PRELIMINARY LIMITED OFFERING MEMORANDUM DATED OCTOBER 4, 2024

NEW ISSUE NOT RATED

THE BONDS ARE INITIALLY OFFERED 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 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.



\$5,463,000* CITY OF KYLE, TEXAS

(a municipal corporation of the State of Texas located in Hays County) SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)

Dated Date: October 30, 2024 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 2024 (Plum Creek North Public Improvement District Improvement Area #2 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 March 1, 2025*, 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 October 15, 2024, and an Indenture of Trust, dated as of October 1, 2024 (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 Improvement Area #2 Improvements, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the Actual Costs incidental to the administration of the District, and (v) paying the costs of issuance of the Bonds. See "THE IMPROVEMENT AREA #2 IMPROVEMENTS" and "APPENDIX B — Form of Indenture."

The Bonds Similarly Secured, which term includes the Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Trust Estate (as defined herein), including the Pledged Revenues (as defined herein, which consist primarily of the revenue from the Improvement Area #2 Assessments (as defined herein) levied against assessed parcels in Improvement Area #2 of the Plum Creek North Public Improvement District (the "District") in accordance with a Service and Assessment Plan (as defined herein) and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. The Bonds are not payable from funds raised or to be raised from taxation. The Improvement Area #2 Assessments and the assessments (the "Major Improvement Area Bonds (as defined herein) are first and prior liens, on parity, against the Improvement Area #2 Assessed Property. The Major Improvement Areas Assessments are not security for the Bonds. See "SECURITY FOR THE BONDS SIMILARLY SECURED." The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption "DESCRIPTION OF THE BONDS — Redemption Provisions."

The Bonds involve a significant degree of risk and are not suitable for all investors. See "BONDHOLDERS' RISKS" and "SUITABILITY FOR INVESTMENT." The Underwriter is limiting this offering to Qualified Institutional Buyers and Accredited Investors. The limitation of the initial offering to Qualified Institutional Buyers and Accredited Investors does not denote restrictions on transfers in any secondary market for the Bonds. 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 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. SEE "SECURITY FOR THE BONDS SIMILARLY SECURED."

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 Norton Rose Fulbright US 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 City Attorney, 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 October 30, 2024 (the "Closing Date").



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

				CUSIP Pref	ïx:	(a) —
	` 1 1	\$5,463,000* CITY OF KYLE, TEXAS ation of the State of Texas loc ESSMENT REVENUE BOND IPROVEMENT DISTRICT IN	OS, SERIES 20	24	PROJECT)	
	\$% Term Bonds	, Due September 1, 20, Price	ed to Yield	_%; CUSIP _	(a) (b) (c)	
	\$% Term Bonds	, Due September 1, 20, Price	ed to Yield	_%; CUSIP _	(a) (b) (c)	
(a)	CUSIP numbers are included solely for the Bankers Association. CUSIP data herein on behalf of the American Bankers Assosubstitute for the service provided by CG Financial Advisor and the Underwriter do	is provided by CUSIP Global Service ciation. This data is not intended to S. CUSIP numbers are provided for	s ("CGS"), manag create a database r convenience of r	ed by FactSet Res and does not serve ference only. T	earch Systems re in any way	Inc. as a
(b)	The Bonds are subject to redemption, in vafter September 1, 20, such redemption thereof, plus accrued interest to the date of	date or dates to be fixed by the City	, at the redemption	n price of 100% o	f principal amo	ount

The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under

"DESCRIPTION OF THE BONDS — Redemption Provisions."

-

(c)

^{*} Preliminary; subject to change.

CITY OF KYLE, TEXAS

CITY COUNCIL

Name	Place	Term Expires (November)
Travis Mitchell	Mayor	2026
Robert Rizo	Mayor Pro-Tem, Council Member (District 2)	2026
Bear Heiser	Council Member (District 1)	2025
Miguel Zuniga, Ph.D.	Council Member (District 3)	2025
Dr. Lauralee Harris	Council Member (District 4)	2026
Daniela Parsley	Council Member (District 5)	2024
Michael Tobias	Council Member (District 6)	2024

CITY MANAGER

Bryan Langley

ASSISTANT CITY MANAGER

Amber Schmeits

ASSISTANT CITY MANAGER

Jesse Elizondo

CITY SECRETARY

Jennifer Kirkland

CITY FINANCE DIRECTOR

Perwez A. Moheet, CPA

PID ADMINISTRATOR

P3Works, LLC

FINANCIAL ADVISOR TO THE CITY

SAMCO Capital Markets, Inc.

BOND COUNSEL

Norton Rose Fulbright US LLP

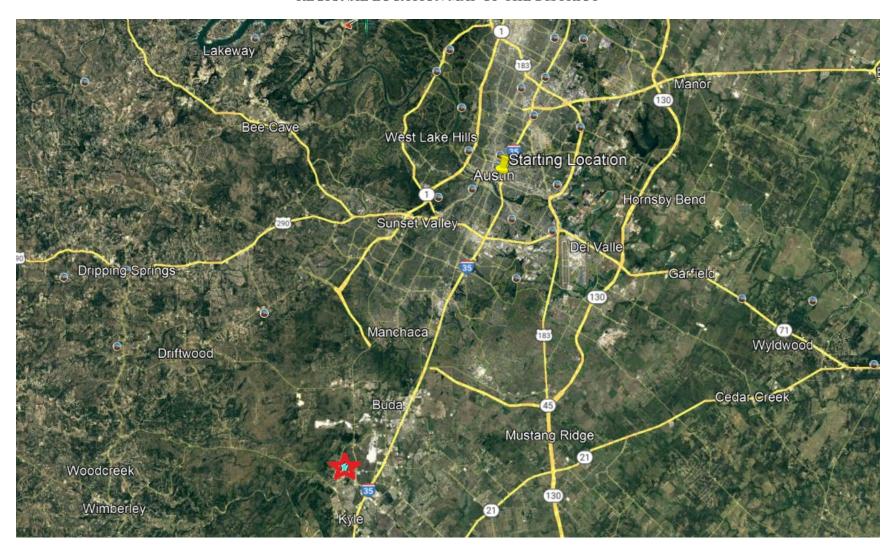
UNDERWRITER'S COUNSEL

Orrick, Herrington & Sutcliffe LLP

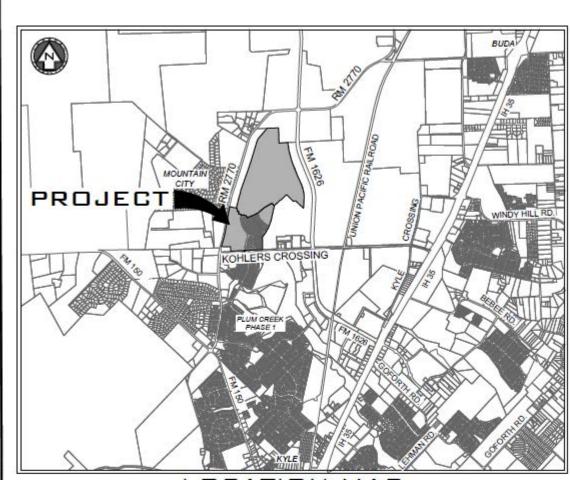
For additional information regarding the City, please contact:

Perwez A. Moheet, CPA	Mark McLiney	Andrew T. Friedman
Director of Finance	Senior Managing Director	Senior Managing Director
City of Kyle, Texas	SAMCO Capital Markets, Inc.	SAMCO Capital Markets, Inc.
100 W. Center Street	1020 NE Loop 410, Suite 640	1020 NE Loop 410, Suite 640
Kyle, Texas 78640	San Antonio, Texas 78209	San Antonio, Texas 78209
(512) 262-1010	(210) 832-9760	(210) 832-9760
pmoheet@cityofkyle.com	mmcliney@samcocapital.com	afriedman@samcocapital.com

REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT

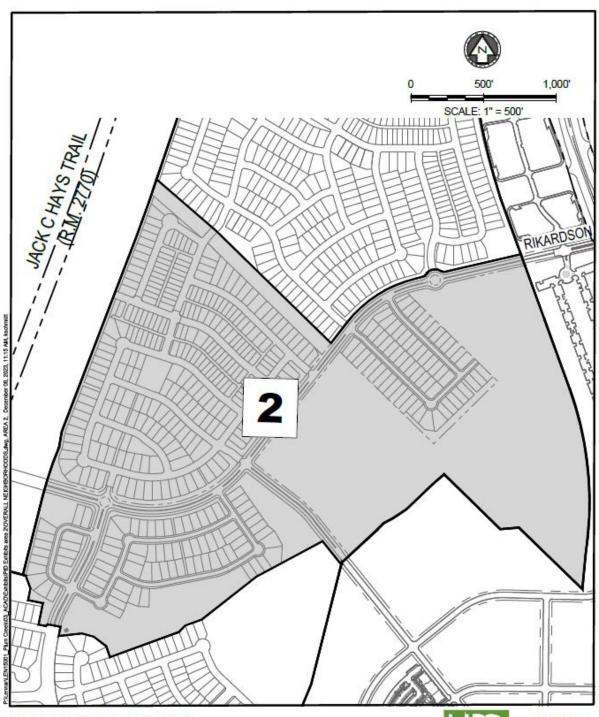


LOCATION MAP



PLUM CREEK NORTH
PUBLIC IMPROVEMENT DISTRICT
LOCATION MAP

MAP SHOWING BOUNDARIES OF IMPROVEMENT AREA #2

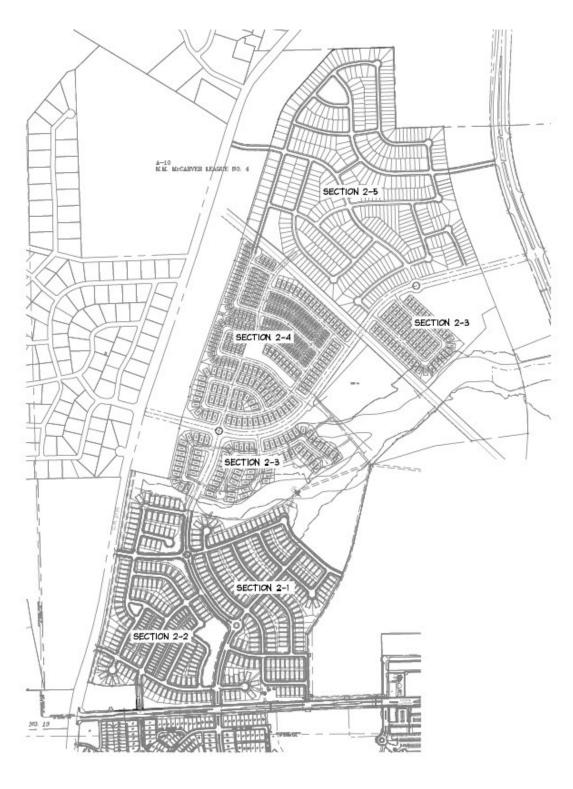


PLUM CREEK PHASE 2

NEIGHBORHOOD IMPROVEMENT AREA 2 KYLE, HAYS COUNTY, TEXAS DECEMBER, 2023



MAP SHOWING CONCEPT PLAN OF THE DISTRICT*



Improvement Area #1 includes Sections 2-1 and 2-2; Improvement Area #2 includes Sections 2-3 and 2-4 (including 2-4A and 2-4B); and proposed Improvement Area #3 includes Section 2-5.

FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM ("RULE 15C2-12"), 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 INITIALLY TO 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 SECURITIES 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 DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS AND DOES NOT PLAN 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 SEC 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, RULE 15C2-12.

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PRELIMINARY LIMITED OFFERING MEMORANDUM

\$5,463,000* CITY OF KYLE, TEXAS

(a municipal corporation of the State of Texas located in Hays County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)

INTRODUCTION

The purpose of this Preliminary 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 \$5,463,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (Plum Creek North Public Improvement District Improvement Area #2 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. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS." THE LIMITATION OF THE INITIAL OFFERING TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE BONDS. 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, PREMIUM, IF ANY, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE "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 October 15, 2024 (the "Bond Ordinance"), and an Indenture of Trust, dated as of October 1, 2024 (the "Indenture"), expected to be entered into by and between the City and BOKF, NA, Houston, Texas, 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 "Improvement Area #2 Assessments") to be levied against assessed parcels (the "Improvement Area #2 Assessed Property") located within Improvement Area #2 (as defined herein) of the Plum Creek North Public Improvement District (the "District"), pursuant to a separate ordinance expected to be adopted by the City Council on October 15, 2024 (the "Assessment Ordinance"), all to the extent and upon the conditions described in the Indenture. See "SECURITY FOR THE BONDS SIMILARLY SECURED" 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-

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^{*} Preliminary; subject to change.

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 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 – Overview, "-- Development Plan and Status of Development -- Phase I," and "— Site Development Agreement Plan." Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (the "Developer"), an affiliate of Lennar Corporation, a Delaware corporation, owns all of the undeveloped land within the area within the District outside of Improvement Area #1 (as defined herein) and Improvement Area #2 of the District, as well as the model homes located within Improvement Area #1 and the lots within Improvement Area #2 of the District that have not closed to homeowners. The Developer currently expects 135 homes in Improvement Area #2 to be sold to homeowners prior to the City's adoption of the Assessment Ordinance. See "BONDHOLDERS' RISKS – Assessment Limitations" and "– Pre-Existing Homesteads in Improvement Area #2" herein.

The Developer plans to develop the District in three phases or improvement areas (each an "Improvement Area"). Improvement Area #1 and Improvement Area #2 (each as defined herein) are further divided into "Sections." Improvement Area #1 consists of Sections 2-1 and 2-2. Improvement Area #2 consists of Sections 2-3 and 2-4 (further divided into Sections 2-4A and 2-4B). The Future Improvement Area (defined below) is expected to consist of a third improvement area, anticipated to contain Section 2-5. Improvement Area #2 and the Future Improvement Area are also located within the Major Improvement Area (as defined herein). See "THE DEVELOPMENT." The boundaries of the District and each Section are shown in the "MAP SHOWING CONCEPT PLAN OF THE DISTRICT."

Development in the District began with the construction of certain public improvements benefiting the entire District (the "Major Improvements") and certain public improvements (the "Improvement Area #1 Improvements") benefiting only the first Improvement Area ("Improvement Area #1"). The Developer completed construction of the Improvement Area #1 Improvements in April of 2022. The Developer completed construction of the Major Improvements in July of 2023. The Developer spent approximately \$20,350,332.00 on constructing the Improvement Area #1 Improvements and Improvement Area #1's allocable share of the Major Improvements (collectively, the "Improvement Area #1 Projects"). A portion of the Improvement Area #1 Projects were financed with the proceeds of the Improvement Area #1 Bonds (as defined below).

Development in the District continued with the construction of certain public improvements (the "Improvement Area #2 Improvements") benefiting only the second Improvement Area ("Improvement Area #2"). The Developer commenced construction of the Improvement Area #2 Improvements within Phase 2-3 in June of 2022, and completed such construction in July of 2023. The Developer commenced construction of the Improvement Area #2 Improvements within Phase 2-4A of Improvement Area #2 in February of 2024, and expects to complete such construction in November of 2024. The Developer commenced construction of the Improvement Area #2 Improvements within Phase 2-4B of Improvement Area #2 in July of 2024, and expects to complete such construction in June of 2025. As of September 1, 2024, the Developer spent approximately \$13,200,000.00 on constructing the Improvement Area #2 Improvements, which the Developer funded with cash on hand. See "THE DEVELOPMENT – Development Plan and Status of Development."

In addition to the Public Improvements (as defined herein), the Developer is constructing the Amenities (as defined herein), which will be available for use by the residents within the District. The Developer has completed the primary Amenities in Improvement Area #1, inclusive of a pool, kiddie pool, splash pad, pool house, community club meeting facility, playscape, amphitheater area, and hike and bike trails. Additional open space, pocket parks and connecting walking trails will be completed in conjunction with the Developer's construction of the infrastructure improvements within Improvement Area #2. As of September 1, 2024, the Developer has spent approximately \$3,100,000 on constructing the Amenities. The Developer is financing the costs of the Amenities with cash and will not be reimbursed by the City.

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, the Improvement Area #1 Improvements, and the Improvement Area #2 Improvements are collectively hereinafter referred to as the "Public Improvements." The land within the District other than Improvement Area #1 and Improvement Area #2 is hereinafter referred to as the "Future Improvement Area."

