>

<b>D. Potable Water Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
D1	Furnish and install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$45.61	242	\$11,014.82
D2	Furnish and install 12-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$94.78	3,407	\$322,868.07
D3	Furnish and install 8" gate valve - complete in place	EA	\$1,680.06	3	\$5,040.18
D4	Furnish and install 12" gate valve - complete in place	EA	\$2,690.00	7	\$18,830.00
D5	Furnish and install 12"x8" Reducer - complete in place	EA	\$3,000.00	1	\$3,000.00
D6	Connect to existing waterline - complete in place	EA	\$1,272.57	1	\$1,272.57
D7	Furnish and install standard fire hydrant assembly, including pipe, fittings, restraints, valve, hydrant, and all required appurtenances - complete in place	EA	\$4,525.58	7	\$31,679.06
D8	Furnish and install 12-inch plug	EA	\$750.00	1	\$750.00
D9	Furnish and install air release valve including all appurtenances - complete in place	EA	\$3,710.74	3	\$11,132.22
D10	Trench safety systems for waterline	LF	\$0.54	3,648	\$1,969.92
<b>SUBTOTAL</b>					<b>\$407,556.84</b>

<b>E. Gravity Wastewater Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
E1	Furnish and install 8-inch SDR-26 PVC gravity wastewater pipe (ASTM D3034) including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place **Measured to the interior wall of the MH	LF	\$50.13	363	\$18,172.13
E2	Furnish and install 8-inch SDR-26 PVC pressure wastewater pipe (ASTM D2241) including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place **Measured to the interior wall of the MH	LF	\$51.66	30	\$1,549.80
E3	Furnish & install 4-ft diameter wastewater manhole (all depths) complete in place	EA	\$3,893.24	2	\$6,618.51
E4	Trench safety systems for wastewater line	LF	\$1.09	393	\$427.83
<b>SUBTOTAL</b>					<b>\$26,768.26</b>

<b>5. SUBDIVISION IMPROVEMENTS (Plum Creek North, Section 3)</b>					
<b>A. Erosion Controls &amp; Miscellaneous Items</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
A2	Furnish and install temporary silt fence within limits of construction - complete in place & maintain during construction	LF	\$2.29	6,723	\$15,395.67
A3	Furnish and install rock berm - complete in place	LF	\$21.80	210	\$4,578.00
A4	Furnish and install stabilized construction entrance - complete in place & maintain during construction	EA	\$1,509.47	1	\$1,509.47
A5	Furnish and install inlet protection - complete in place & maintain during construction	EA	\$76.29	30	\$2,288.70
A6	Furnish and install topsoil (4" depth) and hydromulch for permanent erosion control in disturbed ROW - complete in place	SY	\$2.08	9,400	\$19,552.92
A7	Furnish and install hydromulch for permanent erosion control in all disturbed areas outside of ROW - complete in place	SY	\$2.08	9,400	\$19,552.92
A8	Site demolition	LS	\$3,792.74	1	\$3,792.74
A9	Furnish and Install Street Lights	EA	\$4,000.00	14	\$56,000.00
<b>SUBTOTAL</b>					<b>\$122,670.43</b>



<b>B. Clearing and Rough Cut</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
B1	Clear and grub (all disturbed areas including ROW, channels)	AC	\$1,307.84	6.8	\$8,893.31
B2	Excavation (ROW)	CY	\$10.00	12,275	\$122,748.15
B3	Embankment (ROW) FILL	CY	\$5.00	8,592	\$42,961.85
<b>SUBTOTAL</b>					<b>\$174,603.31</b>

<b>C. Local Residential B Street Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
C1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	25,309	\$47,833.80
C2	Furnish and install 2" Type D HMAC in accordance with the geotech report - complete in place	SY	\$11.18	18,078	\$202,109.56
C3	Furnish and install 8" crushed limestone base to 3 feet behind back of curb in accordance with the geotech report - complete in place	SY	\$8.89	25,309	\$224,996.02
C4	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.42	13,016	\$200,706.72
C5	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads - complete in place	EA	\$1,030.20	4	\$4,120.80
C6	Furnish and install pavement marking and signage - complete in place	LS	\$14,849.47	1	\$14,849.47
C7	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	LS	\$5,994.28	1	\$5,994.28
C8	Furnish and install 4' wide sidewalk - complete in place	LF	\$23.16	400	\$9,264.00
C9	Furnish and install concrete valley gutter - complete in place	EA	\$6,373.77	4	\$25,495.08
<b>SUBTOTAL</b>					<b>\$735,369.73</b>

<b>D. Cul-De-Sac Access Street Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
D1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	836	\$1,580.25
D2	Furnish and install 2" Type D HMAC in accordance with the geotech report - complete in place	SY	\$11.18	597	\$6,676.94
D3	Furnish and install 8" crushed limestone base to 3 feet behind back of curb in accordance with the geotech report - complete in place	SY	\$8.89	836	\$7,433.03
D4	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.42	430	\$6,630.60
D5	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads - complete in place	EA	\$1,030.20	2	\$2,060.40
D6	Furnish and install 4' wide developer sidewalk - complete in place	LF	\$23.16	215	\$4,979.40
D7	Furnish and install Type II Driveway - complete in place	EA	\$2,600.00	2	\$5,200.00
<b>SUBTOTAL</b>					<b>\$34,560.62</b>

<b>E. Drainage Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
E1	Furnish and install 18-inch Class III RCP storm sewer including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$53.07	1,800	\$95,526.00
E2	Furnish and install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$70.98	100	\$7,098.00
E3	Furnish and install 30-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$86.91	900	\$78,219.00
E4	Furnish and install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$118.43	120	\$14,211.60
E7	Furnish and install 54-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$200.00	700	\$140,000.00
E7	Furnish and install 60-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$207.00	350	\$72,450.00
E7	Furnish and install 66-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$250.00	300	\$75,000.00
E8	Furnish and install 18" headwall outlet structure - complete in place	EA	\$10,000.00	1	\$10,000.00
E8	Furnish and install 36" headwall outlet structure - complete in place	EA	\$15,000.00	1	\$15,000.00
E8	Furnish and install 66" headwall outlet structure - complete in place	EA	\$25,000.00	1	\$25,000.00
E9	Furnish and install 10' curb inlet (all depths) per City of Austin standard detail - complete in place	EA	\$4,427.86	30	\$132,835.80
E10	Furnish and install 4' x 4' junction box - complete in place	EA	\$4,500.00	2	\$9,000.00
E13	Furnish and install 8' x 8' junction box - complete in place	EA	\$10,000.00	2	\$20,000.00
E16	Furnish and install (4' dia) storm sewer manhole (all depths) - complete and in place	EA	\$3,044.79	4	\$12,179.16
E16	Furnish and install Interceptor Channel - complete and in place	LF	\$15.00	600	\$9,000.00
E21	Trench safety systems for stormwater line	LF	\$1.09	3,620	\$3,945.80
<b>SUBTOTAL</b>					<b>\$719,465.36</b>



<b>F. Potable Water Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
F1	Furnish and install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$38.79	7,283	\$282,507.57
F2	Furnish and install 8" gate valve - complete in place	EA	\$1,680.06	4	\$6,720.24
F3	Connect to existing waterline - complete in place	EA	\$1,272.57	1	\$1,272.57
F4	Furnish and install standard fire hydrant assembly, including pipe, fittings, restraints, valve, hydrant, and all required appurtenances - complete in place	EA	\$4,556.29	14	\$63,788.06
F5	Furnish and install single service including pipe, valves, meter box and appurtenances - complete in place	EA	\$1,447.72	19	\$27,506.68
F6	Furnish and install double service including pipe, valves, meter box and appurtenances - complete in place	EA	\$1,859.15	60	\$111,549.00
F7	Furnish and install air release valve including all appurtenances - complete in place	EA	\$3,710.74	1	\$3,710.74
F8	Trench safety systems for waterline	LF	\$0.54	7,283	\$3,932.82
<b>SUBTOTAL</b>					<b>\$500,987.68</b>
<b>G. Gravity Wastewater Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
G1	Furnish and install 8-inch SDR-26 PVC gravity wastewater pipe (ASTM D3034) including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place **Measured to the interior wall of the MH	LF	\$49.51	6,508	\$322,211.08
G2	Furnish and install 4-ft diameter wastewater manhole (all depths) - complete in place	EA	\$4,525.76	17	\$76,032.77
G3	Connect to wastewater stub	EA	\$2,573.75	1	\$2,573.75
G4	Furnish and install single service connection, per detail - complete in place	EA	\$2,072.62	19	\$39,379.78
G5	Furnish and install double service connection, per detail - complete in place	EA	\$2,316.29	60	\$138,977.40
G6	Trench safety systems for wastewater line	LF	\$1.09	6,508	\$7,093.72
<b>SUBTOTAL</b>					<b>\$586,268.50</b>

**6. GENERAL (Plum Creek North, Section 4)**

<b>A. Erosion Controls &amp; Miscellaneous Items</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
A1	Mobilization	LS	\$103,465.42	1	\$103,465.42
A2	Furnish and install temporary silt fence within limits of construction - complete in place & maintain during construction	LF	\$2.29	11,653	\$26,685.37
A3	Furnish and install rock berm - complete in place	LF	\$21.80	190	\$4,142.00
A4	Furnish and install stabilized construction entrance - complete in place & maintain during construction	EA	\$1,509.47	1	\$1,509.47
A5	Furnish and install inlet protection - complete in place & maintain during construction	EA	\$76.29	57	\$4,348.53
A6	Furnish and install topsoil (4" depth) and hydromulch for permanent erosion control in disturbed ROW - complete in place	SY	\$2.08	13,832	\$28,770.56
A7	Furnish and install hydromulch for permanent erosion control in all disturbed areas outside of ROW - complete in place	SY	\$2.08	13,832	\$28,770.56
A8	Site demolition	LS	\$3,792.74	1	\$3,792.74
A9	Furnish and Install Street Lights	EA	\$4,000.00	24	\$96,000.00
<b>SUBTOTAL</b>					<b>\$297,484.65</b>

**7. SUBDIVISION IMPROVEMENTS (Plum Creek North, Section 4)**

<b>A. Clearing and Rough Cut</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
A1	Clear and grub (all disturbed areas including ROW, channels)	AC	\$1,307.84	12.50	\$16,348.00
A2	Excavation (ROW)	CY	\$10.00	19,272	\$192,718.52
A3	Embankment (ROW) FILL	CY	\$5.00	13,490	\$67,451.48
<b>SUBTOTAL</b>					<b>\$276,518.00</b>

<b>B. Local Residential B Street Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
B1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	37,240	\$70,383.60
B2	Furnish and install 2" Type D HMAC in accordance with the geotech report - complete in place	SY	\$11.18	26,600	\$297,388.00
B3	Furnish and install 8" crushed limestone base to 3 feet behind back of curb in accordance with the geotech report - complete in place	SY	\$8.89	37,240	\$331,063.60
B5	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.42	19,152	\$295,323.84
B6	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads - complete in place	EA	\$1,030.20	52	\$53,570.40
B7	Furnish and install pavement marking and signage - complete in place	LS	\$14,849.47	1	\$14,849.47
B8	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	LS	\$5,994.28	1	\$5,994.28
B9	Furnish and install 4' wide developer sidewalk - complete in place	LF	\$23.16	1,600	\$37,056.00
B10	Furnish and install concrete valley gutter - complete in place	EA	\$6,373.77	5	\$31,868.85
<b>SUBTOTAL</b>					<b>\$1,137,498.04</b>

<b>C. Alley Street Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
C1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	5,077	\$9,595.74
C2	furnish and install 6" concrete pavement for alleys	SY	\$50.00	3,462	\$173,083.33
C3	Furnish and install concrete valley gutter - complete in place	EA	\$6,373.77	2	\$12,747.54
<b>SUBTOTAL</b>					<b>\$195,426.61</b>

<b>D. Drainage Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
D1	Furnish and install 18-inch Class III RCP storm sewer including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$53.07	4,400	\$233,508.00
D2	Furnish and install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$70.98	2,700	\$191,646.00
D3	Furnish and install 30-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$86.91	1,050	\$91,255.50
D4	Furnish and install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$118.43	400	\$47,372.00
D5	Furnish and install 42-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$151.53	550	\$83,341.50
D6	Furnish and install 48-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$185.22	850	\$157,437.00
D9	Furnish and install 10' curb inlet (all depths) per City of Austin standard detail - complete in place	EA	\$4,427.86	50	\$221,393.00
D10	Furnish and install 4' x 4' junction box - complete in place	EA	\$4,500.00	4	\$18,000.00
D11	Furnish and install 5' x 5' junction box - complete in place	EA	\$5,500.00	4	\$22,000.00
D14	Furnish and install 4' x 4' grate inlet - complete in place	EA	\$3,709.33	7	\$25,965.31
D16	Furnish and install (4' dia) storm sewer manhole (all depths) - complete and in place	EA	\$3,044.79	6	\$18,268.74
D17	Furnish and install (5' dia) storm sewer manhole (all depths) - complete and in place	EA	\$3,620.07	6	\$21,720.42
E16	Furnish and install Interceptor Channel - complete and in place	LF	\$15.00	1,900	\$28,500.00
D21	Trench safety systems for stormwater line	LF	\$1.09	9,950	\$10,845.50
<b>SUBTOTAL</b>					<b>\$1,171,252.97</b>

<b>E. Potable Water Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
E1	Furnish and install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$38.79	9,821	\$380,956.59
E2	Furnish and install 8" gate valve - complete in place	EA	\$1,680.06	35	\$58,802.10
E3	Connect to existing waterline - complete in place	EA	\$1,272.57	3	\$3,817.71
E6	Furnish and install standard fire hydrant assembly, including pipe, fittings, restraints, valve, hydrant, and all required appurtenances - complete in place	EA	\$4,556.29	21	\$95,682.09
E8	Furnish and install single service including pipe, valves, meter box and appurtenances - complete in place	EA	\$1,447.72	37	\$53,565.64
E9	Furnish and install double service including pipe, valves, meter box and appurtenances - complete in place	EA	\$1,859.15	105	\$195,210.75
E10	Furnish and install air release valve including all appurtenances - complete in place	EA	\$3,710.74	1	\$3,710.74
E11	Trench safety systems for waterline	LF	\$0.54	9,821	\$5,303.34
<b>SUBTOTAL</b>					<b>\$797,048.96</b>

<b>F. Gravity Wastewater Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
F1	Furnish and install 8-inch SDR-26 PVC gravity wastewater pipe (ASTM D3034) including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place **Measured to the interior wall of the MH	LF	\$49.51	8,223	\$407,120.73
F2	Conveyance Channel along boundary	EA	\$4,525.76	24	\$107,713.09
F3	Connect to wastewater stub	EA	\$2,573.75	2	\$5,147.50
F4	Furnish and install single service connection, per detail - complete in place	EA	\$2,072.62	37	\$76,686.94
F5	Furnish and install double service connection, per detail - complete in place	EA	\$2,316.29	105	\$243,210.45
F6	Trench safety systems for wastewater line	LF	\$1.09	8,223	\$8,963.07
<b>SUBTOTAL</b>					<b>\$848,841.78</b>

<b>8. ENGINEERING &amp; CONSULTING FEES (Plum Creek North, Section 3)</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Eng-Bidding	LS	\$8,000.00	1	\$8,000.00
2	Eng-Civil Design (Including Section 4 on Preliminary Plat)	LS	\$445,000.00	1	\$445,000.00
3	Eng-Construction Phase Services	LS	\$25,000.00	1	\$25,000.00
4	Survey-Final Plat	LS	\$72,700.00	1	\$72,700.00
<b>SUBTOTAL</b>					<b>\$550,700.00</b>

<b>9. FEES (Plum Creek North, Section 3)</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Preliminary Plat Review Fee - Section 3 & 4 (\$1,002.58 + \$6.04 per lot + \$150 fire review)	LOTS	\$6.04	406	\$3,604.82
2	Construction Plan Review Fee (\$1,838.52 + 1.5% of the value of improvements)	%	1.5%	7,826,262.27	\$119,232.45
3	Construction Inspection Fee	%	2%	7,826,262.27	\$156,525.25
4	Final Plat Review Fee (\$1,142.76 + \$18.11 per acre + \$150 fire review)	AC	\$18.11	100.7	\$3,116.44
5	Parkland Improvement Fee	LOTS	\$750.00	139	\$104,250.00
6	Parkland Dedication Fee	LOTS	\$750.00	139	\$104,250.00
<b>SUBTOTAL</b>					<b>\$490,978.96</b>