Single-Family Residential Development

The District is expected to include approximately 1,246 single family residential lots, consisting of 35' lots (Lot Type 1 and Lot Type 5), 43' lots (Lot Type 2), 50' lots (Lot Type 3 and Lot Type 6) and 55' lots (Lot Type 4 and Lot Type 7). Improvement Area #1 contains 403 lots, consisting of 64 35' lots, 48 43' lots, 217 50' lots and 74 55' lots. Improvement Area #2 is expected to contain 403 lots, consisting of 116 35' lots, 173 50' lots, and 114 55' lots. The Future Improvement Area, which upon the issuance of the Bonds, will contain the remaining approximately 440 lots, expected to consist of 94 35' lots, 280 50' lots and 66 55' lots, which are intended to comprise the third and final improvement area ("Improvement Area #3"). See "THE DEVELOPMENT."

As of September 1, 2024, the Developer has completed all 403 lots and sold 396 homes to homeowners in Improvement Area #1. The Developer currently expects 135 homes in Improvement Area #2 to be sold to homeowners prior to the City's adoption of the Assessment Ordinance. See "BONDHOLDERS' RISKS – Assessment Limitations" and "– Pre-Existing Homesteads in Improvement Area #2" herein.

Previously Issued Bonds

<u>Major Improvement Area Bonds</u>. The City previously issued its Special Assessment Revenue Bonds, Series 2022 (Plum Creek North Public Improvement District Major Improvement Area Project) (the "Major Improvement Area Bonds") in the aggregate principal amount of \$2,730,000 for the purpose of (i) paying a portion of the Actual Costs of the Major Improvement Area Projects (as defined in the Service and Assessment Plan), (ii) paying capitalized interest on the Major Improvement Area Bonds during and after the period of acquisition and construction of the Major Improvement Area Bonds, (iii) funding a reserve account for payment of principal and interest on the Major Improvement Area 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 Major Improvement Area Bonds.

Improvement Area #1 Bonds. The City previously issued its Special Assessment Revenue Bonds, Series 2022 (Plum Creek North Public Improvement District Improvement Area #1 Project) (the "Improvement Area #1 Bonds") in the aggregate principal amount of \$6,385,000 for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying capitalized interest on the Improvement Area #1 Bonds during and after the period of acquisition and construction of the Improvement Area #1 Projects, (iii) funding a reserve account for payment of principal and interest on the Improvement Area #1 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 Improvement Area #1 Bonds.

The Bonds

The indenture authorizing the Major Improvement Area Bonds contains certain conditions precedent (the "Future Improvement Area Bonds Test") that must be satisfied prior to the issuance of the Bonds. Prior to the adoption of the Bond Ordinance, satisfactory evidence will be submitted to the City and its advisors that the Future Improvement Area Bonds Test has been satisfied. The Improvement Area #2 Assessments and the assessments securing the payment of the Major Improvement Area Bonds (the "Major Improvement Area Assessments") are first and prior liens, on parity, against the Improvement Area #2 Assessed Property. The Major Improvement Area Assessments are not security for the Bonds.

Proceeds of the Bonds will be used for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #2 Improvements, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the Actual Costs incidental to the administration of the District, and (v) paying the costs of issuance of the Bonds. See "SOURCES AND USES OF FUNDS," "THE IMPROVEMENT AREA #2 IMPROVEMENTS" and "APPENDIX B — Form of Indenture."

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.

Future Indebtedness

Future Improvement Area 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 costs of the Future Improvement Area Improvements in the Future Improvement Area, as development proceeds. The estimated costs of the Future Improvement Area Improvements will be determined as each respective Future Improvement Area of the District is 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 and distinct assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area of the District that benefit from the Future Improvement Area Improvements being financed. Property owners in Improvement Area #1 and Improvement Area #2 will not pay the assessments that are levied against any Future Improvement Area. Any assessments, if levied, will not be a part of the Trust Estate, will not be security for the Bonds and will not be used to finance construction of the Improvement Area #2 Improvements.

The Bonds, the Major Improvement Area Bonds, the Improvement Area #1 Bonds, and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities secured by separate assessments. Though the Major Improvement Area Bonds and the Improvement Area #2 Bonds are secured by separate assessments, such assessments are payable on a parity basis. Any Future Improvement Area Bonds that may 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 any 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 Improvement Area #2 Improvements, 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 to the Trustee 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 March 1, 2025* (each, an "Interest Payment Date"), until maturity or prior redemption. BOKF, NA is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof ("Authorized Denominations"). Notwithstanding the foregoing, Authorized Denominations shall also include Bonds issued in \$1,000 in principal amount and integral multiples of \$1,000 in the following instances: (A) any Bonds or any portion thereof that have been redeemed in part 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 of \$1,000 in excess 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 bookentry only form. See "BOOK-ENTRY-ONLY SYSTEM" and "SUITABILITY FOR INVESTMENT."

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem the Bonds maturing on or after September 1, 20_ before their scheduled maturity dates, in whole or in part, on any date, in minimum principal amounts of \$1,000, on or after September 1, 20_, such redemption date or dates to be fixed by the City, at the

^{*} Preliminary; subject to change.

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").

<u>Extraordinary Optional Redemption</u>. The City reserves the right and option to redeem the Bonds Similarly Secured 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 the Indenture, 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.

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

\$ Ronds Maturi	ng September 1, 20
5 Donus Maturn	Sinking Fund
Redemption Date	Installment
September 1, 20	\$
September 1, 20†	
† Stated Maturity	
\$ Bonds Maturi	ng September 1, 20
Dadamatian Data	Sinking Fund
	Sinking Fund Installment
Redemption Date September 1, 20	Sinking Fund <u>Installment</u> \$
	O
September 1, 20	O

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

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

The principal amount of Bonds 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 forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions and not previously credited to a mandatory sinking fund redemption.

<u>Partial Redemption</u>. If less than all of the Bonds Similarly Secured are to be redeemed pursuant to the Indenture, the Bonds Similarly Secured shall be redeemed in increments of \$1,000 or any integral thereof. Each Bond Similarly Secured shall be treated as representing the number of Bonds that is obtained by dividing the

principal amount of such Series of Bonds Similarly Secured by \$1,000. No redemption shall result in a Bond Similarly Secured in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Bond Similarly Secured is less than an Authorized Denomination after giving effect to such partial redemption, a Bond Similarly Secured 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 conclusively rely on the directions provided in a City Certificate.

Notwithstanding the above provisions related to the Bonds Similarly Secured, if less than all of a Series of Bonds Similarly Secured are called for extraordinary optional redemption, the Bonds Similarly Secured or portion of a Bond Similarly Secured, as applicable, of such Series to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured of such series.

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

Notice of Redemption. Upon receipt of written notice from 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 Similarly Secured by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond Similarly Secured or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds Similarly Secured are in book entry only form and held by the DTC as security depository, references to Owner in the Indenture mean Cede & Co., as nominee for DTC. 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds Similarly Secured 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 Similarly Secured 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 bookentry 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.

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 detailed 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 SEC, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SECURITY FOR THE BONDS SIMILARLY SECURED

General

THE BONDS SIMILARLY SECURED ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE TRUST ESTATE CONSISTING PRIMARILY OF THE PLEDGED REVENUES AND OTHER FUNDS, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED 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 TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED 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 Similarly Secured are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of the Improvement Area #2 Assessments expected to be levied against the Improvement Area #2 Assessed Property in Improvement Area #2 of the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, on October 15, 2024, the City Council expects to approve and adopt the 2024 Amended and Restated Service and Assessment Plan (as may be updated and amended from time to time, the "Service and Assessment Plan"), which, among other things, will amend and restate the 2022 Amended and Restated Service and Assessment Plan (as defined herein), describe the special benefit received by the Improvement Area #2 Assessed Property, provide the basis and justification for the determination of special benefit on such property, establish the methodology for the levy of the Improvement Area #2 Assessments, and provide 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 Improvement Area #2 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 Improvement Area #2 Improvements by levying Improvement Area #2 Assessments upon the Improvement Area #2 Assessed Property. For a description of the assessment methodology and the amounts of Improvement Area #2 Assessments levied in Improvement Area #2, 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 0.50% additional interest rate charged on Improvement Area #2 Assessments securing the payment of the Bonds pursuant to Section 372.018 of the PID Act.

"Annual Installment" means, with respect to the Improvement Area #2 Assessed Properties, the annual installment payment of an Improvement Area #2 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable.

"Bonds Similarly Secured" or "Bond Similarly Secured" means all bonds or any bond authorized by a bond ordinance and issued in accordance with the Indenture, including the Bonds, Refunding Bonds and any bonds issued in exchange or replacement thereof as permitted by the Indenture.

"Improvement Area #2 Assessment Revenue" means monies collected by or on behalf of the City from any one or more of the following: (i) an Improvement Area #2 Assessment levied against an Improvement Area #2 Assessment or Annual Installment payment thereof, including any interest on such Improvement Area #2 Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds.

"Pledged Funds" means the Pledged Revenue Fund, the Bond Fund, the Project Fund (but only with respect to such accounts and subaccounts of the Project Fund created pursuant to the terms of the Indenture), the Reserve Fund, and the Redemption Fund. Such term also includes each fund or account pledged to the repayment of the Bonds or Refunding Bonds.

"Pledged Revenues" means the sum of (i) Improvement Area #2 Assessment Revenue other than 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 Similarly Secured.

"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 Similarly Secured. 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 Similarly Secured (as measured in accordance with the immediately preceding sentence) shall, to the extent of such conflict, be deemed to satisfy such requirement.

"Refunding Bonds" means Bonds Similarly Secured which are secured by a parity lien, with the Outstanding Bonds Similarly Secured, on the Trust Estate issued pursuant to the Indenture, as more specifically described in a Supplemental Indenture, authorizing the refunding of all or any portion of the then Outstanding Bonds Similarly Secured.

Collection and Deposit of Assessments

The Improvement Area #2 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 Improvement Area #2 Assessment Roll (as defined herein). The Improvement Area #2 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 SIMILARLY SECURED — Pledged Revenue Fund."

The Improvement Area #2 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 an Improvement Area #2 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 Bonds 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 Improvement Area #2 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 Improvement Area #2 Assessments

The City will impose Improvement Area #2 Assessments on the Improvement Area #2 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 Improvement Area #2 Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance, which is expected to be adopted by the City Council on October 15, 2024. Each Improvement Area #2 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 Improvement Area #2 Assessments. Additional Interest on the Improvement Area #2 Assessments for each lot within Improvement Area #2 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 an Improvement Area #2 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 an Improvement Area #2 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 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 Improvement Area #2 Assessments.

The PID Act provides that the Improvement Area #2 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 Improvement Area #2 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 Improvement Area #2 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.

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" and "— Pre-Existing Homesteads in Improvement Area #2." NOTWITHSTANDING THE POTENTIAL INABILITY OF THE CITY TO FORECLOSE, A MORTGAGEE ON SUCH PROPERTY MAY FORECLOSE FOR NON-PAYMENT OF A MORTGAGE, SUBJECT TO THE ASSESSMENT LIEN. SEE "ASSESSMENT PROCEDURES — Foreclosure Proceedings and Potential Barriers to Foreclosure on Non-Foreclosure Lots" HEREIN. MOREOVER, ASSESSMENTS ARE A PERSONAL LIABILITY OF AND CHARGE AGAINST THE OWNERS OF THE ASSESSED PROPERTY. TO THE EXTENT THAT A HOMEOWNER HAS ASSETS OTHER THAN THE IMPROVEMENT AREA #2 ASSESSED PROPERTY SUFFICIENT TO COVER A JUDGMENT OBTAINED BY THE CITY, THE CITY MAY BE ABLE TO COLLECT AMOUNTS OWED WITHOUT FORECLOSING ON THE IMPROVEMENT AREA #2 ASSESSED PROPERTY.

ACCORDING TO THE DEVELOPER, APPROXIMATELY 135 OF THE 403 LOTS THAT COMPRISE THE IMPROVEMENT AREA #2 ASSESSED PROPERTY WITHIN IMPROVEMENT AREA #2 OF THE DISTRICT WERE SOLD TO THIRD-PARTIES PRIOR TO THE DATE OF THE ASSESSMENT ORDINANCE, AND THEREFORE, COULD POTENTIALLY HAVE PRE-EXISTING HOMESTEAD RIGHTS. BASED ON A REVIEW OF THE HAYS COUNTY APPRAISAL DISTRICT'S

RECORDS, THE CITY ESTIMATES, BUT CANNOT GUARANTEE, THAT THERE ARE PRE-EXISTING HOMESTEAD RIGHTS ASSOCIATED WITH APPROXIMATELY 135 OF THE 403 LOTS THAT COMPRISE THE IMPROVEMENT ARE #2 ASSESSED PROPERTY WITHIN IMPROVEMENT AREA #2 OF THE DISTRICT (COLLECTIVELY, THE "NON-FORECLOSURE LOTS").

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Improvement Area #2 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, 2025 and on or before each February 20 and August 20 of each year thereafter while the Bonds Similarly Secured are Outstanding, the City shall deposit or cause to be deposited with the Trustee all Pledged Revenues, if any, other than the Pledged Revenues on deposit in the Project Collection Fund which revenues shall be transferred in accordance the Indenture, into the Pledged Revenue Fund. Specifically, the City shall deposit or cause to be deposited Improvement Area #2 Assessment Revenues and other Pledged Revenues to be applied by the Trustee in the following order of priority:

- (i) <u>first</u>, to the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year;
- (ii) <u>second</u>, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the initial Reserve Account Requirement;
- (iii) <u>third</u>, to the Additional Interest Reserve Account of the Reserve Fund in 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 Improvement Area #2 Improvements; and
 - (v) <u>fifth</u>, to pay other costs permitted by the PID Act.

Along with each deposit of Pledged Revenues from the Project Collection Fund 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 Similarly Secured, 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 of the Bond Fund to the Principal and Interest Account of the Bond Fund, such that the amount on deposit in the Principal and Interest Account of the Bond Fund equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured 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 of the Bond Fund first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.

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

Notwithstanding the above, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and within two Business Days after such deposit shall transfer Foreclosure Proceeds, as directed by the City pursuant to a City Certificate, <u>first</u> to the Reserve Fund to restore any transfers from the accounts within the Reserve Fund made with respect to the Improvement Area #2 Assessed Property or Improvement Area #2 Assessed Properties to which the Foreclosure Proceeds relate (*first*, to the Reserve Account of the Reserve Fund to replenish the Reserve Account Requirement, and *second*, to replenish the Additional Interest Reserve Account of the Reserve Fund to replenish the Additional Interest Reserve Requirement), and second, to the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured 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 Improvement Area #2 Assessments for any lawful purposes permitted by the PID Act for which Improvement Area #2 Assessments may be paid. 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.

Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the City pursuant to a City Certificate, for any lawful purpose permitted by the PID Act for which such additional Pledged Revenues may be used, including transfers to other Funds and Accounts created pursuant to the Indenture.

Project Collection Fund

While any Bonds Similarly Secured are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Improvement Area #2 Assessment Revenue on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Improvement Area #2 Assessment Revenue for deposit on the City's behalf, the Trustee shall accept such Improvement Area #2 Assessment Revenue and deposit the same into the Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited (i) all of that portion of the Improvement Area #2 Assessment Revenue deposited into the Project Collection Fund that consists of the Annual Collection Costs and Delinquent Collection Costs to the Administrative Fund and (ii) all of that portion of the Improvement Area #2 Assessment Revenue deposited into the Project Collection Fund that consists of Pledged Revenues into the Pledged Revenue Fund for future allocations as set forth in in the Indenture. The City shall provide such City Certificate on or before February 20, 2025 and every August 20 and February 20 thereafter while the Bonds are Outstanding.

THE 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 the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds Similarly Secured, less any amount to be used to pay interest on the Bonds Similarly Secured on such Interest Payment Date from the Capitalized Interest Account of the Bond Fund as provided below.

If amounts in the Principal and Interest Account of the Bond Fund are insufficient for the purposes set forth below, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in 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, 2025	\$

Any amounts on deposit to the Capitalized Interest Account of the Bond Fund after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #2 Improvements Account of the Project Fund, or if the Improvement Area #2 Improvements Account of the Project Fund has been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem the Bonds, and the Capitalized Interest Account of the Bond Fund shall be closed.

Project Fund

Money on deposit in the Project Fund shall be used for the purposes specified in the Indenture. Except as provided below, money on deposit in the Improvement Area #2 Improvements Account of the Project Fund shall only be used to pay Actual Costs of the Improvement Area #2 Improvements.