<b>10. ENGINEERING &amp; CONSULTING FEES (Plum Creek North, Section 4)</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Eng-Bidding	LS	\$8,000.00	1	\$8,000.00
2	Eng-Civil Design	LS	\$302,000.00	1	\$302,000.00
3	Eng-Construction Phase Services	LS	\$25,000.00	1	\$25,000.00
4	Survey-Final Plat	LS	\$97,000.00	1	\$97,000.00
<b>SUBTOTAL</b>					<b>\$432,000.00</b>

<b>11. FEES (Plum Creek North, Section 4)</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Preliminary Plat Review Fee - Section 3 & 4 (\$1,002.58 + \$6.04 per lot + \$150 fire review)	LOTS	\$6.04	0	\$1,152.58
2	Construction Plan Review Fee (\$1,838.52 + 1.5% of the value of improvements)	%	1.5%	7,826,262.27	\$119,232.45
3	Construction Inspection Fee	%	2%	7,826,262.27	\$156,525.25
4	Final Plat Review Fee (\$1,142.76 + \$18.11 per acre + \$150 fire review)	AC	\$18.11	54.4	\$2,277.94
5	Parkland Improvement Fee	LOTS	\$750.00	249	\$186,750.00
6	Parkland Dedication Fee	LOTS	\$750.00	249	\$186,750.00
<b>SUBTOTAL</b>					<b>\$652,688.22</b>

<b>Summary - Construction</b>	
<b>1. GENERAL (Plum Creek North, Section 3)</b>	
A. Erosion Controls and Miscellaneous Items	\$275,548.20
<b>SUBTOTAL</b>	<b>\$275,548.20</b>
<b>2. COLLECTOR B STREETS (Plum Creek North, Section 3)</b>	
A. Clearing and Rough Cut	\$170,103.32
B. Street Improvements	\$725,557.43
C. Drainage Improvements	\$313,527.46
D. Potable Water Improvements	\$331,438.04
E. Gravity Wastewater Improvements	\$94,971.31
<b>SUBTOTAL</b>	<b>\$1,635,597.56</b>
<b>3. COLLECTOR B STREET (SCHOOL) (Plum Creek North, Section 3)</b>	
A. Clearing and Rough Cut	\$50,421.91
B. Street Improvements	\$221,516.72
C. Drainage Improvements	\$207,917.14
D. Potable Water Improvements	\$96,446.49
E. Gravity Wastewater Improvements	\$70,927.35
<b>SUBTOTAL</b>	<b>\$647,229.61</b>
<b>4. COLLECTOR C STREET (Plum Creek North, Section 3)</b>	
A. Clearing and Rough Cut	\$208,092.43
B. Street Improvements	\$882,279.32
C. Drainage Improvements	\$630,772.62
D. Potable Water Improvements	\$407,556.84
E. Gravity Wastewater Improvements	\$26,768.26
<b>SUBTOTAL</b>	<b>\$2,155,469.46</b>
<b>5. SUBDIVISION IMPROVEMENTS (Plum Creek North, Section 3)</b>	
A. Erosion Controls & Miscellaneous Items	\$122,670.43
B. Clearing and Rough Cut	\$174,603.31
C. Local Residential B Street Improvements	\$735,369.73
D. Cul-De-Sac Access Street Improvements	\$34,560.62
E. Drainage Improvements	\$719,465.36
F. Potable Water Improvements	\$500,987.68
G. Gravity Wastewater Improvements	\$586,268.50
<b>SUBTOTAL</b>	<b>\$2,873,925.63</b>
<b>6. GENERAL (Plum Creek North, Section 4)</b>	
A. Erosion Controls and Miscellaneous Items	\$297,484.65
<b>SUBTOTAL</b>	<b>\$297,484.65</b>
<b>7. SUBDIVISION IMPROVEMENTS (Plum Creek North, Section 4)</b>	
A. Clearing and Rough Cut	\$276,518.00
B. Local Residential B Street Improvements	\$1,137,498.04
C. Alley Street Improvements	\$195,426.61
D. Drainage Improvements	\$1,171,252.97
E. Potable Water Improvements	\$797,048.96
F. Gravity Wastewater Improvements	\$848,841.78
<b>SUBTOTAL</b>	<b>\$4,426,586.36</b>
<b>OVERALL SUBTOTAL</b>	<b>\$12,311,841.48</b>
<b>CONTINGENCY (15%)</b>	<b>\$1,846,776.22</b>
<b>8. ENGINEERING &amp; CONSULTING FEES (Plum Creek North, Section 3)</b>	
	<b>\$550,700.00</b>
<b>9. FEES (Plum Creek North, Section 3)</b>	
	<b>\$490,978.96</b>
<b>10. ENGINEERING &amp; CONSULTING FEES (Plum Creek North, Section 4)</b>	
	<b>\$432,000.00</b>
<b>11. FEES (Plum Creek North, Section 4)</b>	
	<b>\$652,688.22</b>
<b>GRAND TOTAL</b>	<b>\$16,284,984.88</b>

**NOTES:**

1. This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction bids may vary
2. Engineer's OPC is based on a preliminary layout of Neighborhoods 3+4 provided by TBG dated January 7, 2021, without any engineering plans.
3. Dry utility cost associated with electric, gas, cable and telecom is not included.
4. Hardscape and landscaping is not included.
5. Developer soft costs are not included
6. Unit prices were taken from Liberty Civil, 2019.
7. Geotech report not available at this time to verify pavement sections. High P.I. areas requiring moisture barrier are excluded and are assumed to be part
8. Homebuilder sidewalks are excluded in the estimate.
9. Assumes spoils are stockpiled onsite for future phase use. Haul off cost is not included.
10. Offsite street extension included with subdivision costs.



**PLUM CREEK NORTH IMPROVEMENT AREA #3**  
**Streets, Drainage, Water, and Wastewater Improvements**  
**OPINION OF PROBABLE COST**  
 January 26, 2021

<b>1. GENERAL</b>					
<b>A. Erosion Controls &amp; Miscellaneous Items</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
A1	Mobilization	LS	\$150,000.00	1	\$150,000.00
A2	Furnish and install temporary silt fence within limits of construction - complete in place & maintain during construction	LF	\$2.29	18,450	\$42,250.50
A3	Furnish and install rock berm - complete in place	LF	\$21.80	449	\$9,788.20
A4	Furnish and install stabilized construction entrance - complete in place & maintain during construction	EA	\$1,509.47	1	\$1,509.47
A5	Furnish and install inlet protection - complete in place & maintain during construction	EA	\$76.29	121	\$9,231.09
A6	Furnish and install topsoil (4" depth) and hydromulch for permanent erosion control in disturbed ROW - complete in place	SY	\$2.08	25,144	\$52,300.44
A7	Furnish and install hydromulch for permanent erosion control in all disturbed areas outside of ROW - complete in place	SY	\$2.08	25,144	\$52,300.44
A8	Site demolition	LS	\$8,000.00	1	\$8,000.00
A9	Furnish and Install Street Lights	EA	\$4,000.00	37	\$148,000.00
A10	Furnish and Install Irrigation Sleeves	LF	\$25.00	200	\$5,000.00
<b>SUBTOTAL</b>					<b>\$478,380.15</b>
<b>2. SUBDIVISION IMPROVEMENTS</b>					
<b>A. Clearing and Rough Cut</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
A1	Clear and grub (all disturbed areas including ROW, channels)	AC	\$1,307.84	21.20	\$27,726.21
A2	Excavation (ROW)	CY	\$10.00	29,148	\$291,481.48
A3	Embankment (ROW) FILL	CY	\$5.00	20,404	\$102,018.52
<b>SUBTOTAL</b>					<b>\$421,226.21</b>
<b>B. Local Residential B Street Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
B1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	61,211	\$115,689.00
B2	Furnish and install 2" Type D HMAc in accordance with the geotech report - complete in place	SY	\$11.18	43,722	\$488,814.44
B3	Furnish and install 8" crushed limestone base to 3 feet behind back of curb in accordance with the geotech report - complete in place	SY	\$8.89	61,211	\$544,166.78
B5	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.42	31,480	\$485,421.60
B6	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads - complete in place	EA	\$1,030.20	39	\$40,177.80
B7	Furnish and install pavement marking and signage - complete in place	LS	\$14,849.47	1	\$14,849.47
B8	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	LS	\$5,994.28	1	\$5,994.28
B9	Furnish and install 4' wide developer sidewalk - complete in place	LF	\$23.16	1,000	\$23,160.00
B10	Furnish and install concrete valley gutter - complete in place	EA	\$6,373.77	8	\$50,990.16
<b>SUBTOTAL</b>					<b>\$1,769,263.53</b>
<b>C. Local Residential Street (33' Pavement Section) Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
C1	Subgrade preparation to 3 feet behind back of curb - complete in place	SY	\$1.89	12,044	\$22,764.00
C2	Furnish and install 2" Type D HMAc in accordance with the geotech report - complete in place	SY	\$11.18	9,033	\$100,992.67
C3	Furnish and install 8" crushed limestone base to 3 feet behind back of curb in accordance with the geotech report - complete in place	SY	\$8.89	12,044	\$107,075.11
C4	Furnish and install standard 6" concrete curb and gutter - complete in place	LF	\$15.42	5,420	\$83,576.40
C5	Furnish and install Type I curb ramps and 4' x 4' concrete landing pads - complete in place	EA	\$1,030.20	21	\$21,634.20
C6	Furnish and install pavement marking and signage - complete in place	LS	\$14,849.47	1	\$14,849.47
C7	Provide temporary traffic control during construction, including barricades, construction signs, temporary pavement markings, and channelizing devices - complete in place	LS	\$5,994.28	1	\$5,994.28
C8	Furnish and install 4' wide developer sidewalk - complete in place	LF	\$23.16	300	\$6,948.00
C9	Furnish and install concrete valley gutter - complete in place	EA	\$6,373.77	4	\$25,495.08
<b>SUBTOTAL</b>					<b>\$389,329.21</b>

<b>D. Drainage Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
D1	Furnish and install 18-inch Class III RCP storm sewer including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$53.07	2,500	\$132,675.00
D2	Furnish and install 24-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$70.98	5,900	\$418,782.00
D3	Furnish and install 30-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$86.91	2,415	\$209,887.65
D4	Furnish and install 36-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$118.43	1,125	\$133,233.75
D5	Furnish and install 42-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$151.53	347	\$52,580.91
D6	Furnish and install 48-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$185.22	960	\$177,811.20
D7	Furnish and install 54-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$200.00	545	\$109,000.00
D8	Furnish and install 60-inch Class III RCP storm sewer (all depths) including pipe, joints, bedding, and all other appurtenances - complete in place	LF	\$207.00	450	\$93,150.00
D9	Furnish and install 4' X 3' Box Culvert - complete in place	LF	\$350.00	360	\$126,000.00
D10	Furnish and install 6' x 4' Box Culvert - complete in place	LF	\$400.00	236	\$94,400.00
D11	Furnish and install 30" Headwall Outlet Structure - complete in place	EA	\$10,000.00	2	\$20,000.00
D12	Furnish and install 2 - 4' X 3' Headwall Outlet Structure - complete in place	LF	\$30,000.00	2	\$60,000.00
	Furnish and install 3 - 4' X 3' Headwall Outlet Structure - complete in place	LF	\$40,000.00	2	\$80,000.00
D14	Furnish and install 10' curb inlet (all depths) per City of Austin standard detail - complete in place	EA	\$4,427.86	120	\$531,343.20
D15	Furnish and install 4' x 4' junction box - complete in place	EA	\$4,500.00	19	\$85,500.00
D16	Furnish and install 5' x 5' junction box - complete in place	EA	\$5,500.00	8	\$44,000.00
D17	Furnish and install 6' x 6' junction box - complete in place	EA	\$7,000.00	1	\$7,000.00
D19	Furnish and install 4' x 4' grate inlet - complete in place	EA	\$3,709.33	1	\$3,709.33
D20	Furnish and install (4' dia) storm sewer manhole (all depths) - complete and in place	EA	\$3,044.79	20	\$60,895.80
D21	Furnish and install (5' dia) storm sewer manhole (all depths) - complete and in place	EA	\$3,620.07	10	\$36,200.70
D24	Furnish and install (8' dia) storm sewer manhole (all depths) - complete and in place	EA	\$8,500.00	1	\$8,500.00
D25	Trench safety systems for stormwater line	LF	\$1.09	14,838	\$16,173.42
D26	Conveyance Channel along boundary	LF	\$18.00	1,490	\$26,820.00
				<b>SUBTOTAL</b>	<b>\$2,527,662.96</b>

<b>E. Potable Water Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
E1	Furnish and install 8-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$38.79	15,740	\$610,554.60
E2	Furnish and install 12-inch C-900 PVC DR-14 water line including pipe, fittings, restraints, bedding, and all other appurtenances (all depths) - complete in place	LF	\$49.56	2,710	\$134,307.60
E3	Furnish and install 8" gate valve - complete in place	EA	\$1,680.06	36	\$60,482.16
E4	Furnish and install 12" gate valve - complete in place	EA	\$2,689.07	7	\$18,823.49
E5	Connect to existing waterline - complete in place	EA	\$1,272.57	4	\$5,090.28
E6	Furnish and install standard fire hydrant assembly, including pipe, fittings, restraints, valve, hydrant, and all required appurtenances - complete in place	EA	\$4,556.29	33	\$150,357.57
E7	Furnish and install 12-inch plug	EA	\$2,690.00	2	\$5,380.00
E8	Furnish and install single service including pipe, valves, meter box and appurtenances - complete in place	EA	\$1,447.72	62	\$89,758.64
E9	Furnish and install double service including pipe, valves, meter box and appurtenances - complete in place	EA	\$1,859.15	178	\$330,928.70
E10	Furnish and install air release valve including all appurtenances - complete in place	EA	\$3,710.74	3	\$11,132.22
E11	Trench safety systems for waterline	LF	\$0.54	18,450	\$9,963.00
				<b>SUBTOTAL</b>	<b>\$1,426,778.26</b>

<b>F. Gravity Wastewater Improvements</b>					
<b>Bid Item</b>	<b>Description</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Quantity</b>	<b>Amount</b>
F1	Furnish and install 8-inch SDR-26 PVC gravity wastewater pipe (ASTM D3034) including pipe, joints, bedding, and all other appurtenances (all depths) - complete in place **Measured to the interior wall of the MH	LF	\$49.51	18,450	\$913,459.50
F2	Furnish and install 4-ft diameter wastewater manhole (all depths) - complete in place	EA	\$4,525.76	52	\$234,434.37
F3	Connect to wastewater stub	EA	\$2,573.75	4	\$10,295.00
F4	Furnish and install single service connection, per detail - complete in place	EA	\$2,072.62	62	\$128,502.44
F5	Furnish and install double service connection, per detail - complete in place	EA	\$2,316.29	178	\$412,299.62
F6	Trench safety systems for wastewater line	LF	\$1.09	18,450	\$20,110.50
				<b>SUBTOTAL</b>	<b>\$1,719,101.43</b>



<b>3. ENGINEERING &amp; CONSULTING FEES</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Eng-Bidding	LS	\$8,000.00	1	\$8,000.00
2	Eng-Civil Design	LS	\$525,600.00	1	\$525,600.00
3	Eng-Construction Phase Services	LS	\$25,000.00	1	\$25,000.00
4	Survey-Final Plat	LS	\$150,000.00	1	\$150,000.00
<b>SUBTOTAL</b>					<b>\$708,600.00</b>

<b>4. FEES</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	Preliminary Plat Review Fee (\$1,002.58 + \$6.04 per lot + \$150 fire review)	LOTS	\$6.04	438	\$3,798.10
2	Construction Plan Review Fee (\$1,838.52 + 1.5% of the value of improvements)	%	1.5%	9,462,568.30	\$143,777.04
3	Construction Inspection Fee	%	2%	9,462,568.30	\$189,251.37
4	Final Plat Review Fee (\$1,142.76 + \$18.11 per acre + \$150 fire review)	AC	\$18.11	101.7	\$3,134.55
5	Parkland Improvement Fee	LOTS	\$750.00	418	\$313,500.00
6	Parkland Dedication Fee	LOTS	\$750.00	418	\$313,500.00
<b>SUBTOTAL</b>					<b>\$966,961.06</b>