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds Similarly Secured pursuant to one or more City Certificates. Disbursements from the Improvement Area #2 Improvements Account to pay Actual Costs of the respective Improvement Area #2 Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Accounts of the Project Fund shall be pursuant to and in accordance with the disbursement procedures described in the Financing and Reimbursement Agreement or as provided in such written direction from the City. Such provisions and procedures related to such disbursement contained in the Financing and Reimbursement Agreement, and no other provisions of the Financing and Reimbursement Agreement, are herein incorporated by reference and deemed set forth in the Indenture in full.

If the City Representative reasonably determines that amounts then on deposit in the Improvement Area #2 Improvements Account are not expected to be expended for purposes of the Improvement Area #2 Improvements Account of the Project Fund, due to the completion, abandonment, or constructive abandonment, of the Improvement Area #2 Improvements, as the case may be, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #2 Improvements Account of the Project Fund will ever be expended for the purposes of the Improvement Area #2 Improvements Account of the Project Fund, the City Representative shall, after providing the Developer with at least thirty (30) days written notice of such determination, file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #2 Improvements Account of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Area #2 Improvements Account of the Project Fund, as applicable, shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practical date after notice of redemption has been provided in accordance with the Indenture, and the Improvement Area #2 Improvements Account of the Project Fund shall be closed.

Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the Bonds Similarly Secured have been paid and the appropriate portion of the costs incidental to the organization of the District have been paid, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Costs of Issuance Account of the Project Fund that are not expected to be used for purposes of the Costs of Issuance Account of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Costs of Issuance Account of the Project Fund shall be transferred first to the Improvement Area #2 Improvements Account of the Project Fund, as specified in the City Certificate, and used to pay Actual Costs and second to the Principal and Interest Account of the Bond Fund used to pay interest on the Bonds Similarly Secured, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account of the Project Fund shall be closed.

In making any determination pursuant to Section 6.5 of the Indenture, 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 from the Improvement Area #2 Improvements Account of the Project Fund, the Trustee may conclusively rely as to the completeness and accuracy of all statements in such Certification for Payment 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 Certification for Payment by a City Representative shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund, held by the Trustee for the Bonds, and will be 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 Similarly Secured 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 Similarly Secured. 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 of the Reserve Fund prior to redemption, and (ii) the Reserve Account Requirement after such redemption; provided, however, no such transfer from the Reserve Account of the Reserve Fund 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 Similarly Secured to be redeemed, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured 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 Similarly Secured to be redeemed in minimum principal amounts of \$1,000, from the Additional Interest Reserve Account of the Reserve Fund to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

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 of the Reserve Fund 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 of the Bond Fund to be used for the payment of interest on the Bonds Similarly Secured 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 under the Indenture, (ii) to the Improvement Area #2 Improvements Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date of the Indenture, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured.

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 of the Reserve Fund 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"). The Excess Additional Interest Reserve Amount on deposit in the Additional Interest Reserve Account of the Reserve Fund shall be transferred by the Trustee to the Redemption Fund, and shall notify the City of such transfer in writing. In transferring the amounts to be transferred

pursuant to the Indenture, the Trustee may conclusively rely on the Annual Installments as shown on the Improvement Area #2 Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.

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

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

If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with the 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 and of all Outstanding Bonds Similarly Secured on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds Similarly Secured as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured as of such Interest Payment Date.

Additional Interest Reserve Account of the Reserve Fund

Pursuant to the Indenture, an Additional Interest Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds. The Trustee will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account, to the extent that the Reserve Account contains the Reserve Account Requirement and funds are available after application of the deposit priority 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 will create under the Indenture an Administrative Fund held by the Trustee. The City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay Annual Collection Costs and Delinquent Collection Costs, other than the Annual Collection Costs and Delinquent Collection Costs on deposit in the Project Collection Fund, which amounts shall be transferred in accordance with the provisions set forth under "— 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured to become due on such Bonds Similarly Secured 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 or other third-party 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 Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, (iv) if the Bonds Similarly Secured are then rated, the Trustee shall have received written confirmation from each Rating Agency then publishing a rating on such Bonds Similarly Secured that such deposit will not result in the reduction or withdrawal of the rating on the Bonds Similarly Secured, and (v) the Trustee shall have received an opinion of Bond Counsel to the effect that (A) any Bond Similarly Secured having been deemed to have been paid as provided in this paragraph is no longer Outstanding under the Indenture 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 Similarly Secured 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 Similarly Secured. 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 Similarly Secured 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.

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 Improvement Area #2 Assessments including the prosecution of foreclosure proceedings;
- (iii) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make the payments; 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 ninety (90) days after written notice to the City by the Trustee, or by the Owners of a Quarter in Interest of the Bonds Similarly Secured with a copy to the Trustee, specifying such default by the Owners of a Quarter in Interest of the Bonds Similarly Secured 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 Similarly Secured 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. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

THE PRINCIPAL OF THE BONDS SIMILARLY SECURED 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 Similarly Secured, in the selection of Trust Estate assets to be used in the payment of Bonds Similarly Secured 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 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 Similarly Secured have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted in 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 sixty (60) days after such notice failed or refused to exercise the powers granted in 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 sixty (60) day period by the Owners of a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Owners of the Bonds Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right thereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured 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.

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 Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured 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 Similarly Secured.

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 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 the Indenture with respect to Events of Default, shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including 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 Similarly Secured, 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 Similarly Secured, or Redemption Price of any Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured 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 (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 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. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account of the Reserve Fund may not be invested above the Yield (as defined in the Indenture) on the Bonds Similarly Secured, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured. Such investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold in order to make the disbursements required or permitted by the Indenture or to prevent any default.

Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer 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 the 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 (other than specified in the Indenture), or upon any other property pledged under the Indenture, except any pledge created for the equal and ratable security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

So long as Bonds Similarly Secured 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 any portion of 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 Additional 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 Pledged Revenues or any portion of the Trust Estate. 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 Similarly Secured.

Other than Refunding Bonds issued to refund all or a portion of the Bonds Similarly Secured, 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.

Additionally, 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 Similarly Secured or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, and in accordance with the conditions set forth below:

- (i) The principal of all Refunding Bonds must (i) be scheduled to be paid, (ii) be subject to mandatory sinking fund redemption or (iii) mature, on September 1 of the years in which such principal (i) is scheduled to be paid, (ii) is subject to mandatory sinking fund redemption or (iii) matures. 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; and
- (ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under the Indenture 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 (1) a copy, certified by the City Secretary of the City, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, 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, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

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SOURCES AND USES OF FUNDS

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

Sources of Funds:	
Principal Amount	\$
Total Sources	<u>\$</u>
Use of Funds:	
Deposit to Improvement Area #2 Improvements Account of Project Fund	\$
Deposit to Costs 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 ⁽²⁾	
Total Uses	<u>\$</u>

To be updated and completed upon pricing.
Includes Underwriter's counsel fee of \$_____

DEBT SERVICE REQUIREMENTS

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

Year Ending		_	
(September 30)	Principal	Interest	Total
2025(1)	\$	\$	\$
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
Total	<u>\$</u>	<u>\$</u>	<u>\$</u>

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To be updated and completed upon pricing. Preliminary; subject to change. Interest due in 2025 will be paid from amounts on deposit in the Capitalized Interest Account.

OVERLAPPING TAXES AND DEBT

<u>Overlapping Taxes</u>. The land within Improvement Area #2 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 Improvement Area #2 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 Improvement Area #2 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 Improvement Area #2.

Overlapping Taxes

Taxing Entity City of Kyle Hays County (including Special Road)	35' Lot in Improvement Area #2 Tax Year 2024 Ad Valorem Tax Rate(1) \$0.46930 \$0.35000	50' Lot in Improvement Area #2 Tax Year 2024 Ad Valorem Tax Rate ⁽¹⁾ \$0.46930 \$0.35000	55' Lot in Improvement Area #2 Tax Year 2024 Ad Valorem Tax Rate ⁽¹⁾ \$0.46930 \$0.35000
Hays CISD Austin CCD	\$1.15460 \$0.10130	\$1.15460 \$0.10130	\$1.15460 \$0.10130
Hays ESD #5 Hays ESD #9	\$0.10000 \$0.05044	\$0.10000 \$0.05044	\$0.10000 \$0.05044
Total Current Tax Rate	\$2.22564	\$2.22564	\$2.22564
Estimated average annual installment in Improvement Area #2 as an Equivalent Tax Rate ⁽³⁾	<u>\$0.37288</u> ⁽²⁾	<u>\$0.36954</u> ⁽²⁾	<u>\$0.36774</u> ⁽²⁾
Estimated Total Tax Rate and Average Annual Installment in Improvement Area #2 as an Equivalent Tax Rate	\$2.59852 ⁽²⁾	<u>\$2.59518</u> ⁽²⁾	<u>\$2.59338</u> ⁽²⁾

- (1) As reported by the individual taxing jurisdiction. Per \$100 taxable appraised value.
- 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 Improvement Area #2 is equal to the amount shown on Exhibit L to the Service and Assessment Plan, which amount 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, as amended." Preliminary; subject to change.
- (3) Includes the Annual Installments and the annual installments of the Major Improvement Area Assessments allocable to Improvement

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

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<u>Overlapping Debt</u>. As noted above, the Improvement Area #2 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 is an 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 Improvement Area #2 Assessments:

Overlapping Debt in Improvement Area #2 of the District

	Total		Direct and
	Outstanding Debt	Estimated %	Estimated
Taxing or Assessing Entity	as of September 1, 2024	Applicable ⁽¹⁾	Overlapping Debt ⁽¹⁾
The City (The Bonds)	\$ 5,463,000*	100.00%	\$ 5,463,000*
The City (MIA Bonds allocable to IA#2)	2,629,000	47.50%	1,248,775
The City (Ad Valorem)	142,620,000	0.528%	753,363
Hays County	475,481,919	0.082%	390,545
Hays CISD	872,065,000	0.174%	1,515,476
Austin CCD	540,180,000	0.008%	45,540
Total	\$2,038,438,919		\$9,416,699

^{*} Preliminary; subject to change.

Source: Municipal Advisory Council of Texas, the Hays Central Appraisal District and the Service and Assessment Plan.

<u>Homeowners' Association</u>. In addition to the Improvement Area #2 Assessments and the Major Improvement Area Assessments described above, the Developer anticipates that each lot owner in Improvement Area #2 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.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Preliminary 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 Improvement Area #2 Improvements through Improvement Area #2 Assessments, it must adopt a resolution generally describing the Improvement Area #2 Improvements and the land within the District to be subject to Improvement Area #2 Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared for Improvement Area #2 (the "Improvement Area #2 Assessment Roll"), which Improvement Area #2 Assessment Roll shows the land within Improvement Area #2 to be assessed, the amount of the benefit to and the Improvement Area #2 Assessment against each lot or parcel of land and the number of Annual Installments in which the Improvement Area #2 Assessment is divided. The Improvement Area #2 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 will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #2 Improvements and funding the same with Improvement Area #2 Assessments. The City is expected to levy the Improvement Area #2 Assessments and adopt the Assessment Ordinance on October 15, 2024, at which time the Improvement Area #2 Assessments will become legal, valid and binding liens upon the Improvement Area #2 Assessed Property against which the Improvement Area #2 Assessments are made.

Under the PID Act, the costs of Improvement Area #2 Improvements may be assessed by the City against the Improvement Area #2 Assessed Property so long as the special benefit conferred upon the Improvement Area #2 Assessed Property by the Improvement Area #2 Improvements equals or exceeds the Improvement Area #2 Assessments. The costs of the Improvement Area #2 Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Improvement Area #2 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."

Based on the tax year 2024 net taxable assessed valuation for the taxing entities as certified by the Hays Central Appraisal District and on \$33,800,000 appraised value of Improvement Area #2, as shown in the Appraisal (as defined herein). See "APPRAISAL OF PROPERTY WITHIN THE DISTRICT" and "APPENDIX G — Appraisal of Property within the District."

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of Improvement Area #2 Assessed Property as a result of the Improvement Area #2 Improvements, provides the basis and justification for the determination that such special benefit exceeds the Improvement Area #2 Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #2 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 Improvement Area #2 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 Improvement Area #2 Assessments.

As set forth in the Service and Assessment Plan, the City Council has determined that (i) the costs of the Major Improvements were allocated between Improvement Area #1 and the Major Improvement Area pro rata based on the ratio of the Estimated Buildout Value of each Parcel designated as Major Improvement Area Assessed Property or Improvement Area #1 Assessed Property (as defined in the Service and Assessment Plan) to the Estimated Buildout Value of all Assessed Property within the District at the time the Original Service and Assessment Plan was approved, (ii) the costs of the Improvement Area #1 Authorized Improvements were allocated 100% to Improvement Area #1 Assessed Property by spreading the entire Improvement Area #1 Assessment across all Improvement Area #1 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property, (iii) the costs of the Improvement Area #2 Authorized Improvements (as defined below) are allocated 100% to Improvement Area #2 Assessed Property by spreading the entire Improvement Area #2 Assessment across all Improvement Area #2 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #2 Assessed Property to the Estimated Buildout Value of all Improvement Area #2 Assessed Property, and (iv) the Bond Issuance Costs and Administrative Reserves shall be allocated entirely to the Assessed Property (as defined in the Service and Assessment Plan) securing the applicable Series of PID Bonds.

The City has determined that such method of allocation will result in the imposition of equal shares of the Improvement Area #2 Assessments on Parcels similarly situated within Improvement Area #2. The Improvement Area #2 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 Improvement Area #2 and all future owners and developers within Improvement Area #2. See "APPENDIX C — Form of Service and Assessment Plan."

The table below shows the estimated value to lien analysis in Improvement Area #2.

Estimated Value to Lien Ratios⁽¹⁾

						Ratio of	
						Estimated	
			Estimated	Total		Value	Ratio of
	Number	Estimated	Buildout	Estimated	Maximum	of Finished	Estimated
	of	Finished Lots	Value	Buildout	Assessment	Lot to	Buildout Value
Lot Size	Lots ⁽²⁾	Values ⁽³⁾	per Lot ⁽³⁾	Value	Per Lot ⁽⁴⁾	Assessment	to Assessment
35'	116	\$ 71,400	\$265,628	\$30,812,848	\$12,388.57	5.76	21.44
50'	173	\$100,500	\$384,915	\$66,590,295	\$17,723.02	5.67	21.72
55'	114	\$110,550	\$423,732	\$48,305,448	\$19,374.30	5.70	21.87
Total/Avg.(5)	403	·	·	\$145,708,591		5.71	21.71

- Preliminary; subject to change. Derived from information in the Service and Assessment Plan.
- Based on the current concept plan for the District.
- (3) Per Barletta & Associates Appraisal dated June 10, 2024. 50' lots and 55' lots assuming average of values between phases.
- Pursuant to the Financing and Reimbursement Agreement and the Service and Assessment Plan, the allocable share of the Major Improvement Area Assessment and the Improvement Area #2 Assessment per Lot Type may not exceed the Maximum Assessment. See "— Assessment Amounts Method of Apportionment of Assessments," "APPENDIX C Form of Service and Assessment Plan" and "APPENDIX F Financing and Reimbursement." Maximum Assessment Per Lot is the aggregate of the Improvement Area #2 Assessment and Major Improvement Area Assessments allocable to Improvement Area #2.
- (5) 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 Improvement Area #2 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 Improvement Area #2 Assessments incur interest, penalties and attorney's fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See "BONDHOLDERS' RISKS — Assessment Limitations" herein.

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" AND "— Pre-Existing Homesteads in Improvement Area #2." NOTWITHSTANDING THE POTENTIAL INABILITY OF THE CITY TO FORECLOSE, A MORTGAGEE ON SUCH PROPERTY MAY FORECLOSE FOR NON-PAYMENT OF A MORTGAGE, SUBJECT TO THE ASSESSMENT LIEN. SEE "— Foreclosure Proceedings and Potential Barriers to Foreclosure on Non-Foreclosure Lots" BELOW. MOREOVER, ASSESSMENTS ARE A PERSONAL LIABILITY OF AND CHARGE AGAINST THE OWNERS OF THE ASSESSED PROPERTY. TO THE EXTENT THAT A HOMEOWNER HAS ASSETS OTHER THAN THE IMPROVEMENT AREA #2 ASSESSED PROPERTY SUFFICIENT TO COVER A JUDGMENT OBTAINED BY THE CITY, THE CITY MAY BE ABLE TO COLLECT AMOUNTS OWED WITHOUT FORECLOSING ON THE IMPROVEMENT AREA #2 ASSESSED PROPERTY.