<b>Summary - Construction</b>	
<b>1. GENERAL</b>	
A. Erosion Controls and Miscellaneous Items	\$478,380.15
<b>SUBTOTAL</b>	<b>\$478,380.15</b>
<b>2. SUBDIVISION IMPROVEMENTS</b>	
A. Clearing and Rough Cut	\$421,226.21
B. Local Residential B Street Improvements	\$1,769,263.53
C. Local Residential Street (33' Pavement Section) Improvements	\$389,329.21
D. Drainage Improvements	\$2,527,662.96
E. Potable Water Improvements	\$1,426,778.26
F. Gravity Wastewater Improvements	\$1,719,101.43
<b>SUBTOTAL</b>	<b>\$8,253,361.60</b>
<b>OVERALL SUBTOTAL</b>	<b>\$8,731,741.74</b>
<b>CONTINGENCY (15%)</b>	<b>\$1,309,761.26</b>
<b>3. ENGINEERING &amp; CONSULTING FEES</b>	<b>\$708,600.00</b>
<b>4. FEES</b>	<b>\$966,961.06</b>
<b>GRAND TOTAL</b>	<b>\$11,717,064.06</b>

**NOTES:**

- This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction bids may vary significantly due to timing of construction, changing conditions, the competitive nature of the market, labor rate changes, or other factors.
- Engineer's OPC is based on a preliminary layout of Neighborhoods 5 provided by TBG dated January 21, 2021, without any engineering plans and is subject to change.
- Dry utility cost associated with electric, gas, cable and telecom is not included.
- Hardscape and landscaping is not included.
- Developer soft costs are not included
- Unit prices were taken from Liberty Civil, 2019.
- Geotech report not available at this time to verify pavement sections. High P.I. areas requiring moisture barrier are excluded and are assumed to be part of the contingency.
- Homebuilder sidewalks are excluded in the estimate.
- Assumes spoils are stockpiled onsite. Haul off cost is not included.
- Offsite street extension included with the subdivision costs.



**PLUM CREEK NORTH MAJOR IMPROVEMENT AREA  
Drainage, Water, and Wastewater Improvements  
CONSTRUCTION COST**

<b>1. OFFSITE WATER AND WASTEWATER IMPROVEMENTS</b>					
<b>A. Erosion Controls</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
A1	Silt Fence	LF	\$2.60	12,024.00	\$31,262.40
A2	Stabilized Construction Entrance	EA	\$1,400.00	5	\$7,000.00
A3	Reinforced Rock Berm	LF	\$25.00	200	\$5,000.00
A4	Revegetation (ROW and Easments)	SY	\$0.85	89,008	\$75,656.80
<b>SUBTOTAL</b>					<b>\$118,919.20</b>
<b>B. Water Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
B1	12" C-900 PVC DR-14 Water Line	LF	\$52.00	6,969	\$362,388.00
B2	12" Gate Valve	EA	\$2,650.00	20	\$53,000.00
B3	Air Release Valve	EA	\$2,000.00	2	\$4,000.00
B4	12" Pipe Spacers for use in existing encasement pipe	LF	\$45.00	250	\$11,250.00
B5	Cut existing encasement pipe & remove	LS	\$1,000.00	1	\$1,000.00
B6	Tie to Existing Water Line	EA	\$3,000.00	1	\$3,000.00
B7	Fire Hydrant Assembly (6" Gate Valve Included)	EA	\$4,700.00	15	\$70,500.00
B8	Ductile Iron Fittings	TN	\$4,900.00	1	\$6,860.00
B9	Testing	LS	\$6,000.00	1	\$6,000.00
B10	Trench Safety	LF	\$1.00	6,969	\$6,969.00
<b>SUBTOTAL</b>					<b>\$524,967.00</b>
<b>C. Wastewater Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
C1	8" SDR-26 PVC Wastewater Line (All Depths)	LF	\$60.00	648	\$38,880.00
C2	10" SDR-26 PVC Wastewater Line (All Depths)	LF	\$66.00	868	\$57,288.00
C3	15" SDR-26 PVC Wastewater Line (All Depths)	LF	\$76.00	613	\$46,588.00
C4	18" SDR-26 PVC Wastewater Line (All Depths)	LF	\$82.00	3,682	\$301,924.00
C5	21" SDR-26 PVC Wastewater Line (10'-12')	LF	\$100.00	779	\$77,900.00
C6	21" SDR-26 PVC Wastewater Line (>12')	LF	\$110.00	3,022	\$332,420.00
C7	4' Watertight Wastewater Manhole w/ Bolted Cover (All Depths)	EA	\$5,100.00	5	\$25,500.00
C8	4' Watertight Vented Wastewater Manhole w/ Bolted Cover (All Depths)	EA	\$7,600.00	1	\$7,600.00
C9	5' Std Wastewater Manhole w/ Bolted Cover (All Depths)	EA	\$9,200.00	13	\$119,600.00
C10	5' Std Vented Wastewater Manhole w/ Bolted Cover (All Depths)	EA	\$11,500.00	9	\$103,500.00
C11	5' Watertight Wastewater Manhole w/ Bolted Cover (All Depths)	EA	\$6,600.00	3	\$19,800.00
C12	5' Watertight Vented Wastewater Manhole w/ Bolted Cover (All Depths)	EA	\$9,500.00	2	\$19,000.00
C13	24" Bore and Encasement Pipe	LF	\$465.00	104	\$48,360.00
C14	30" Bore and Encasement Pipe	LF	\$565.00	264	\$149,160.00
C15	Manhole Drop Structure	EA	\$2,500.00	3	\$7,500.00
C16	Trench Safety	LF	\$1.00	9,642	\$9,642.00
C17	Testing	LS	\$14,000.00	1	\$14,000.00
C18	Tie to Existing Manhole	EA	\$14,000.00	1	\$14,000.00
<b>SUBTOTAL</b>					<b>\$1,392,662.00</b>
<b>D. Miscellaneous Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
D1	Mobilization	LS	\$80,000.00	1	\$80,000.00
D2	Mobilization (Change Order #3)	LS	\$1.00	4,301	\$4,301.00
D3	Clearing and Grubbing (Limits of Construction)	AC	\$3,500.00	18	\$63,945.00
D4	Stockpile Spoils On Site (w/ Silt Fence)	LS	\$30,000.00	1	\$30,000.00
<b>SUBTOTAL</b>					<b>\$178,246.00</b>
<b>E. Change Orders</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
1	12" SDR-26 PVC Wastewater Line (All Depths)	LF	\$73.00	30	\$2,190.00
2	Added Testing	LS	\$640.00	1	\$640.00
3	Plug Existing Stub Out Holes	EA	\$449.18	7	\$3,144.26
4	Add 30' of 30" Casing Open Cut	LS	\$10,984.20	1	\$10,984.20
5	Plan Revisions SH 22	LS	\$7,785.20	1	\$7,785.20
6	8" SDR-26 PVC Wastewater Line (All Depths)	LF	\$60.00	190	\$11,400.00
7	12" SDR-26 PVC Wastewater Line (All Depths)	LF	\$73.00	854	\$62,342.00
8	4' Watertight Wastewater Manhole w/ Bolted Cover (All Depths)	EA	\$5,100.00	4	\$20,400.00
9	Trench Safety	LF	\$1.00	1,044	\$1,044.00
10	Testing	LS	\$1.00	1,600	\$1,600.00
<b>SUBTOTAL</b>					<b>\$121,529.66</b>

<b>2. REGIONAL DETENTION POND</b>					
<b>A. Erosion Controls</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
A1	Silt Fence	LF	\$2.30	14,653.00	\$33,701.90
A2	Stabilized Construction Entrance	EA	\$1,000.00	1	\$1,000.00
A3	Concrete Washout	EA	\$1,000.00	1	\$1,000.00
A4	Revegetation (Open Space Areas)	SY	\$0.65	396,226	\$257,546.90
A5	Temporary Rock Berm	LF	\$30.00	603	\$18,090.00
<b>SUBTOTAL</b>					<b>\$311,338.80</b>
<b>B. Earthwork</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
B1	North & South Channel Excavation	CY	\$3.50	52,900	\$185,150.00
B2	North & South Channel Embankment	CY	\$3.00	700	\$2,100.00
B3	Dam Key Excavation	CY	\$9.00	40,000	\$360,000.00
B4	Dam Key Base and Berm Embankment	CY	\$5.50	90,100	\$495,550.00
B5	Clay Mining Field Excavation	CY	\$1.80	39,900	\$71,820.00
B6	Clay Mining Field Embankment	CY	\$1.00	26,100	\$26,100.00
<b>SUBTOTAL</b>					<b>\$1,140,720.00</b>
<b>C. Utility Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
C1	Demo Ex. Water Line	LS	\$3,500.00	1	\$3,500.00
C2	Tie to Ex. Water Line	EA	\$3,000.00	2	\$6,000.00
C3	12" C-900 PVC DR-14 Water Line	LF	\$105.00	124	\$13,020.00
C4	Ductile Iron Fittings	TN	\$16,500.00	0.17	\$2,805.00
C5	Testing	LS	\$4,400.00	1	\$4,400.00
C6	Trench Safety	LF	\$3.30	124	\$409.20
C7	Replace Manhole Cover with Water Tight Ring and Cover	EA	\$2,200.00	4	\$8,800.00
C8	Extend Wastewater Manhole Vest	EA	\$2,800.00	2	\$5,600.00
<b>SUBTOTAL</b>					<b>\$44,534.20</b>
<b>D. Drainage Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
D1	Structural Concrete Outlet Structure	LS	\$54,000.00	1	\$54,000.00
D2	Pedestrian Handrail (COA 707S-1)	LF	\$125.00	94	\$11,750.00
D3	Landlok 450 Turf Reinforcement Matting	SY	\$10.00	2,068	\$20,680.00
D4	18" Gabion Matress	SY	\$90.00	927	\$83,430.00
D5	12" Concrete Drop Structures	EA	\$20,500.00	6	\$123,000.00
D6	10" to 18" Rock Rip Rap	SY	\$60.00	271	\$16,260.00
<b>SUBTOTAL</b>					<b>\$309,120.00</b>
<b>E. Miscellaneous Improvements</b>					
Bid Item	Description	Unit	Unit Price	Quantity	Amount
E1	Mobilization	LS	\$96,000.00	1	\$96,000.00
E2	Demo Ex. Fence	LS	\$3,000.00	1	\$3,000.00
E3	Clear and Grub	AC	\$400.00	81.9	\$32,760.00
<b>SUBTOTAL</b>					<b>\$131,760.00</b>

<b>Summary - Construction</b>	
<b>1. OFFSITE WATER AND WASTEWATER IMPROVEMENTS</b>	
A. Erosion Controls	\$118,919.20
B. Water Improvements	\$524,967.00
C. Wastewater Improvements	\$1,392,662.00
D. Miscellaneous Improvements	\$178,246.00
E. Change Orders	\$121,529.66
<b>SUBTOTAL</b>	<b>\$2,336,323.86</b>
<b>COST PARTICIPATION SUBTOTAL</b>	
<b>2. REGIONAL DETENTION POND</b>	
A. Erosion Controls	\$311,338.80
B. Earthwork	\$1,140,720.00
C. Utility Improvements	\$44,534.20
D. Drainage Improvements	\$309,120.00
E. Miscellaneous Improvements	\$131,760.00
<b>SUBTOTAL</b>	<b>\$1,937,473.00</b>
<b>LENNAR COST PARTICIPATION (40.1%) SUBTOTAL</b>	
<b>\$776,926.67</b>	
<b>OVERALL SUBTOTAL</b>	
<b>\$3,113,250.53</b>	
<b>GRAND TOTAL</b>	
<b>\$3,113,250.53</b>	

### Plum Creek North - Full Masterplan - Opinion of Probable Construction Costs

Cost is for items to be in design scope of TBG only. Civil and Architecture by others. All areas within this Opinion of Probable Construction Costs are associated with the main entry, roundabout and main entrance roadway and collector street landscape, including public parks. Amenity Centers and residential streets are not included.