In the Indenture, the City covenants to collect, or cause to be collected, Improvement Area #2 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 Improvement Area #2 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 Improvement Area #2 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 Improvement Area #2 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 Improvement Area #2 Assessment or the corresponding Improvement Area #2 Assessed Property.

The City expects to implement the basic timeline and procedures for Improvement Area #2 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 Improvement Area #2 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 Improvement Area #2 Assessments are not timely paid, there are penalties and interest as set forth below:

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

After July, the penalty remains at 12%, and interest accrues at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney's collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Improvement Area #2 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 Improvement Area #2 Assessments have been established by the methodology described in the Service and Assessment Plan. The Improvement Area #2 Assessments have been levied against the Parcels comprising the Improvement Area #2 Assessed Property as indicated on the Improvement Area #2 Assessment Roll. The Improvement Area #2 Assessment Roll sets forth for each year the Annual Installment for each Parcel within the Improvement Area #2 Assessed Property consisting of (i) the annual portion allocable to principal and interest on the Improvement Area #2 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 Improvement Area #2 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).

<u>Method of Apportionment of Assessments</u>. For purposes of the Service and Assessment Plan, the City Council has determined that the Improvement Area #2 Assessments shall be allocated among the platted lots within Improvement Area #2 based on Estimated Buildout Value. Upon the division of any Improvement Area #2 Assessed Property within the Improvement Area #2 without the recording of a subdivision plat, the PID Administrator shall reallocate the Improvement Area #2 Assessment for such Improvement Area #2 Assessed Property prior to the subdivision among the newly divided Improvement Area #2 Assessed Properties according to the following formula:

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

Where the terms have the following meaning:

- A = the Improvement Area #2 Assessment for the newly divided Improvement Area #2 Assessed Property
- B = the Improvement Area #2 Assessment for the Improvement Area #2 Assessed Property prior to division
- C = the Estimated Buildout Value of the newly divided Improvement Area #2 Assessed Property
- D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

Upon the subdivision of any Improvement Area #2 Assessed Property within Improvement Area #2 based on a recorded subdivision plat, the PID Administrator shall reallocate the Improvement Area #2 Assessment for the Improvement Area #2 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 Improvement Area #2 Assessment for the newly subdivided Lot

B = the Improvement Area #2 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 Improvement Area #2 Assessment for any resulting Lot may not exceed the Maximum Assessment for such Lot, as shown on Exhibit L to the Service and Assessment Plan. See "APPENDIX C — Form of Service and Assessment Plan."

The following table provides the expected allocation of the Improvement Area #2 Assessments based on Lot Type.

Estimated Allocation of Improvement Area #2 Assessments(1)

					Estimated	
		Estimated	Estimated		Average	
		Buildout	Maximum		Annual	Equivalent Tax
	Number	Value	Assessment	Total	Installment	Rate per \$100
Lot Size	of Lots(2)	per Lot(3)	Per Lot ⁽⁴⁾	Assessment	per Lot	Assessed Value ⁽⁴⁾
35'	116	\$265,628	\$12,388.57	\$1,437,074	\$ 990.47	\$0.3729
50'	173	\$384,915	\$17,723.02	\$3,066,082	\$1,422.42	\$0.3695
55'	114	\$423,732	\$19,374.30	\$2,208,670	\$1,558.23	\$0.3677
Total/Avg.(5)	403			\$6,711,826	\$1,336.50	\$0.3696

Preliminary; subject to change. Derived from information in the Service and Assessment Plan.

The Bonds are secured by a lien on and pledge of the Trust Estate consisting primarily of Pledged Revenues, including the Improvement Area #2 Assessments. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "APPENDIX C — Form of Service and Assessment Plan."

Prepayment of Assessments

<u>Voluntary Prepayments</u>. Pursuant to the PID Act and the Indenture, the owner of any Improvement Area #2 Assessed Property may voluntarily prepay (a "Prepayment") all or part of any Improvement Area #2 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 an Improvement Area #2 Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Improvement Area #2 Assessments.

<u>Mandatory Prepayment</u>. If Improvement Area #2 Assessed Property is transferred to a person or entity that is exempt from payment of the Improvement Area #2 Assessments under applicable law or any portion of

⁽²⁾ Based on the current concept plan for the District.

⁽³⁾ Provided by the Developer.

⁽⁴⁾ Pursuant to the Financing and Reimbursement Agreement and the Service and Assessment Plan, the Maximum Assessment for each lot within Improvement Area #2 is equal to the amount shown on Exhibit L to the Service and Assessment Plan, which amount may not result in an equivalent tax rate that is greater than \$0.44 per \$100 of Estimated Buildout Value. See "APPENDIX C — Form of Service and Assessment Plan" and "APPENDIX F — Financing and Reimbursement Agreement, as amended." Maximum Assessment Per Lot is the aggregate of the Improvement Area #2 Assessment and Major Improvement Area Assessments allocable to Improvement Area #2.

⁽⁵⁾ Averages are weighted based on number of lots per lot size.

Improvement Area #2 Assessed Property becomes Non-Benefited Property, the owner transferring the Improvement Area #2 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 Improvement Area #2 Assessed Property, prior to the transfer.

True-Up of Improvement Area #2 Assessments if Maximum Assessment Exceeded. Prior to the City approving a final subdivision plat, the PID Administrator will certify that such plat will not result in the Improvement Area #2 Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Improvement Area #2 Assessed Property by a final subdivision plat causes the Improvement Area #2 Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the owner must partially prepay the Improvement Area #2 Assessment for each Improvement Area #2 Assessed Property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the Improvement Area #2 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 Improvement Area #2 Assessments.

<u>Prepayment as a Result of an Eminent Domain Proceeding or Taking.</u> Subject to applicable law, if any portion of any Parcel of Improvement Area #2 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 Improvement Area #2 Assessed Property is made to an entity with the authority to condemn all or a portion of the Improvement Area #2 Assessed Property in lieu of or as a part of an eminent domain proceeding (a "Taking"), the portion of the Improvement Area #2 Assessed Property that was taken or transferred (the "Taken Property") shall be reclassified as Non-Benefitted Property.

For the Improvement Area #2 Assessed Property that is subject to the Taking as described in the preceding paragraph, the Improvement Area #2 Assessment that was levied against the Improvement Area #2 Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Improvement Area #2 Assessed Property (the Improvement Area #2 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 Improvement Area #2 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 Improvement Area #2 Assessment that remains due on the Remaining Property, subject to an adjustment in the Improvement Area #2 Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Improvement Area #2 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 Improvement Area #2 Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Improvement Area #2 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 Remaining Property.

In all instances the Improvement Area #2 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 Improvement Area #2 Assessment required to buy down the outstanding Improvement Area #2 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 Improvement Area #2 Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Improvement Area #2 Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on the Outstanding Bonds.

<u>Reduction of Assessments</u>. 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 Improvement Area #2 Improvements are less than the Improvement Area #2 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, in accordance with the Indenture. The Improvement Area #2 Assessments shall not, however, be reduced to an amount less than the Outstanding Bonds. Excess Bond proceeds shall be applied to redeem Outstanding Bonds.

Priority of Lien

The Improvement Area #2 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 Improvement Area #2 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 Improvement Area #2 Assessed Property may pay the entire Improvement Area #2 Assessment levied against any Lot or Parcel, together with accrued interest to the date of payment, at any time.

Foreclosure Proceedings and Potential Barriers to Foreclosure on Non-Foreclosure Lots

ACCORDING TO THE DEVELOPER, APPROXIMATELY 135 OF THE 403 LOTS THAT COMPRISE THE ASSESSED PROPERTY WITHIN IMPROVEMENT AREA #2 OF THE DISTRICT WERE SOLD TO THIRD-PARTIES PRIOR TO THE DATE OF THE ASSESSMENT ORDINANCE, AND THEREFORE, COULD POTENTIALLY HAVE PRE-EXISTING HOMESTEAD RIGHTS. BASED ON A REVIEW OF THE HAYS COUNTY APPRAISAL DISTRICT'S RECORDS, THE CITY ESTIMATES, BUT CANNOT GUARANTEE, THAT THERE ARE PRE-EXISTING HOMESTEAD RIGHTS ASSOCIATED WITH APPROXIMATELY 135 OF THE 403 LOTS THAT COMPRISE THE ASSESSED PROPERTY WITHIN IMPROVEMENT AREA #2 OF THE DISTRICT (ALSO REFERRED TO HEREIN AS THE "NON-FORECLOSURE LOTS"). THE TEXAS ATTORNEY GENERAL HAS OPINED IN OPINION NO. GA-0237 (2004) THAT AN ASSESSMENT LIEN MAY NOT BE ENFORCED BY A FORECLOSURE PROCEEDING UNLESS THE ASSESSMENT LIEN, WHICH IS EFFECTIVE FROM AND AFTER THE DATE OF THE ORDINANCE LEVYING THE ASSESSMENT, PREDATES THE DATE THE PROPERTY BECAME A HOMESTEAD. THUS, THE CITY MAY NOT BE ABLE TO FORECLOSE ON THE LIEN ASSOCIATED WITH THE NON-FORECLOSURE LOTS FOR AS LONG AS SUCH RIGHTS ARE MAINTAINED ON THE PROPERTY. IT IS UNCLEAR UNDER TEXAS 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. NOTWITHSTANDING THE POTENTIAL INABILITY OF THE CITY TO FORECLOSE, A MORTGAGEE ON SUCH PROPERTY MAY FORECLOSE FOR NON-PAYMENT OF A MORTGAGE, SUBJECT TO THE ASSESSMENT LIEN. MOREOVER, ASSESSMENTS ARE A PERSONAL LIABILITY OF AND CHARGE AGAINST THE OWNERS OF THE ASSESSED PROPERTY. TO THE EXTENT THAT A HOMEOWNER HAS ASSETS OTHER THAN THE IMPROVEMENT AREA #2 ASSESSED PROPERTY SUFFICIENT TO COVER A JUDGMENT OBTAINED BY THE CITY, THE CITY MAY BE ABLE TO COLLECT AMOUNTS OWED WITHOUT FORECLOSING ON THE ASSESSED PROPERTY.

Except for the Non-Foreclosure Lots, in the event of delinquency in the payment of any Annual Installment, except for unpaid Improvement Area #2 Assessments on homestead property (unless the lien associated with the Improvement Area #2 Assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in State district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of an Improvement Area #2 Assessment will be subject to the lien established for remaining unpaid installments of the Improvement Area #2 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 Improvement Area #2 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 Improvement Area #2 Assessment on the corresponding Improvement Area #2 Assessed Property.

In the Indenture, the City covenants to take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #2 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 Improvement Area #2 Assessments, provided that the City is not required to expend any funds for collection and enforcement of Improvement Area #2 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 Improvement Area #2 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."

ASSESSMENT DATA

Collection and Delinquency History of Assessments

<u>Major Improvement Area Assessments</u>. On November 16, 2021, the City levied the Major Improvement Area Assessments through the City Council's adoption of an assessment ordinance and approval of the Original Service and Assessment Plan. Upon such adoption, the Major Improvement Area Assessments became legal, valid and binding liens upon the property against which the Major Improvement Area Assessments are made. The annual installments for Major Improvement Area Assessments were billed beginning in October of 2022. The following table shows the collection and delinquency history of the Major Improvement Area Assessments:

Collection and Delinquency of Major Improvement Area Assessments⁽¹⁾

			Delinquent	Delinquent	Delinquent	Delinquent	Annual
Assessments	Annual	Parcels	Amount	Percentage	Amount	Percentage	Installments
Due 1/31	Installments	Levied	as of 3/1	as of $3/\overline{1}$	as of 9/1	as of 9/1	Collected(2)
2023	\$ 31,620.38	3	\$0.00	0.00%	\$0.00	0.00%	\$ 31,620.38
2024	\$269,253.03	3	\$0.00	0.00%	\$0.00	0.00%	\$269,253.03

Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installment ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and November 15. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

THE COLLECTION AND DELINQUENCY HISTORY OF THE MAJOR IMPROVEMENT AREA ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE IMPROVEMENT AREA #2 ASSESSMENTS WILL MIRROR THE COLLECTION OF THE MAJOR IMPROVEMENT AREA ASSESSMENTS. THE MAJOR IMPROVEMENT AREA ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

Improvement Area #1 Assessments. On November 16, 2021, the City levied assessments against assessable property located within Improvement Area #1 (the "Improvement Area #1 Assessments") through the City Council's adoption of an assessment ordinance and approval of the Original Service and Assessment Plan. Upon such adoption, the Improvement Area #1 Assessments became legal, valid and binding liens upon the property against which the Improvement Area #1 Assessments are made. The annual installments for Improvement Area #1

⁽²⁾ Collections as of September 1, 2024. Excluding prepayments, penalties, and interest.

Assessments were billed beginning in October of 2022. The following table shows the collection and delinquency history of the Improvement Area #1 Assessments:

Collection and Delinquency of Improvement Area #1 Assessments(1)

				Delinquent	Delinquent	Delinquent	Delinquent	Annual	
	Assessments	Annual	Parcels	Amount	Percentage	Amount	Percentage	Installments	
	Due 1/31	Installments	Levied	as of 3/1	as of $3/\overline{1}$	as of 9/1	as of 9/1	Collected(2)	
•	2023	\$558,350.88	204	\$11,596.93	2.08%	\$0.00	0.00%	\$558,350.39	
	2024	\$567,874.20	403	\$15,661.30	2.76%	3,427.25	0.60%	\$564,446,95	

Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and November 15. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

THE COLLECTION AND DELINQUENCY HISTORY OF THE IMPROVEMENT AREA #1 ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE IMPROVEMENT AREA #2 ASSESSMENTS WILL MIRROR THE COLLECTION OF THE IMPROVEMENT AREA #1 ASSESSMENTS. THE IMPROVEMENT AREA #1 ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

Assessment Payer Concentration in Improvement Area #2

The City anticipates levying the Improvement Area #2 Assessments in Improvement Area #2 on October 15, 2024. The following table shows the largest assessment payer in Improvement Area #2 responsible for the payment of the Improvement Area #2 Assessments, as of September 1, 2024.

Largest Improvement Area #2 Assessment Payer(1)

		Improvement	Improvement Area #2	% of Total
		Area #2	Assessment to be paid by	Improvement
	Actual/Projected	Assessments	Largest Assessment	Area #2
Owner Name	Number of Lots (2)	Levied	Payer	Assessments
LENNAR HOMES OF TEXAS	284	\$5,463,000	\$3,655,422	66.91%
LAND & CONSTRUCTION LTD	204	\$5,405,000	\$3,033,422	00.91/0

⁽¹⁾ Source: Service and Assessment Plan and Hays County Central Appraisal District.

Foreclosure History

As of September 1, 2024, there has never been a foreclosure sale of any of the property within Improvement Area #2.

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 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 8 miles north of the City of San Marcos, 20 miles south of the City of Austin and 60 miles north of the City of San Antonio. The City covers approximately 31.25 square miles. The City's 2020 census population was 45,697, and the City has estimated that its 2024 population is approximately 58,500. 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 Central Texas.

Collections as of September 1, 2024. Excluding prepayments, penalties, and interest.

⁽²⁾ Includes (a) 5 Lot Type 6 Lots and 17 Lot Type 7 Lots in Phase 2-3, and (b) the Improvement Area #2 Remainder Parcel, which the Developer currently expects to include 116 Lot Type 5 Lots, 111 Lot Type 6 Lots, and 35 Lot Type 7 Lots.

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 ii. See "APPENDIX A – General Information Regarding the City and Surrounding Area" for more information.

Water and Wastewater

The City will provide water and wastewater service to the District. Pursuant to the Development Agreement, the City agreed 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.

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 Improvement Area #2 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 v 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 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 Improvement Area #2 Improvements. See "THE IMPROVEMENT AREA #2 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 improvements within the District, including Improvement Area #2 of the District, and outside of the District, (i) acquisition, construction and improvement of sidewalks, streets, other roadways, and rights-of-way; (ii) acquisition, construction, and improvement of water, wastewater and drainage facilities; (iii) landscaping; (iv) establishment of parks and open space; (v) acquisition, construction, and improvement of off-street parking facilities; (vi) other projects similar to those listed in subsections (i) - (v) above authorized by the Act; (vii) other improvement projects not listed in subsections (i) - (vi) above but are authorized by the Act; and (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (vii) above, including costs of establishing, administering and operation of the District. The City has determined to finance a portion of the costs thereof through the issuance of the Bonds Similarly Secured, including the Bonds, and to provide for the payment of debt service on the Bonds Similarly Secured from the Trust Estate. See "ASSESSMENT PROCEDURES" herein and "APPENDIX C – Form of Service and Assessment Plan."