Prepared by TBG Partners - 05/10/2021

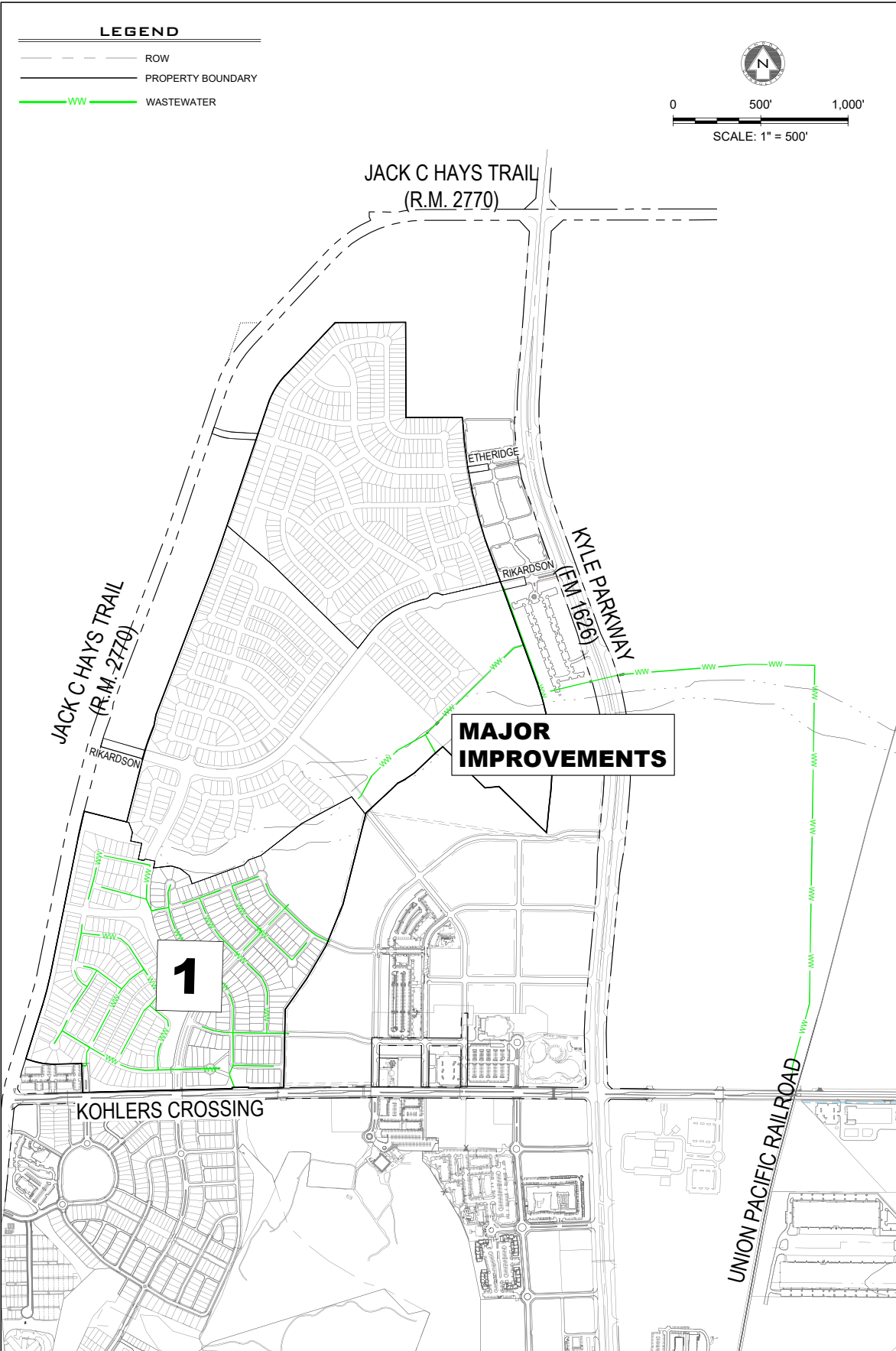
#### Masterplan - Full Buildout

ITEM	UNIT	QTY.	UNIT COST	TOTAL	REMARKS
<b>Improvement Area 1</b>					
Collector Road and Pocket Park - Landscape	Allow	1	\$ 728,910.00	\$ 728,910.00	
Collector Road A - Landscape	LF	0	\$ 200.00	\$ -	
Collector Road B - Landscape	LF	734	\$ 278.03	\$ 204,076	
Collector Road C - Landscape	LF	1,562	\$ 299.95	\$ 468,521	
Masonry Wall - Type 1 (Upgraded)	LF	1,400	\$ 198.00	\$ 277,200.00	
Masonry Wall - Type 2 (Standard)	LF	4,198	\$ 105.00	\$ 440,790.00	
Perimeter Wall - Type 1 (Upgraded)	LF	243	\$ 222.00	\$ 53,946.00	
Perimeter Wall - Type 2 (Standard)	LF	728	\$ 125.00	\$ 91,000.00	
Stone Wall - Type 1 (Upgraded)	LF	843	\$ 222.00	\$ 187,146	
Stone Wall - Type 2 (Standard)	LF	2,528	\$ 125.00	\$ 316,000	
Round about Wall	Allow	1	\$ 30,000.00	\$ 30,000.00	
Roundabout	EA	1	\$ 69,950.00	\$ 69,950	
Neighborhood Entry Monument Column	EA	4	\$ 7,500.00	\$ 30,000.00	
Main Entry Wall	Allow	2	\$ 75,000.00	\$ 150,000.00	
Pocket Park 1	Allow	1	\$ 91,000.00	\$ 91,000.00	
Pocket Park 2	SF	20,000	\$ 8.50	\$ 170,000.00	
Park Open Space and Trails	SF	125,692	\$ 2.50	\$ 314,230	
<b>Improvement Area 1 - Subtotal</b>				<b>\$ 3,622,769</b>	
<b>Improvement Area 2</b>					
Collector Road A - Landscape	LF	0	\$ 200.00	\$ -	
Collector Road B - Landscape	LF	3,715	\$ 278.03	\$ 1,032,891	
Collector Road C - Landscape	LF	1,018	\$ 299.95	\$ 305,349	
Neighborhood Entry Column	EA	5	\$ 7,500.00	\$ 37,500	
Secondary Entry Monument	EA	2	\$ 50,000.00	\$ 100,000	
Masonry Wall - Type 1 (Upgraded)	LF	1,609	\$ 198.00	\$ 318,582	
Masonry Wall - Type 2 (Standard)	LF	4,825	\$ 105.00	\$ 506,625	
Pocket Park	SF	25,000	\$ 8.50	\$ 212,500	
Pocket Park	SF	21,655	\$ 8.50	\$ 184,068	
Roundabout	EA	3	\$ 69,950.00	\$ 209,850	
Drainage Open Space and Trails	SF	870,380	\$ 0.50	\$ 435,190	
<b>Improvement Area 2 - Subtotal</b>				<b>\$ 3,342,554</b>	
<b>Improvement Area 3</b>					
Collector Road A - Landscape	LF	0	\$ 200.00	\$ -	
Collector Road B - Landscape	LF	0	\$ 278.03	\$ -	
Collector Road C - Landscape	LF	0	\$ 299.95	\$ -	
Neighborhood Entry Column	EA	1	\$ 7,500.00	\$ 7,500	
Secondary Entry Monument	EA	1	\$ 50,000.00	\$ 50,000	
Masonry Wall - Type 1 (Upgraded)	LF	335	\$ 198.00	\$ 66,330	
Masonry Wall - Type 2 (Standard)	LF	1,004	\$ 105.00	\$ 105,420	
Pocket Park	SF	67,500	\$ 8.50	\$ 573,750	
Roundabout	EA	0	\$ 69,950.00	\$ -	
Drainage Open Space and Trails	SF	0	\$ 0.50	\$ -	
<b>Improvement Area 3 - Subtotal</b>				<b>\$ 803,000</b>	
all items by TBG					
<b>Full Landscape Masterplan - Subtotal</b>				<b>\$ 7,768,323</b>	
Construction Contingency 10%				\$ 776,832	
<b>Landscape, Walls, Pocket Parks and Signage Total</b>				<b>\$ 8,545,155</b>	
A/E Design Fee (Soft Cost) - Improvement Area 1				\$ 543,415	
A/E Design Fee (Soft Cost) - Improvement Area 2				\$ 501,383	
A/E Design Fee (Soft Cost) - Improvement Area 3				\$ 120,450	

# **APPENDIX 3**

## **OVERALL IMPROVEMENTS MAP:**

### **WASTEWATER**

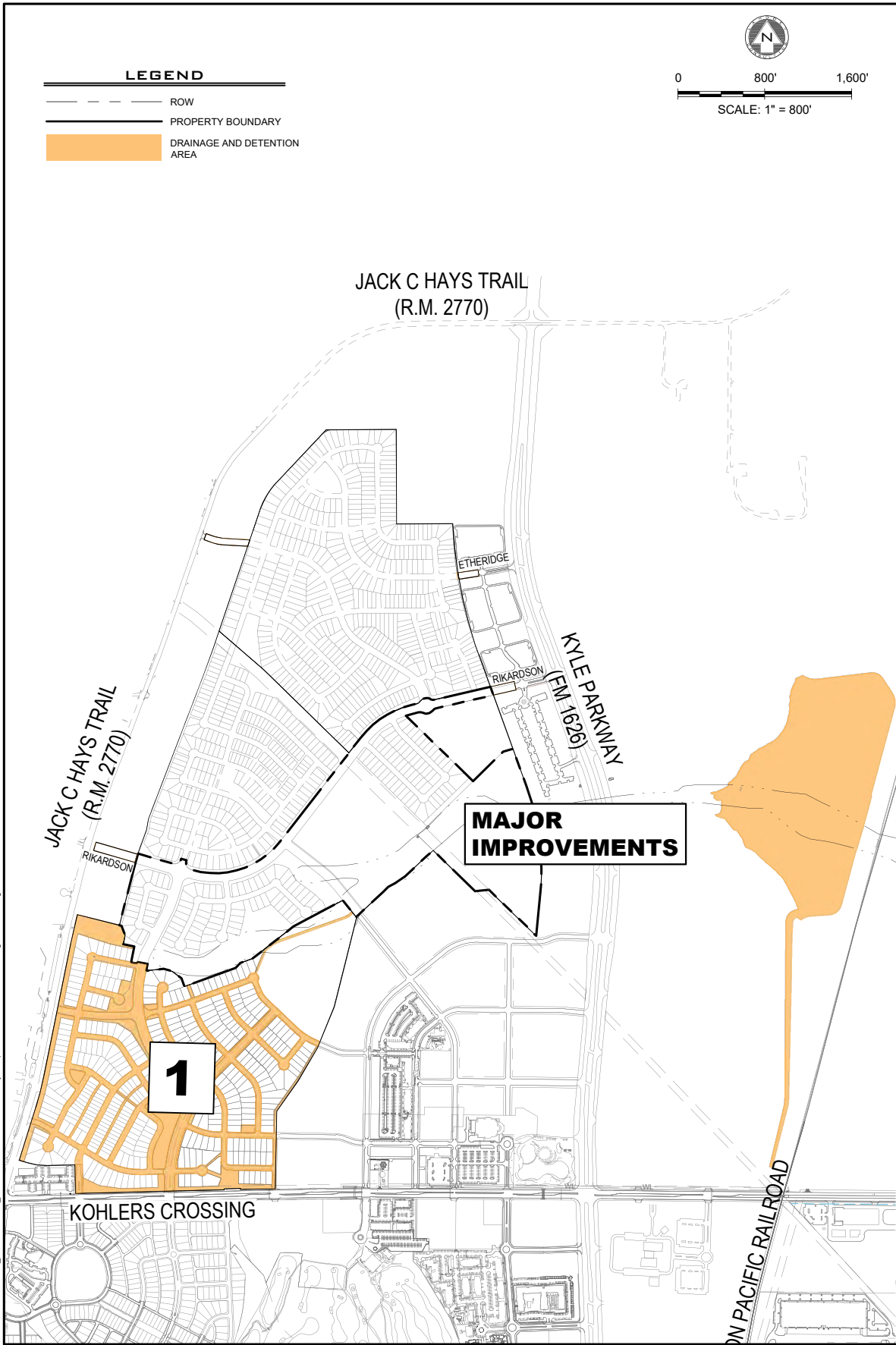


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**PLUM CREEK NORTH**

OVERALL AREA IMPROVEMENTS - WASTEWATER  
 KYLE, HAYS COUNTY, TEXAS  
 AUGUST, 2021

**APPENDIX 4**  
**OVERALL IMPROVEMENTS MAP:**  
**DRAINAGE**



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**PLUM CREEK NORTH**  
 OVERALL AREA IMPROVEMENTS - DRAINAGE  
 KYLE, HAYS COUNTY, TEXAS  
 AUGUST, 2021



# **APPENDIX 5**

## **OVERALL IMPROVEMENTS MAP:**

### **POTABLE WATER**

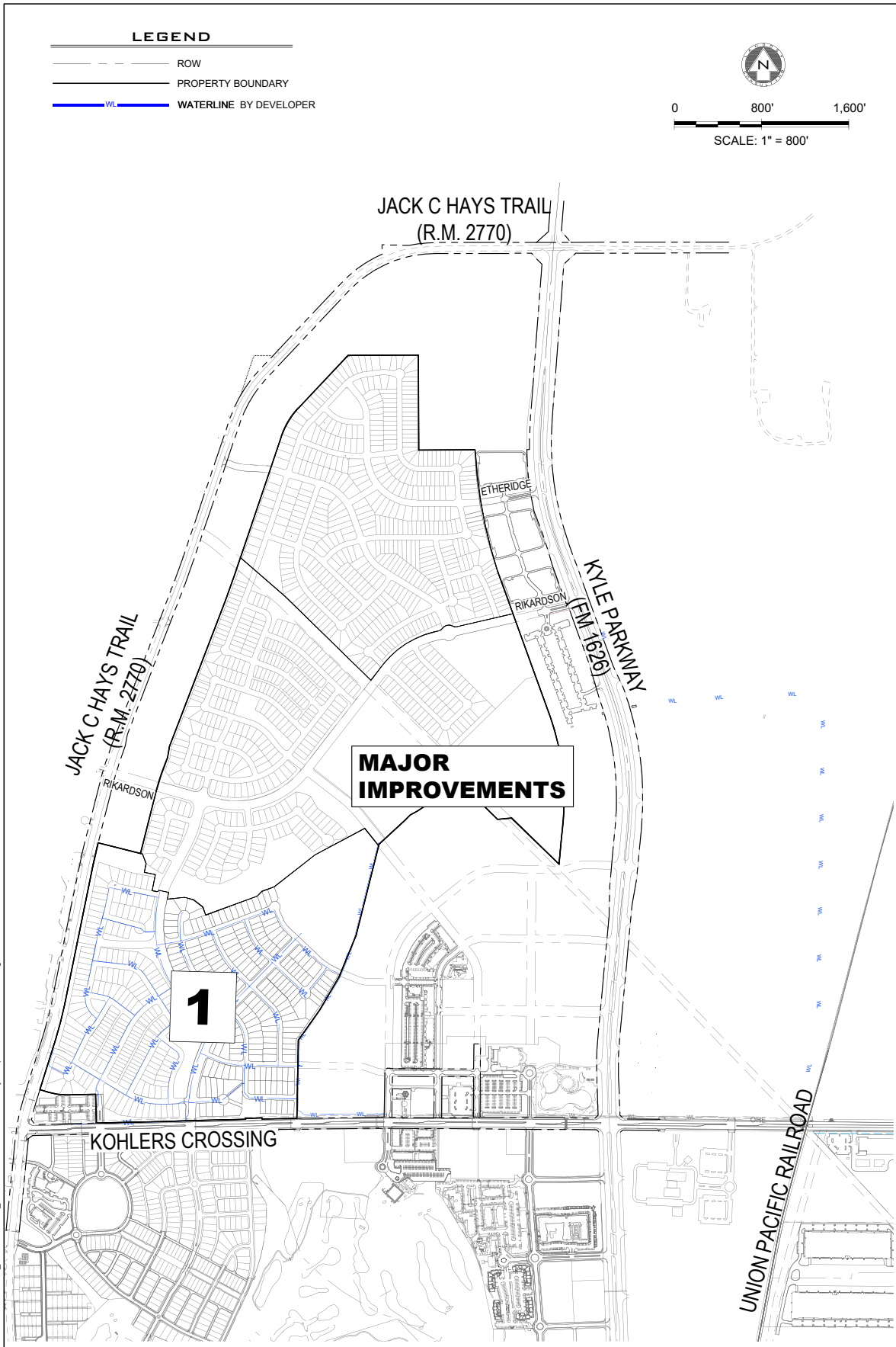
**LEGEND**

- ROW
- PROPERTY BOUNDARY
- WL WATERLINE BY DEVELOPER



0 800' 1,600'

SCALE: 1" = 800'



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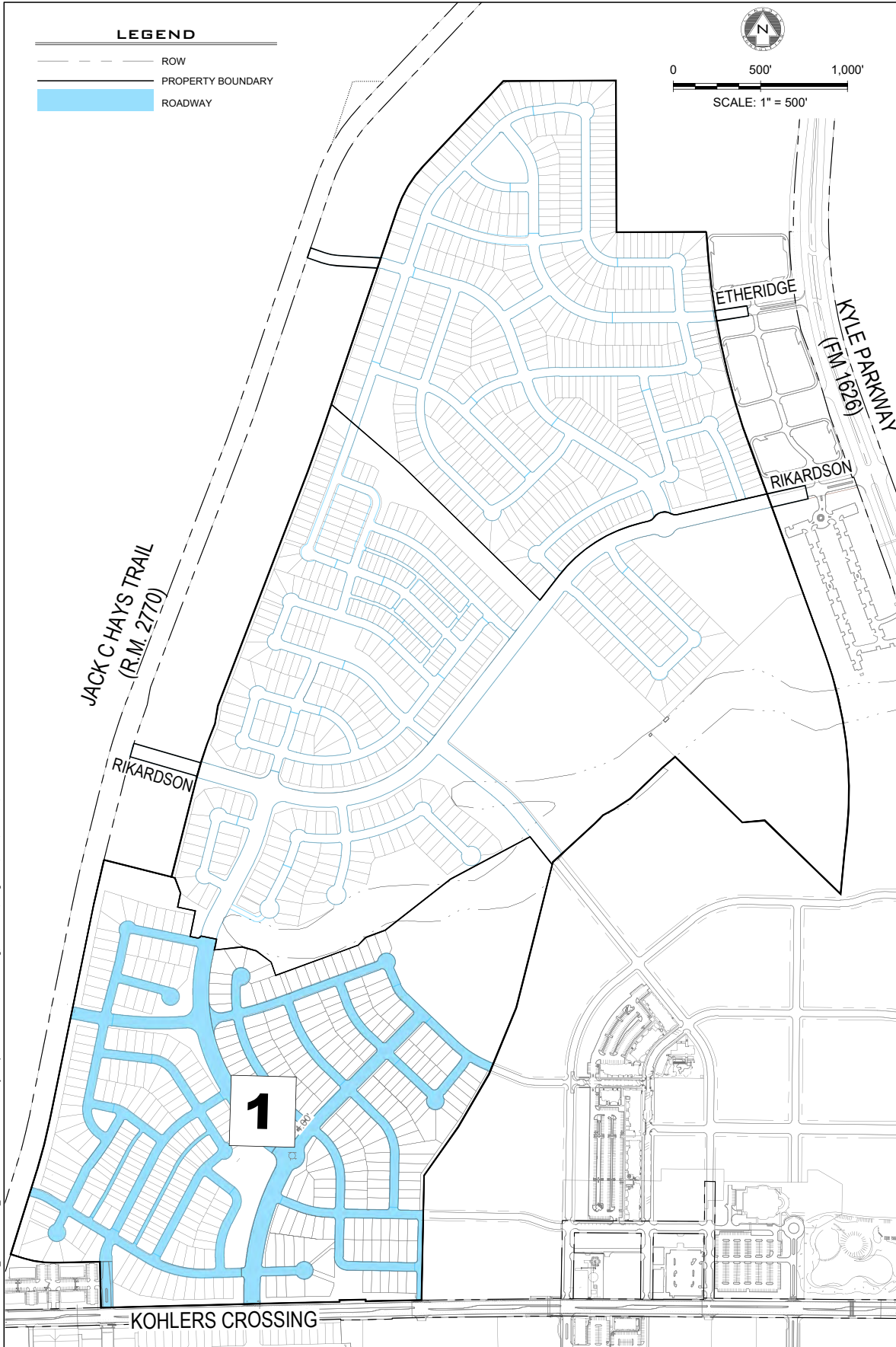
**PLUM CREEK NORTH**

OVERALL AREA IMPROVEMENTS - WATER  
KYLE, HAYS COUNTY, TEXAS  
OCTOBER, 2021

# **APPENDIX 6**

## **OVERALL IMPROVEMENTS MAP:**

### **STREETS**



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**PLUM CREEK NORTH**  
 OVERALL AREA IMPROVEMENTS - STREETS  
 KYLE, HAYS COUNTY, TEXAS  
 AUGUST, 2021

**APPENDIX 7**  
**IMPROVEMENT AREA #1 MAP:**  
**WASTEWATER**