THE IMPROVEMENT AREA #2 IMPROVEMENTS

General

The "Improvement Area #2 Authorized Improvements" consist of the (i) Improvement Area #2 Improvements, (ii) Bond Issuance Costs and (iii) Administrative Reserves, as described below. A portion of the costs of the Improvement Area #2 Improvements will be funded with proceeds of the Bonds. The balance of the costs of the Improvement Area #2 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, as amended."

Improvement Area #2 Authorized Improvements

<u>Improvement Area #2 Improvements</u>. The Improvement Area #2 Improvements consist of the following:

<u>Water</u>. 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 #2.

<u>Wastewater</u>. 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 #2.

<u>Drainage</u>. 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 #2.

<u>Streets</u>. 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 #2.

<u>Bond Issuance Costs</u>. "Bond Issuance Costs" include (i) a 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.

Administrative Reserves. "Administrative Reserves" include the first year Annual Collection Costs.

Costs of Authorized Improvements

The following table reflects the expected total costs of the Authorized Improvements, including the Improvement Area #2 Authorized Improvements. A portion of the costs of the Improvement Area #2 Authorized Improvements are expected to be financed with proceeds of the Bonds.

		Total Costs	Major Improve	ment Area [a]	Improvement	Area #1 [a]	Improvement	Area #2 [c]
			%	Cost	%	Cost	%	Cost
Major Improvements [b]								
Water	\$	524,967	67.32% \$,	32.68% \$,	0.00% \$	-
Wastewater		1,514,192	67.32%	1,019,377	32.68%	494,815	0.00%	-
Detention		776,927	67.32%	523,039	32.68%	253,888	0.00%	-
Clearing & Erosion Control		297,165	67.32%	200,056	32.68%	97,109	0.00%	-
	\$	3,113,251	Ç	2,095,887	\$	1,017,364	\$	-
Improvement Area #1 Improvements								
Water	\$	1,904,089	0.00%	-	100.00% \$	1,904,089	0.00% \$	-
Wastewater		1,664,789	0.00%	-	100.00%	1,664,789	0.00%	-
Drainage		3,563,862	0.00%	-	100.00%	3,563,862	0.00%	-
Streets		3,530,060	0.00%	-	100.00%	3,530,060	0.00%	-
Clearing & Erosion Control		1,345,247	0.00%		100.00%	1,345,247	0.00%	-
Parks & Common Areas		3,622,769	0.00%	-	100.00%	3,622,769	0.00%	-
Soft Costs		1,538,668	0.00%	-	100.00%	1,538,668	0.00%	-
Contingency		2,163,484	0.00%		100.00%	2,163,484	0.00%	-
	\$	19,332,968	Ş	-	\$	19,332,968	\$	=
Improvement Area #2 Improvements								
Water	\$	3,022,418	0.00% \$	-	0.00% \$	-	100.00% \$	3,022,418
Wastewater		2,487,815	0.00%	-	0.00%	-	100.00%	2,487,815
Drainage		6,461,402	0.00%	-	0.00%	-	100.00%	6,461,402
Streets		6,861,102	0.00%	-	0.00%	-	100.00%	6,861,102
	\$	18,832,737	Ş	-	\$	-	\$	18,832,737
Bond Issuance Costs and District Formation	Expenses							
Debt Service Reserve Fund	, \$	1,225,553	\$	229,129	\$	495,635	\$	500,789
Capitalized Interest		570,401		169,066		96,431		304,904
Underwriter Discount		437,340		81,900		191,550		163,890
Cost of Issuance		820,872		165,769		327,322		327,780
		3,054,166	_	645,864		1,110,939		1,297,362
Administrative Reserves								
First Year Annual Collection Costs		80,000		17,970		42,030		20,000
	\$	80,000	\$		\$	42,030	\$	20,000
Total	Ś	44,413,122	Ś	2,759,722	\$	21,503,300	\$	20,150,099

[b] Major Improvements were allocated between Improvement Area #1 and the Major Improvement Area on a pro rata basis based on Estimated Buildout Value at the time Improvement Area #1 Bonds were issued. Soft costs associated with the Major Improvements are not PID eligible.

The total costs of all of the Improvement Area #2 Authorized Improvements are expected to be approximately \$20,150,099*. Only a portion of such costs, in the approximate amount of \$5,463,000*, are expected to be paid with proceeds of the Bonds. The balance of such costs, in the total approximate amount of \$14,687,099*, will be or has been funded by the Developer with cash on hand and will not be reimbursed by the City. As of September 1, 2024, the Developer spent approximately \$13,200,000.00 on constructing the Improvement Area #2 Improvements, which the Developer funded with cash on hand.

Ownership and Maintenance of Improvement Area #2 Improvements

The Improvement Area #2 Improvements 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

[[]a] Costs were determined by the Engineer's Report prepared by LandDev Consulting dated October 2021.

[[]c] Costs were determined by the Engineer's Report prepared by HRGreen Development dated January 2024.

^{*} Preliminary; subject to change.

the Improvement Area #2 Improvements, except for the Amenities, which will be maintained by the HOA, constructed and conveyed, as outlined in the Service and Assessment Plan.

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

<u>Phase I.</u> 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, (v) Addendum Number Five ("Addendum Five") between the City and the Developer, and (vi) Addendum Number Six ("Addendum Six") 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.

<u>Phase II</u>. The Developer purchased the land comprising the District in 2016. The Developer owns all of the undeveloped land within the area within the District outside of Improvement Area #1 and Improvement Area #2 of the District and the lots within Improvement Area #2 of the District that have not closed to homeowners. The Developer currently expects approximately 135 homes in Improvement Area #2 to be sold to homeowners prior to the City's adoption of the Assessment Ordinance. See "BONDHOLDERS' RISKS – Assessment Limitations" and "– Pre-Existing Homesteads in Improvement Area #2" herein.

The Developer plans to develop the District in three Improvement Areas. Improvement Area #1, Improvement Area #2, and the Future Improvement Area are further divided into Sections. Improvement Area #1 consists of Sections 2-1 and 2-2. Improvement Area #2 consists of Sections 2-3 and 2-4 (further divided into Sections 2-4A and 2-4B). The Future Improvement Area is expected to consist of Section 2-5. Improvement Area #2 and the Future Improvement Area are also located within the Major Improvement Area. The boundaries of the District and each Section are shown in the "MAP SHOWING CONCEPT PLAN OF THE DISTRICT."

The Developer completed construction of the Improvement Area #1 Improvements in April of 2022. The Developer completed construction of the Major Improvements in July of 2023.

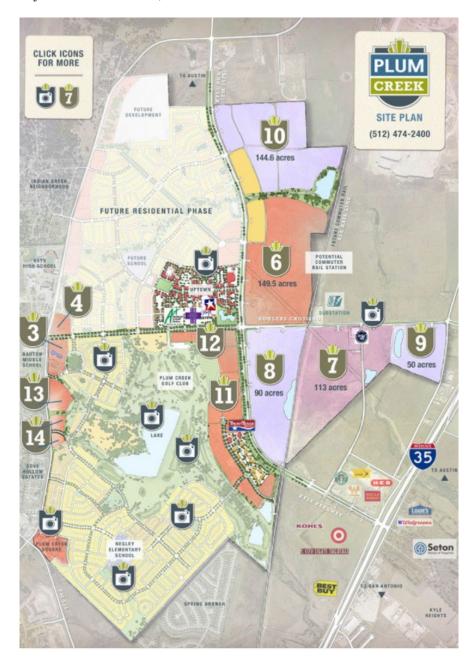
Improvement Area #2 consists of development phases 2-3, 2-4A and 2-4B. The Developer commenced construction of the Improvement Area #2 Improvements within Phase 2-3 in June of 2022, and completed such construction in July of 2023. The Developer commenced construction of the Improvement Area #2 Improvements within Phase 2-4A of Improvement Area #2 in February of 2024, and expects to complete such construction in November of 2024. The Developer commenced construction of the Improvement Area #2 Improvements within Phase 2-4B of Improvement Area #2 in August of 2024, and expects to complete such construction in June of 2025.

In addition to the Public Improvements, the Developer is constructing the Amenities, which will be available for use by the residents within the District. The Developer has completed the primary Amenities in Improvement Area #1, inclusive of a pool, kiddie pool, splash pad, pool house, community club meeting facility, playscape, amphitheater area, and hike and bike trails. Additional open space, pocket parks and connecting walking trails will be completed in conjunction with the Developer's construction of the infrastructure improvements within Improvement Area #2.

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 and 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.

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



<u>Single Family Lot and Home Development Within the District</u>. The District is expected to include approximately 1,246 single family residential lots, consisting of 35' lots (Lot Type 1 and Lot Type 5), 43' lots (Lot Type 2), 50' lots (Lot Type 3 and Lot Type 6) and 55' lots (Lot Type 4 and Lot Type 7). Improvement Area #1 contains 403 lots, consisting of 64 35' lots, 48 43' lots, 217 50' lots and 74 55' lots. Improvement Area #2 is expected to contain 403 lots, consisting of 116 35' lots, 173 50' lots, and 114 55' lots. The Future Improvement Area, which is intended to be Improvement Area #3 and, which upon the issuance of the Bonds, will contain the remaining approximately 440 lots, expected to consist of 94 35' lots, 280 50' lots and 66 55' lots.

As of September 1, 2024, the Developer has completed all 403 lots and sold 396 homes to homeowners in Improvement Area #1. As of September 1, 2024, the Developer has completed 141 lots in Improvement Area #2. The Developer currently expects approximately 135 homes in Improvement Area #2 to be sold to homeowners prior to the City's adoption of the Assessment Ordinance.

The following table shows the expected number and type of lots within each Improvement Area of the District.

Expected Single-Family Lots within the District ⁽¹⁾
--

	Improvement	Improvement	Improvement	Total number
Lot Size	Area #1	Area #2 ⁽²⁾	Area #3 ⁽²⁾	of Lots
35'	64	116	94	274
43'	48	-	-	48
50'	217	173	280	670
55'	74	114	66	254
Total	403	403	440	1,246

⁽¹⁾ Provided by the Developer

The Developer's current expectations regarding the actual and expected build-out and absorption schedule, and the status of lot and home construction, and sale of homes to homeowners in the District are as follows:

Actual and Expected Build-Out and Absorption Schedule of the District

			A 1/D	Actual/Expected Initial Date of	Actual/Expected Final
Improvement		Number	Actual/Expected Infrastructure	Single-Family Homes Closed with	Date of Single-Family Homes Closed with
Area	Lot Size	of Lots	Completion Date (1)	Homeowners (2)	Homebuyers (2)
1	35'	64	April 2022	May 2021	December 2024
1	43'	48	April 2022	May 2021	December 2024
1	50'	217	April 2022	May 2021	December 2024
1	55'	74	April 2022	May 2021	December 2024
2	35'	116	June 2025	January 2024	March 2027
2	50'	173	June 2025	January 2024	March 2027
2	55'	114	June 2025	January 2024	March 2027
3	35'	94	January 2028	January 2027	January 2030
3	50'	280	January 2028	January 2027	January 2030
3	55'	66	January 2028	January 2027	January 2030
Total		1,246			

⁽¹⁾ Represents actual or expected infrastructure completion date for all phases within an improvement area.

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The Major Improvement Area includes Improvement Area #2 and Improvement Area #3.

⁽²⁾ Home sales and closings in each phase of an improvement area began/begin at the completion of the construction of the infrastructure in that phase. Accordingly, home sales and closures may occur prior to the infrastructure completion date for each improvement area. Represents estimated closing dates. Actual closing dates are subject to change.

The following table shows the status of single-family lot and home construction in the District as of September 1, 2024.

Status of Single-Family Lot and Home Construction in the District⁽¹⁾

						Homes	
				Lots owned		under	Homes
	Lot		Lots	by	Homes under	contract w/	closed to
IA#	Size	Lots (2)	Developed	Developer (2)	Construction ⁽¹⁾	Homebuyer	Homebuyer
1	35'	64	64	-	-	-	64
1	43'	48	48	-	-	1	47
1	50'	217	217	-	-	3	214
1	55'	74	74	-		3	71
2	35'	116	-	116	-	-	-
2	50'	173	62	111	-	5	57
2	55'	114	79	35	-	17	62
3	35'	94	-	-	-	-	-
3	50'	280	-	-	-	-	-
3	55'	66	-	-	-	-	-
Total		1,246					

⁽¹⁾ Includes lots with active building permits for home construction.

The Developer's current expectations regarding lot and home prices and estimated value to lien ratios in Improvement Area #2 are as follows:

Estimated Lot and Home Prices in Improvement Area #2 and Estimated Value to Lien Ratios

			Expected		Estimated Ratio of Retail Lot	Estimated Ratio of Expected
		Retail	Home	Assessment per	Value to	Home Price to
Lot Size	Qty.	Lot Value ⁽¹⁾	Price ⁽²⁾	Lot ⁽³⁾	Assessment*	Assessment*
35'	116	\$ 71,400	\$265,628	\$12,388.57	5.76	21.44
50'	173	100,500	\$384,915	\$17,723.02	5.67	21.72
55'	114	110,550	\$423,732	\$19,374.30	5.71	21.87
Total/Avg.	403				5.70	21.71

Per Barletta & Associates Appraisal dated June 10, 2024. 50' lots and 55' lots assuming average of values between phases. The Developer expects to be the only homebuilder in the District and does not expect to sell lots to homebuilders.

Financing and Reimbursement Agreement

The City and the Developer entered into that certain Plum Creek North Public Improvement District Financing and Reimbursement Agreement between the Developer and the City, dated November 16, 2021, as amended by that certain First Amendment to Plum Creek North Public Improvement District Financing and Reimbursement Agreement between the Developer and the City dated March 22, 2022 (the "First Amendment"), and as amended by that certain Second Amendment to Plum Creek North Public Improvement District Financing and Reimbursement Agreement between the Developer and the City dated July 16, 2024 (the "Second Amendment") (collectively, the "Financing and Reimbursement Agreement"). Pursuant to the Financing and Reimbursement Agreement, the Developer agreed to construct certain public improvements within the District, including the Improvements Agreements, 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

⁽²⁾ The Developer currently owns all of the land within Improvement Area #3, which has yet to be platted but is expected to include 94 35', 280 50', and 66 55' lots.

⁽²⁾ Expected Home Prices are provided by Developer.

⁽³⁾ Assessment Per Lot is the aggregate of the Improvement Area #2 Assessments and Major Improvement Area Assessments allocable to Improvement Area #2.

^{*} Preliminary, subject to change.

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 Developer paid the Development Agreement Contribution in March of 2022. As of September 1, 2024, the Developer has not paid the Multi-Use Tract Improvement Deposit.

Pursuant to the First Amendment, the aggregate principal amount of bonds for the District (any such series of bonds, "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.

Pursuant to the Second Amendment, the final maturity for each series of bonds shall occur no later than 30 years from the issuance of said bonds.

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.

<u>Addendum Five</u>. 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. The Developer paid the Development Agreement Contribution in March of 2022.

- (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 conveyed the Multi-Use Tract to the City in April of 2024.
- (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. The City is moving forward with hiring its own planning and engineering firm to design Recreational Use Improvements on the Stormwater Detention Facility and Multi-Use Tracts.

(v) The City has indicated that 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 Developer has completed construction of the offsite regional detention facilities.

(vi) 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 Agreement and to provide drainage benefit for the 36 acres of land as described in 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 has completed construction of the Stormwater Detention Facility.

Addendum Six.

The City and the Developer entered into Addendum Six to the Original Development Agreement, effective as of July 16, 2024 ("Addendum Six"), in which the Developer granted the City an option to purchase the "Option Land" for use as all-weather soccer fields, and the Developer agreed to dedicate certain "Easement Land" to the City for use by the City as connections to the City's "Vybe Trail."

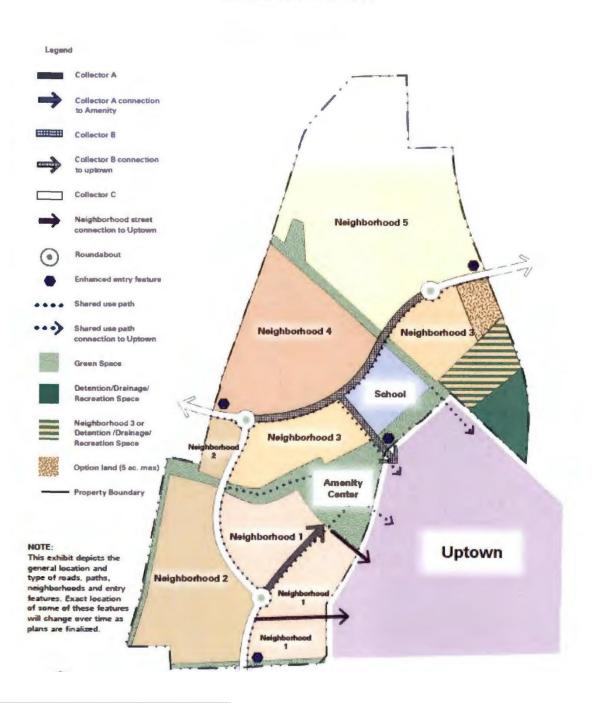
In accordance with Addendum Six:

- (i) The City has indicated its desire for the District to include additional area for all-weather soccer fields. The Developer granted to the City an option for the City to acquire from the Developer land up to ten 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 "Recreational Improvements"). The City must notify the Developer of its intent to acquire the Option Land within 24 months after execution of Addendum Six. 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.
- (ii) The City has indicated its desire for the District to include connections to the City's Vybe Trail. The Developer agreed to dedicate to the City the necessary non-exclusive easements to allow the City to construct, at the City's sole cost and expense, such Vybe Trail improvements in the District.

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Preliminary Land Plan. (1)

PRELIMINARY LAND PLAN



⁽¹⁾ 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.

<u>Water Improvements</u>. 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 Developer completed the water improvements in July of 2023.

<u>Wastewater Improvements</u>. 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 Developer has completed construction of the wastewater connection stub-outs, and the City accepted such improvements in July of 2023.

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 Developer has completed construction of the Wastewater Line Extension, and the City accepted such improvements in July of 2023.

<u>Stormwater Detention Facility</u>. 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.

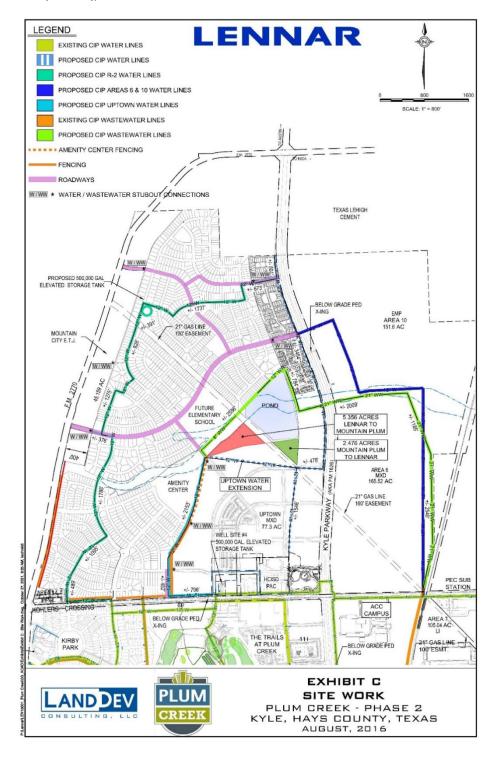
<u>Roadway Improvements</u>. The Developer shall be responsible for constructing the roadway improvements to serve the District, as shown on the Site Development Agreement Plan set forth below. The roadway improvements are part of the Major Improvements under the Service and Assessment Plan. The roadway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

<u>Trail Connections</u>. 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 mid-2025. 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.

<u>Land Dedication</u>. 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 District, the Amenity Center, and Plum Creek Park, respectively.













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 was completed in July 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 is expected to be completed by December of 2028 (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 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 6/10 (average), Barton Middle 8/10 (above average), and Hays High 7/10 (above average). According to the Texas Education Agency ("TEA") 2021-2022 annual report cards, Negley Elementary received a "B" rating and both Barton Middle and Hays High received an "A" rating from the TEA. Hays CISD received an overall performance rating of "B" from the TEA. (The categories for public school districts and public schools are A, B, C, D or Not Rated.)

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 2025.

Environmental

<u>Site Evaluation</u>. 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.

<u>Endangered Species</u>. 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

<u>Water and Wastewater</u>. The City will provide water and wastewater service to the District. See "THE CITY – Water and Wastewater."

<u>Additional Utilities</u>. 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 74,900 new homes in fiscal 2023. 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 2023 consolidated revenues of \$34.2 billion.

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

Projects							
Name of Community	City	Number of Lots	Status of Development				
Stonefield ⁽¹⁾	Buda	698	Fully Developed				
Enclave at Estancia ⁽²⁾	Austin	370	Fully Development				
Avana	Austin	850	Fully Developed				
Cool Springs	Kyle	387	Fully Development				
Greenwood	Austin	821	Under Development				
Plum Creek North ⁽²⁾	Kyle	1,246	Under Development				
Bastrop Grove	Bastrop	1,012	Fully 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				
Cielo Gardens	Jarrell	221	Fully Develop				
Rancho Del Cielo	Jarrell	946	Under Development				
Cotton Brook ⁽²⁾	Hutto	983	Under Development				
Woodfield Preserve	Georgetown	925	Under Development				
Cotton Gateway	San Marcos	1,491	Under Development				
River Bridge Ranch	San Marcos	1,350	Under Development				
Pradera	Uhland	494	Under Development				
Sunset Oaks	San Marcos	887	Fully Developed				
Summerside	Lockhart	631	Under Development				
Waterstone	Kyle	2,022	Under Development				

Development was funded partly through a municipal utility district

Executive Biography of Principals of Lennar Corp.

<u>Stuart Miller: Executive Chairman and Co-Chief Executive Officer.</u> Stuart Miller is Executive Chairman and Co-Chief Executive Officer of Lennar Corporation (NYSE:LEN) and a member of Lennar's Board of Directors. Miller has worked with Lennar for over 35 years, serving in various capacities for the Company's Homebuilding Division and former Investment and Commercial Properties Division. From 1991 to October 1997, he was President of both these business segments and the primary force behind their growth and success during that time.

Miller became CEO of Lennar in April 1997 until he assumed his current role as Executive Chairman in April 2018. In October 1997, Lennar Corporation spun off its commercial real estate investment, financial, and management activities into LNR Property Corporation, and the company became separately listed on the NYSE. Miller served as Chairman of the Board of LNR until the sale of LNR in February 2005. In March 2000, Miller joined the Board of Directors of Builder Homesite, Inc., a consortium of homebuilders nationwide.

Miller also serves on various professional and community boards and committees. He is past Chairman of both the Joint Center for Housing Studies Policy Advisory Board at Harvard University and the University of Miami Board of Trustees, the latter of which he currently serves on the Executive Committee. Miller served as a member of the board of Alonzo Mourning Charities and the board of the Overtown Youth Center. He was Chairman of the 2013 Dolphins Cycling Challenge, benefitting the Sylvester Comprehensive Cancer Center, and currently serves as Co-

Development was funded partly through a public improvement district.

Chairman of the Miami Dolphins Foundation. Miller joined Lennar after graduating from the University of Miami Law School in 1982, prior to which he received his undergraduate degree from Harvard University.

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

<u>David Grove: Regional President</u>. David Grove is Regional President of Lennar, overseeing operations of Lennar's Texas region. Joining Lennar in 1999 as Construction Area Manager for Lennar's Austin Division, David became Director of Construction in 2000 and then a Division President in 2004.

In 2004, Lennar acquired a homebuilder in San Antonio, and David moved there in January of 2005 as Division President, a role he held until 2017, while overseeing both Lennar's Austin and San Antonio Divisions from 2015 - 2017. Later that year, he moved to Dallas in a new role as Division President of Lennar's Dallas-Fort Worth Division, then became Regional President for Texas in 2022.

David is the Board Chair for Ciudad de Angeles, a non-profit organization that operates an orphanage in Mexico. He currently resides in Dallas with his wife Sarah, and is the father of three sons.

<u>Charlie Coleman: Division President, Lennar Austin.</u> 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.

Ken Blaker: Vice President - Land, Lennar Austin. Ken Blaker is the Vice President of Land for Lennar Austin and oversees the acquisitions, entitlement and development of land in the Greater Central Texas Region. Ken is responsible for ensuring Lennar's growth needs for developed homesites are met and currently controls land for the development of 18,000 homesites. Prior to joining Lennar Ken, was the SVP of Catellus Development, responsible for overseeing the day to day redevelopment of the Robert Mueller Municipal Airport in Austin, Texas. Since the mid 80's Ken has gain extensive experience in acquiring and developing thousand of acres for both residential as well as commercial properties. Ken received his Bachelor of Arts degree in Urban Regional Planning and Development from Texas State University in 1984 and his Master's Degree in Public Administration from Texas State in 1988.

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 the Improvement Area #2 Authorized Improvements are expected to be approximately \$20,150,099 *. Only a portion of such costs, in the approximate amount of \$5,463,000*, are expected to be paid with proceeds of the Bonds. The balance of such costs, in the total approximate amount of \$14,687,099*, will be or has been funded by the Developer with cash on hand and will not be reimbursed by the City. As of September 1, 2024, the Developer spent approximately \$13,200,000.00 on constructing the Improvement Area #2 Improvements, which the Developer funded with cash on hand.

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 the PID Administrator. 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.

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, Houston 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 inquires;
- Determination of prepayment amounts;
- Preparation and review of disclosure notices with Dissemination Agent; and
- Review of developer draw requests for reimbursement of public improvement costs.

APPRAISAL OF PROPERTY WITHIN THE DISTRICT

The Appraisal

Gener

<u>General</u>. Barletta & Associates, Inc. (the "Appraiser") prepared an appraisal report for the City dated June 11, 2024, based upon a physical inspection of the District conducted on May 20, 2024 (the "Appraisal"). The Appraisal was prepared at the request of the City. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the 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 Property within the District."

<u>Value Estimates</u>. The Appraiser estimated the market value of the fee simple interest of Improvement Area #2 under certain hypothetical conditions. The Appraisal Report does not reflect the value of Improvement Area #2 as if sold to a single purchaser in a single transaction. The hypothetical conditions include the assumptions that all of the remaining Improvement Area #2 Improvements have been completed in accordance with plans and specifications as of the dates specified below. See "THE IMPROVEMENT AREA #2 IMPROVEMENTS," "THE DEVELOPMENT — Development Plan" and "APPENDIX G — Appraisal of Property within the District."

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^{*} Preliminary; subject to change.

The market value estimate for the Improvement Area #2 Assessed Property, as of the effective date, using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, is as follows:

Description	No. Lots	Market Value	Effective Date
Plum Creek, Phase 2, Section 3, "As Though Vacant"	141	\$13,575,000	5/20/2024
Plum Creek, Phase 2, Section 4, "Upon Completion"	263	\$20,225,000	11/1/2024

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 Improvement Area #2 of the District to pay Improvement Area #2 Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #2 of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the 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, including Improvement Area #2, should proceed more slowly than expected and the Developer is unable to pay the Improvement Area #2 Assessments, only the value of the Improvement Area #2 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.

Deemed Representations and Acknowledgment by Purchasers

Each purchaser of Bonds (each a "Purchaser") will be deemed to have acknowledged and represented to the City the matters set forth under the heading "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" which include, among others, a representation and acknowledgment that the purchase of the Bonds involves investment risks, certain of which are set forth under this heading "BONDHOLDERS' RISKS" and elsewhere herein, and each Purchaser, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act of 1933), has sophisticated knowledge and experience in financial and business matters and the capacity to evaluate such risks in making an informed investment decision to purchase the Bonds, and the Purchaser can afford a complete loss of its investment in the Bonds.

Assessment Limitations

The City contracts with the Hays County Tax Office (the "Tax Office") for collection of the Improvement Area #2 Assessments. Annual Installments of Improvement Area #2 Assessments are billed to property owners of Improvement Area #2 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 Improvement Area #2 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 Improvement Area #2, 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 of Property Owners" herein. In addition, enforcement of the Assessment Lien may not be possible

with respect to the Non-Foreclosure Lots. See "ASSESSMENT PROCEDURES — Foreclosure Proceedings and Potential Barriers to Foreclosure on Non-Foreclosure Lots" herein.

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #2, any Improvement Area #2 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 Improvement Area #2 Assessments, the liens securing such delinquent ad valorem taxes and delinquent Improvement Area #2 Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Improvement Area #2 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, approximately 135 homestead rights may have been claimed. See "--Pre-Existing Homesteads in Improvement Area #2" below. 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 Improvement Area #2 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, inability of the City to close on lots with Pre-Existing Homestead Right, or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent taxes and installments of Improvement Area #2 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 IMPROVEMENT AREA #2 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 IMPROVEMENT AREA #2 OF THE DISTRICT. HOWEVER, FOR AS LONG AS A PRE-EXISTING HOMESTEAD RIGHT IS MAINTAINED ON AN ASSESSED PROPERTY, AN ASSESSMENT LIEN ON THAT ASSESSED PROPERTY MAY NOT BE FORECLOSED UPON.

Pre-Existing Homesteads in Improvement Area #2

ACCORDING TO THE DEVELOPER, APPROXIMATELY 135 OF THE 403 LOTS THAT COMPRISE THE IMPROVEMENT AREA #2 ASSESSED PROPERTY WITHIN IMPROVEMENT AREA #2 OF THE DISTRICT WERE SOLD TO THIRD-PARTIES PRIOR TO THE DATE OF THE ASSESSMENT ORDINANCE, AND THEREFORE, COULD POTENTIALLY HAVE PRE-EXISTING HOMESTEAD RIGHTS. BASED ON A REVIEW OF THE HAYS COUNTY APPRAISAL DISTRICT'S RECORDS, THE CITY ESTIMATES, BUT CANNOT GUARANTEE, THAT THERE ARE PRE-

EXISTING HOMESTEAD RIGHTS ASSOCIATED WITH APPROXIMATELY 135 OF THE 403 LOTS THAT COMPRISE THE IMPROVEMENT AREA #2 ASSESSED PROPERTY WITHIN IMPROVEMENT AREA #2 OF THE DISTRICT (ALSO REFERRED TO HEREIN AS THE "NON-FORECLOSURE LOTS"). THE TEXAS ATTORNEY GENERAL HAS OPINED IN OPINION NO. GA-0237 (2004) THAT AN ASSESSMENT LIEN MAY NOT BE ENFORCED BY A FORECLOSURE PROCEEDING UNLESS THE ASSESSMENT LIEN, WHICH IS EFFECTIVE FROM AND AFTER THE DATE OF THE ORDINANCE LEVYING THE ASSESSMENT, PREDATES THE DATE THE PROPERTY BECAME A HOMESTEAD. THUS, THE CITY MAY NOT BE ABLE TO FORECLOSE ON THE LIEN ASSOCIATED WITH THE NON-FORECLOSURE LOTS FOR AS LONG AS SUCH RIGHTS ARE MAINTAINED ON THE PROPERTY. IT IS UNCLEAR UNDER TEXAS 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. NOTWITHSTANDING THE POTENTIAL INABILITY OF THE CITY TO FORECLOSE, A MORTGAGEE ON SUCH PROPERTY MAY FORECLOSE FOR NON-PAYMENT OF A MORTGAGE, SUBJECT TO THE ASSESSMENT LIEN. MOREOVER, ASSESSMENTS ARE A PERSONAL LIABILITY OF AND CHARGE AGAINST THE HOMEOWNERS OF THE ASSESSED PROPERTY. TO THE EXTENT THAT A HOMEOWNER HAS ASSETS OTHER THAN THE IMPROVEMENT AREA #2 ASSESSED PROPERTY SUFFICIENT TO COVER A JUDGMENT OBTAINED BY THE CITY, THE CITY MAY BE ABLE TO COLLECT AMOUNTS OWED WITHOUT FORECLOSING ON THE IMPROVEMENT AREA #2 ASSESSED PROPERTY.

ONCE PROPERTY HAS BEEN DESIGNATED AS HOMESTEAD, IT CAN ONLY LOSE SUCH DESIGNATION BY ABANDONMENT, ALIENATION, OR DEATH. TEXAS LAW DOES NOT GENERALLY PROVIDE FOR THE TRANSFER OF THE RIGHT TO CLAIM A RESIDENCE HOMESTEAD FROM ONE PARTY TO ANOTHER. RATHER, A TRANSFEREE WOULD HAVE TO EITHER PHYSICALLY OCCUPY SUCH PROPERTY OR MAKE PREPARATIONS FOR PHYSICAL OCCUPANCY OF SUCH PROPERTY IN ORDER TO HAVE THE RIGHT TO CLAIM SUCH PROPERTY AS A HOMESTEAD, AND SUCH RIGHT WOULD AUTOMATICALLY TAKE EFFECT IF AND WHEN SUCH ACTIONS ARE TAKEN. THEREFORE, IN MOST CIRCUMSTANCES, THE SALE OR OTHER TRANSFER OF A NON-FORECLOSURE LOT WOULD MAKE THE CITY'S ASSESSMENT LIEN PRIOR TO THE HOMESTEAD RIGHTS OF THE NEW OWNER, AND WOULD, THEREFORE, EMPOWER THE CITY TO BRING AN ACTION IN STATE DISTRICT COURT TO FORECLOSE THE LIEN OF ANY DELINQUENT ANNUAL INSTALLMENT OWED BY THE NEW OWNER.

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 does not provide the required notice and prospective purchasers of property within Improvement Area #2 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 Improvement Area #2 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 does 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 Exhibit S 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 88th Legislative Session of the State (the "88th Regular Session") concluded on May 29, 2023. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. Upon conclusion of the 88th Regular Session, the Governor called four special sessions all of which have ended without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

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 or landowners 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 the 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 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. 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, including the schedule for and/or the costs of the various improvements to be constructed within the District necessary to serve residents therein, 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 Improvement Area #2 Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Improvement Area #2 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 Improvement Area #2 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. In the past few years, both mortgage rates and home prices have increased, which may affect a home purchasers' ability to qualify for a mortgage loan and afford the total financing costs of a new home. Downturns in the real estate market, rising mortgage rates, and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot, and home sales within Improvement Area #2. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Risks Related to Increase in Costs of Building Materials

If the costs of the remaining Improvement Area #2 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 Improvement Area #2 Improvements or pay the Improvement Area #2 Assessments when due. Additionally, if the costs of materials significantly increase, it may affect the ability of the Developer to complete the Improvement Area #2 Improvements or construct homes within Improvement Area #2. There is no way to predict whether such cost increases or low supply of building materials will affect the development of the District. See "THE DEVELOPER — History and Financing of the District.

Competition

The housing industry in Central Texas 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:

Competitive Projects⁽¹⁾

	Number			Date	Expected	
Project Name	of Units	Proximity	Developer	Started	Completion Date	Prices
Anthem	1500	1.5 miles	Multiple	2022	TBD	\$400,000+
Kyle 57	219	1.5 Miles	Milestone	2022	2026	\$400,000+
Brooks Ranch	138	1.75 Miles	Blackburn	2022	2025	\$450,000+
6 Creeks @ Waterridge	2090 Ac.	2.5 Miles	Multiple	2019	TBD	\$450,000+

⁽¹⁾ 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 Owners 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.

Lien Foreclosure and Bankruptcy

The payment of Improvement Area #2 Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Improvement Area #2 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 Improvement Area #2 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 Improvement Area #2 Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Improvement Area #2 of the District to pay the Improvement Area #2 Assessments and 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 Improvement Area #2 of the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Improvement Area #2 Assessments and Major Improvement Area Assessments. See "OVERLAPPING TAXES AND DEBT."

Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within Improvement Area #2 of the District to pay the Improvement Area #2 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 SIMILARLY SECURED — 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 (or operator) for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not aware, that the owner (or operator) 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 be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

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. The City's water distribution system currently has sufficient capacity to provide water and wastewater service to Improvement Area #2. 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, hurricanes, tropical storms, 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 of Property Owners

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 Improvement Area #2 of the District or sell property within Improvement Area #2 of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus

or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Chapter 9 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 Improvement Area #2 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 Improvement Area #2 of 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 the Improvement Area #2 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 Improvement Area #2 of the District subject to the Improvement Area #2 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.

Chapter 9 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. The City cannot predict a Bankruptcy Court's treatment of the Owner's creditor claim and whether an Owner would be repaid in full.

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 currently has the obligation for payment of 66.50% of the Improvement Area #2 Assessments. The ability of the Developer to make full and timely payment of the Improvement Area #2 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 Improvement Area #2 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 the Improvement Area #2 Improvements within Improvement Area #2. See "THE IMPROVEMENT AREA #2 IMPROVEMENTS." There can be no assurances given as to the financial ability of the Developer to complete the Improvement Area #2 Improvements or any other improvements.

The Developer will not guarantee or otherwise be obligated to pay debt service on the Bonds.

TAX MATTERS

Opinion

The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. A form of Bond Counsel's opinion is reproduced as Appendix D. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the Closing Date pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the City with the provisions of the Indenture subsequent to the issuance of the Bonds. The Indenture contains covenants by the City with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the City may have different or conflicting interests from the

owners of the Bonds. 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 its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust ("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. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Bonds.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain 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 initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining 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, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the 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 purchase price of certain Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such 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 that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond).

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.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, 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.

Norton Rose Fulbright US 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 Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special, 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 in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS

SIMILARLY SECURED," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (except for the last paragraph thereof), "LEGAL MATTERS — Legal Opinions" (except for the last paragraph thereof), "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," "APPENDIX B — Form of Indenture," and "APPENDIX B — Form of Opinion of Bond Counsel" and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained therein 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, to its knowledge, 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 the 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 wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its officers or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Financing and Reimbursement Agreement, the Site Development Agreement, the Development Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds.

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See "BONDHOLDERS' RISKS". The Bonds are not, at this time, 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 of Property Owners." 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 Securities and Exchange Commission (the "Rule"), the City, the Administrator, and BOKF, NA, Houston, Texas (in such capacity, the "Dissemination Agent") will enter into into a Continuing Disclosure Agreement (the "Disclosure Agreement of the 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 the 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 the Issuer." Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of the 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 the 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 the 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 the 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 the 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.

Although the City timely filed annual financial information in compliance with its other outstanding obligations, due to an administrative oversight, the City inadvertently did not associate the filed information with certain CUSIPs for bonds for which the City was an obligated person. On May 2, 2023, the City updated its previously filed required financial information to associate these CUSIPs. As the annual filings were in fact timely filed and readily available on EMMA, the City does not believe this administrative oversight is a material event within the meaning of the Rule.

The Developer

Developer, the Administrator, and Dissemination Agent will, in connection with the issuance of the Bonds, enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of the 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 the Developer, certain information regarding Improvement Area #2 and the Improvement Area #2 Improvements (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 the Developer." Under certain circumstances, the failure of the Developer or the Administrator to comply with its obligations under the Disclosure Agreement of the 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 the 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.

THE FINANCIAL ADVISOR

The following information has been provided by SAMCO Capital Markets, Inc., as the Financial Advisor.

SAMCO Capital Markets, Inc. (the "Financial Advisor") is employed as the Financial Advisor to the City in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. SAMCO Capital Markets, Inc., in its capacity as Financial Advisor, has relied on the opinions of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the bond documentation with respect to the federal income tax status of the Bonds. In the normal course of business, the Financial Advisor may also from time to time sell investment securities to the City for the investment of bond proceeds or other funds of the City upon the request of the City.

The Financial Advisor has provided the following sentence for inclusion in this Limited Offering Memorandum. The Financial Advisor has reviewed the information in this Limited Offering Memorandum in accordance with its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Bonds from the City at a purchase price of \$______ (representing the aggregate principal amount of the Bonds, less an original issue discount of \$______, which includes Underwriter's Counsel's fee) and no accrued interest. The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal 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 Federal 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.

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 Texas Public Funds Investment Act (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.

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 (the "FDIC") 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 FDIC 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 FDIC 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, 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 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 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.

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 and 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, and any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and 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.

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 family relationships 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; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities conducted between the entity and the organization that are not authorized by the entity'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 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) 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 repurchase agreement; (7) restrict the investment in no-load money market 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; (8) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; (9) provide specific investment training for the Treasurer, the chief financial officer (if not the Treasurer) and the investment officer; 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 Similarly Secured, 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 https://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 Improvement Area #2 Improvements generally and, in particular, the information included in any of the maps herein and in the sections captioned "PLAN OF FINANCE except for the subsection "—The Bonds" thereunder, "THE IMPROVEMENT AREA #2 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #2 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.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Bonds have been sold to ultimate

customers; in which case the City's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

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

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED 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	
ATTEST:	Mayor	
City Secretary		

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 8 miles north of the City of San Marcos, 20 miles south of the City of Austin and 60 miles north of the City of San Antonio. The City covers approximately 31.25 square miles. The City's 2020 census population was 45,697, and the City has estimated that its 2024 population is approximately 58,500. 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 Central Texas.

Historical Employment in Hays County and the City

The following information has been provided for informational purposes only.

Hays County

	Average Annual				
	2024(1)	2023	2022	2021	2020
Civilian Labor Force	147,672	144,229	138,727	130,746	121,304
Total Employed	142,258	139,520	134,484	125,340	113,639
Total Unemployed	5,414	4,709	4,243	5,406	7,665
Unemployment Rate	3.7%	3.3%	3.1%	4.1%	6.3%

Data through August 2024.

Source: Texas Labor Market Information.

The City

	Average Annual				
	2024(1)	2023	2022	2021	2020
Civilian Labor Force	31,732	31,036	29,867	28,215	25,783
Total Employed	30,677	30,087	29,001	27,029	24,117
Total Unemployed	1,055	949	866	1,186	1,666
Unemployment Rate	3.3%	3.1%	2.9%	4.2%	6.5%

⁽¹⁾ Data through August 2024.

Source: Texas Labor Market Information.

Major Employers in the City

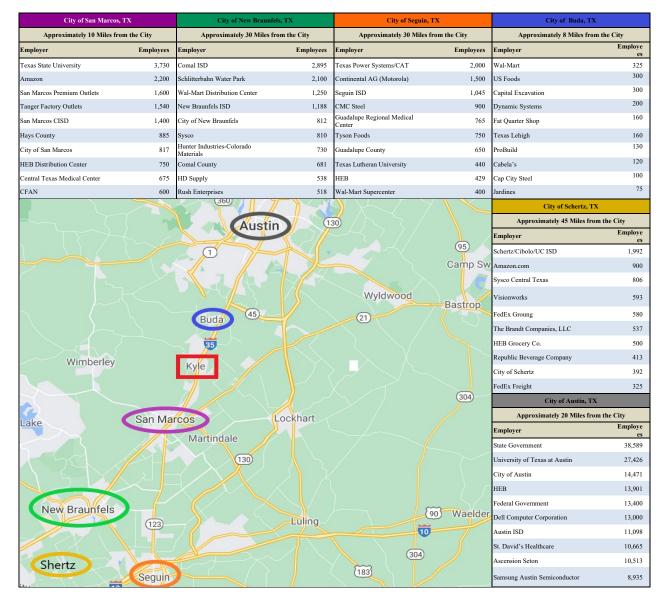
The major employers in the City are set forth in the table below.

		Percentage of Total
Employer	Employees	City Employment
Hays County Independent School District	3,258	15.66%
Seton Medical Center Hays	750	3.60%
Amazon	700	12.76%
HEB Plus	-	-
The City	349	1.68%
Lowes	100	0.48%
PAM Health Rehabilitation Hospital of Kyle	-	-
Home Depot	100	0.48%
Austin Community College at Hays	80	0.31%
Plastikon	65	0.18%
SIMWON	38	0.12%
ENF	25	0.10%
FedEx	20	0.38%
Total	5.485	35.76%

Total 5,485
Source: The City's Comprehensive Annual Financial Report for the year ended September 30, 2023.

Surrounding Economic Activity

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



Source: Municipal Advisory Council of Texas



APPENDIX B

FORM OF INDENTURE



INDENTURE OF TRUST

By and Between

CITY OF KYLE, TEXAS

and

BOKF, NA, as Trustee

DATED AS OF OCTOBER 1, 2024

SECURING

\$

CITY OF KYLE, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of October 1, 2024 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 was submitted and filed with the City Secretary of the City (the "City Secretary") pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act"), requesting the creation of a public improvement district located in the corporate limits of the City to be known as Plum Creek North Public Improvement District (the "District"); and

WHEREAS, the petition contained the signature of the owner 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 signature of the property owner who owns 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 February 5, 2019, after due notice, the City Council of the City (the "City Council") held the 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 on April 16, 2019, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 1139 (the "Creation Resolution"), adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services and also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

WHEREAS, on May 8, 2019, the Creation Resolution was published in the *Hays Free Press*; and

WHEREAS, no written protests to 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 publication; and

WHEREAS, on October 2, 2024, the City Council by Resolution No. ____ made findings and determinations relating to the Actual Costs of certain Improvement Area #2 Improvements, received and accepted a preliminary Amended and Restated Service and Assessment Plan and a proposed assessment roll for Improvement Area #2, called a public hearing for October 15, 2024 and directed City staff to (i) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) coordinate publishing such notice relating to the October 15, 2024 hearing as required by Section 372.016(b) of the PID Act; and

WHEREAS, on ______, 2024, the City Council, pursuant to Section 372.016(b) of the PID Act, caused to be published notice of the public hearing in the *Austin-American Statesman*,

a newspaper of general circulation in the City, to consider the proposed Amended and Restated Service and Assessment Plan and the Improvement Area #2 Assessment Roll and the levy of the Improvement Area #2 Assessments on property within Improvement Area #2 of the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Improvement Area #2 Assessment Roll and the Amended and Restated Service and Assessment Plan and the levy of Improvement Area #2 Assessments on property in Improvement Area #2 of the District to the last known address of the owners of property liable for the Improvement Area #2 Assessments; and

WHEREAS, the City Council opened and convened the hearing on October 15, 2024 and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Amended and Restated Service and Assessment Plan, the proposed Improvement Area #2 Assessment Roll and the Improvement Area #2 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #2 Assessments, the allocation of estimated costs of the Improvement Area #2 Improvements, and the penalties and interest on Annual Installments of the Improvement Area #2 Assessments, and there were no written objections or evidence submitted to the City Secretary in opposition to the Amended and Restated Service and Assessment Plan, the allocation of estimated costs of the Improvement Area #2 Improvements, the Improvement Area #2 Assessment Roll, and the levy of the Improvement Area #2 Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City approved Ordinance No. _____, which levied the Improvement Area #2 Assessments against the property within Improvement Area #2 and approved the Amended and Restated Service and Assessment Plan, in conformity with the requirements of the PID Act; and

WHEREAS, the City Council, in accordance with the authority granted to it by the PID Act and other applicable laws, has authorized the issuance of its "City of Kyle, Texas Special Assessment Revenue Bonds, Series 2024 (Plum Creek North Public Improvement District Improvement Area #2 Project)" (the "Bonds"), pursuant to Ordinance No. _____, approved at the October 15, 2024 meeting of the City Council, for the purpose of (i) paying a portion of the Actual Costs (defined herein) of the Improvement Area #2 Improvements (defined herein), (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the Actual Costs incidental to the administration of the District, and (v) paying the costs of issuance of the Bonds; and

WHEREAS, the Bonds are payable from the Improvement Area #2 Assessments levied against that portion of the District designated as Improvement Area #2 and are secured by this Indenture of Trust, dated October 1, 2024 (the "*Indenture*"), executed and delivered by the City and the Trustee, concurrent with the issuance of the Bonds; and

WHEREAS, the execution and delivery of this Indenture and the issuance of the Bonds have been in all respects duly and validly authorized by written ordinance of the City Council of the City of Kyle, Texas; and

WHEREAS, the Trustee has accepted the trusts created by this Indenture and in evidence thereof has joined in the execution and delivery hereof; and

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds Similarly Secured 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 Similarly Secured as follows:

ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1 Definitions.

In this Indenture, the following terms shall have the following meanings, unless the context clearly indicates otherwise:

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

"Actual Costs" mean, with respect to Improvement Area #2 Improvements, the actual costs paid or incurred by or on behalf of the Developer: (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities. Actual Costs shall not include general contractor's fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to 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 rate charged on Improvement Area #2 Assessments securing the payment of the Bonds pursuant to Section 372.018 of the PID Act.

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

"Additional Interest Reserve Requirement" means, initially, an amount equal to 5.5% of the principal amount of the Outstanding Bonds Similarly Secured which will be funded from the payment of the Additional Interest deposited to the Pledged Revenue Fund and transferred to the Additional Interest Reserve Account.

"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 Improvement Area #2 Assessments securing the Bonds Similarly Secured, levied against property within 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 Amended and Restated 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 Amended and Restated Service and Assessment Plan passed and approved by the City Council on October 15, 2024, by Ordinance No. _____, which serves to amend and restate the Original Service and Assessment Plan, as the same may be further amended, updated, supplemented or otherwise modified from time to time.

"Annual Collection Costs" mean, with respect to Improvement Area #2, the actual or budgeted costs and expenses related to operation of the District and the annual administration of Bonds Similarly Secured, including, but not limited to, costs and expenses for: (1) the Administrator and the 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 Improvement Area #2 Assessments and Annual Installments; (4) preparing and maintaining records with respect to Improvement Area #2 Assessment Roll and Annual Service Plan Updates; (5) issuing, paying, and redeeming Bonds Similarly Secured; (6) investing or depositing Improvement Area #2 Assessments and Annual Installments; (7) complying with the Amended and Restated Service and Assessment Plan and the PID Act with respect to the issuance and sale of Bonds Similarly Secured, including continuing disclosure requirements; and (8) the Paying Agent/Registrar and Trustee in connection with Bonds Similarly Secured, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds Similarly Secured in such Bond Year, assuming that the Outstanding Bonds Similarly Secured are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds Similarly Secured due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

"Annual Installment" means, with respect to the Improvement Area #2 Assessed Properties, the annual installment payment of an Improvement Area #2 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable.

"Annual Service Plan Update" means an update to the Amended and Restated 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. ____ adopted by the City Council on October 15, 2024, that levied the Improvement Area #2 Assessments on the Improvement Area #2 Assessed Property.

"Assessments" shall have the same meaning as such term in the Amended and Restated Service and Assessment Plan.

"Authorized Denomination" means, with respect to the Bonds, \$100,000 and any integral multiple of \$1,000 in excess thereof, or such smaller amount authorized by Section 4.5(a); 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 of \$1,000 in excess thereof, notwithstanding any subsequent downgrade, suspension or withdrawal of such rating. With respect to Refunding Bonds, such term shall have the meaning ascribed thereto in the Supplemental Indenture authorizing the issuance of such Refunding Bonds.

"Authorized Improvements" means those public improvements, including the Improvement Area #2 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 Exhibit Q of the Amended and Restated Service and Assessment Plan.

"Bond Counsel" means Norton Rose Fulbright US 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 October 15, 2024, 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 2024 (Plum Creek North Public Improvement District Improvement Area #2 Project)" that are secured by the Trust Estate, consisting primarily of actual revenues received by or on behalf of the City from the collection of Improvement Area #2 Assessments levied against Improvement Area #2 Assessed Property, or the Annual Installments thereof, for the Improvement Area #2 Improvements.

"Bonds Similarly Secured" or "Bond Similarly Secured" means all bonds or any bond authorized by a bond ordinance and issued in accordance with this Indenture, including the Bonds, Refunding Bonds and any bonds issued in exchange or replacement thereof as permitted by this Indenture.

"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.

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

"Certification for Payment" means a certification for payment substantially in the form of Exhibit C attached to the Financing Agreement executed by the Developer 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 document 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.

"City Representative" means the City Manager and/or 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 applicable Series of Bonds Similarly Secured.

"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, with respect to the Bonds, by and between the City and the Dissemination Agent, and by and among the Developer, the Administrator, and the Dissemination Agent.

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

"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 an Improvement Area #2 Assessed Property, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Improvement Area #2 Assessments, delinquent Annual Installments, or any other delinquent amounts due under the Amended and Restated Service and Assessment Plan, including costs and expenses for 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 its successors and assigns.

"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, 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 BOKF, NA, solely in its capacity of dissemination agent, 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 among DTC Participants.

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

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

"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 payment of Actual Costs of Authorized Improvements within the District, and other matters related thereto.

"Foreclosure Proceeds" means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Improvement Area #2 Assessments against any Improvement Area #2 Assessed Property or Improvement Area #2 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.

"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 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 Assessments levied on Parcels within Improvement Area #1.

"Improvement Area #2" means the improvement area to be developed, consisting of approximately 164.403 acres, to be developed within the District as described by metes and bounds in Exhibit A-4 of the Amended and Restated Service and Assessment Plan and as generally depicted on the map in Exhibit B-4 to the Amended and Restated Service and Assessment Plan.

"Improvement Area #2 Assessed Property" means for any year, any Parcel within Improvement Area #2 of the District against which an Improvement Area #2 Assessment is levied, other than Non-Benefited Property.

"Improvement Area #2 Assessment Revenue" means monies collected by or on behalf of the City from any one or more of the following: (i) an Improvement Area #2 Assessment levied against an Improvement Area #2 Assessed Property, or Annual Installment payment thereof, including any interest on such Improvement Area #2 Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds.

"Improvement Area #2 Assessment Roll" means the assessment roll attached as Appendix J to the Amended and Restated Service and Assessment Plan or any other assessment roll in an amendment or supplement to the Amended and Restated Service and Assessment Plan or in an

Annual Service Plan Update, showing the total amount of the Improvement Area #2 Assessment against each Improvement Area #2 Assessed Property related to the Bonds, as updated, modified, or amended from time to time in accordance with the terms of the Amended and Restated Service and Assessment Plan and the PID Act.

"Improvement Area #2 Assessments" mean the aggregate assessments levied pursuant to the Assessment Ordinance and shown on the Improvement Area #2 Assessment Roll. The singular of such term means the assessment levied against an Improvement Area #2 Assessed Property, pursuant to the Assessment Ordinance, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation upon the subdivision of an Improvement Area #2 Assessed Property or reduction according to the provisions of the Amended and Restated Service and Assessment Plan and the PID Act.

"Improvement Area #2 Improvements" means the Authorized Improvements benefiting Improvement Area #2 described in Section III.C of the Amended and Restated Service and Assessment Plan.

"Improvement Area #2 Improvements Account" means the Account of such name established pursuant to Section 6.1 hereof.

"*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 the Improvement Area #2 Assessed Property for which the Bonds 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 Improvement Area #2 Improvements to be funded with the Bonds, or (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 Improvement Area #2 for which the 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 Improvement Area #2 for which such Bonds are to be issued or (y) the sales price in the actual lot purchase contracts in Improvement Area #2 for which the 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 Similarly Secured; (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, with respect to the Bonds, the initial bond set forth in Exhibit A hereto, and with respect to any Refunding Bonds, the initial bond set forth in the applicable Supplemental 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 March 1, 2025.

"Investment Grade Rating" means a rating 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) 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.

"Major Improvement Area Indenture" means that certain "Indenture of Trust" by and between the City and the Trustee, dated as of March 15, 2022.

"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 Similarly Secured.

"Non-Benefited Property" means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements.

"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 Similarly Secured, all Bonds Similarly Secured authenticated and delivered under this Indenture except (i) any Bond Similarly Secured that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond Similarly Secured for which the payment of the principal or Redemption Price of and interest on such Bond Similarly Secured shall have been made as provided in Article IV, and (iii) any Bond Similarly Secured in lieu of or in substitution for which a new Bond Similarly Secured 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 Similarly Secured or Bonds Similarly Secured, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds Similarly Secured are in book-entry only form and held by DTC as securities depository in accordance with Section 3.13 herein.

"Parcel" means a property, within the boundaries of 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, 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.

"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, Public Improvement Districts, as amended.

"PID Bonds" mean the Bonds and any other bonds issued by the City and secured by Assessments levied on Parcels within the District.

"Pledged Funds" means the Pledged Revenue Fund, the Bond Fund, the Project Fund (but only with respect to such accounts and subaccounts of the Project Fund created pursuant to the terms of this Indenture), the Reserve Fund, and the Redemption Fund. Such term also includes each fund or account pledged to the repayment of the Bonds or Refunding Bonds.

"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) Improvement Area #2 Assessment Revenue other than 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 Similarly Secured.

"Prepayment" means the payment of all or a portion of an Improvement Area #2 Assessment before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Improvement Area #2 Assessment are not to be considered a Prepayment, but rather are to be treated as a payment of the regularly scheduled Annual Installment.

"Principal and Interest Account" means the Account of such name established pursuant to Section 6.1 hereof.

"Project Collection Fund" means that Fund established by Section 6.1 and administered pursuant to Section 6.10 herein.

"Project Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5 herein.

"Purchaser" means, with respect to a Series of Bonds Similarly Secured, the initial underwriter of such Bonds Similarly Secured.

"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 Similarly Secured. 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 Similarly Secured (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 (15th) calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

"Redemption Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6 herein.

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

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

"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 par amount of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to subsections (c) and (d) of Section 6.7; and provided further that as a result of an optional redemption pursuant to Section 4.3, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the Closing Date for

the Bonds, the Reserve Account Requirement is \$_______, [which is an amount equal to the 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.

"Series" means any designated series of Bonds Similarly Secured issued under this Indenture.

"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 Similarly Secured, or any portion of the Bonds Similarly Secured, as applicable 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 Section 2.1 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, 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 Similarly Secured.

"Value to Lien Ratio" means with respect to the Bonds, the ratio of the appraised value of a specific Improvement Area #2 Assessed Property or Improvement Area #2 Assessed Properties, as applicable, in Improvement Area #2 for which the Bonds are issued, based on an Independent Appraisal, to the sum of (i) the principal amount of the PID Bonds to be issued to fund all or a portion of the costs of the Authorized Improvements in the Improvement Area #2, and (ii) the outstanding Assessments levied on the Improvement Area #2 Assessed Property within Improvement Area #2.

Section 1.2 <u>Findings</u>.

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 <u>Granting Clauses</u>

- (a) In order to secure the payment of debt service on all Bonds Similarly Secured, and the performance and observance by the City of all the covenants expressed or implied herein, the City does hereby grant to the Trustee, as good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged a security interest in, mortgage, create a first lien on, and pledge to the Trustee, all of its right, title, and interest, whether now owned or hereafter acquire in, to, and under the following (the "Trust Estate"):
 - (i) All Pledged Revenues and all moneys and investments held in the Pledged Funds, including any and all proceeds thereof and 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

- (ii) 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.
- (b) The Trustee shall have and hold the Trust Estate, whether now owned or hereafter acquired or received by the Trustee and its successors or assigns, in trust upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds Similarly Secured from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds Similarly Secured in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture. 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 Similarly Secured at the times and in the manner stated in the Bonds Similarly Secured, 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 shall remain in full force and effect.
- (c) Except as otherwise provided in the remaining provisions of this Indenture, nothing in this Section 2.1 shall prohibit the Trustee from bringing any actions or proceedings for the enforcement of the obligation of the City hereunder except that nothing in this Section shall prejudice the rights of the Trustee under Articles IX and XI hereof; provided further that the priority of payment and the source for the repayment of the debt service on the Bonds Similarly Secured shall be subject to the terms as set forth herein, including without limitation Article VI herein; provided further that the right to direct remedies following an Event of Default shall be limited to the Owners of the Bonds Similarly Secured to the extent provided as set forth in Articles XI and XV herein.
- (d) The Bonds Similarly Secured are to be issued, registered, authenticated, and delivered, and the Trust Estate is to be held, dealt with and disposed of by the Trustee, upon and subject to the terms, covenants, conditions, uses, agreements and trusts set forth in this Indenture.

Section 2.2 Security for the Bonds Similarly Secured.

The Bonds Similarly Secured, 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 for the applicable Series of Bonds Similarly Secured each issued under this Indenture, 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 Similarly Secured 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 Similarly Secured 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 Owners of the Bonds Similarly Secured 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 2.3 <u>Limited Obligations</u>.

The Bonds Similarly Secured 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 Similarly Secured 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 2.4 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 Similarly Secured and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 2.5 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 Similarly Secured 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 Similarly Secured 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 \$______ for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #2 Improvements, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2 Improvements, (iii) funding a reserve fund for payment of principal and

interest on the Bonds, (iv) paying a portion of the Actual Costs incidental to the administration of the District, and (v) paying the costs of issuance of the Bonds.

Section 3.2 <u>Date, Denomination, Maturities, Numbers and Interest.</u>

- (a) The Bonds shall be dated October 30, 2024 (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 on the Bonds. 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 Closing Date 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 March 1, 2025 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 installments and shall bear interest as set forth below:

Year	Principal <u>Installment (\$)</u>	Interest Rate (%)
20	***	***
20		

(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 Similarly Secured.

- (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 the executed opinion of Bond Counsel;
 - (7) a copy of the executed Continuing Disclosure Agreements;
 - (8) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate; and
 - (9) the documents required to be provided to the Trustee pursuant to Section 13.2(c) of the Major Improvement Area Indenture in connection with an issuance of Future Improvement Area Bonds (as defined in the Major Improvement Area Indenture), to wit:
 - a. 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 (as defined in the Amended and Restated Service and Assessment Plan) authorizing the issuance of PID Bonds for the District;
 - b. a certificate from the Developer, through an authorized representative, certifying that the Developer is not in default beyond any applicable notice and cure period in the performance and observance of any of the terms, provisions and conditions applicable to the Developer contained in the Financing Agreement, the Development Agreement, or any continuing disclosure agreement entered into by the

Developer relating to 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 Bonds regardless of the existence of such default or defaults;

- c. a certificate from the Administrator certifying that 1) there is no default by the Developer or any owner of more than five percent (5%) of the Improvement Area #2 Assessed Property for failure to pay Assessments or ad valorem taxes on Improvement Area #2 Assessed Property owed by the Developer or such owner prior to the delinquency date thereof, 2) the Value to Lien Ratio of each lot type of individual Improvement Area #2 Assessed Property, based on an Independent Appraisal, is not be less than 2.5:1, and 3) the Value to Lien Ratio in Improvement Area #2, based on an Independent Appraisal, is not be less than 3:1; and;
- d. 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;
- e. a certificate from the Developer certifying that at least fifty percent (50%) of the Improvement Area #2 Assessed Properties are either owned by the Developer or are under contract with merchant builder(s) or real estate developer(s) for sale to end users; and
- f. 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 Improvement Area #1.
- (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)(5) and (7), if any, 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 Series of Refunding Bonds, which such terms shall include a deposit into the Reserve Account of the Reserve Fund of an amount equal to the Reserve Account Requirement taking into account the then Outstanding Bonds Similarly Secured and the Refunding Bonds then proposed to be issued;
- (4) 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, including the requirements contained in Section 13.2(c) below; and
- (5) 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.

Section 3.4 <u>Medium, Method and Place of Payment.</u>

- (a) Principal of and interest on the Bonds Similarly Secured shall be paid in lawful money of the United States of America, as provided in this Section.
- (b) Interest on the Bonds Similarly Secured 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 or on behalf of 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 Similarly Secured 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 Similarly Secured shall be paid by check, dated as of the Interest Payment Date, and sent, United States mail, first-class postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each Owner 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 Similarly Secured shall be paid to the Owner of such Bond Similarly Secured on the due date thereof, whether at the maturity date or the date of

prior redemption thereof, upon presentation and surrender of such Bond Similarly Secured at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

- (e) If the date for the payment of the principal of or interest on the Bonds Similarly Secured shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.
- (f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds Similarly Secured 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 Similarly Secured thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds Similarly Secured, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any Owners of such Bonds Similarly Secured for any further payment of such unclaimed moneys or on account of any such Bonds Similarly Secured, 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 Similarly Secured.

- (a) The Bonds Similarly Secured shall be executed on behalf of the City by the Mayor or Mayor Pro Tem of the City and the City Secretary or Assistant 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 Similarly Secured shall have the same effect as if each of the Bonds Similarly Secured had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds Similarly Secured shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds Similarly Secured.
- (b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds Similarly Secured ceases to hold such office before the authentication of such Bonds Similarly Secured 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 Similarly Secured 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 or in a Supplemental Indenture, 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 Similarly Secured. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date for such Series of Bonds Similarly Secured shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein or in a Supplemental Indenture, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his or her duly authorized agent, which certificate shall be evidence that such 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 for each Series of the Bonds Similarly Secured, one Initial Bond representing the entire principal amount of such Series of Bonds Similarly Secured, payable in stated installments to the Purchaser of such Series of Bonds Similarly Secured, or its designee, executed with the manual or facsimile signatures of the Mayor or Mayor Pro Tem and the City Secretary or Assistant City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser of such Series of Bonds Similarly Secured 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 of such Bonds Similarly Secured one registered definitive bond for each year of maturity of such Series of the Bonds Similarly Secured, in the aggregate principal amount of all bonds for such maturity of such Series of the Bonds Similarly Secured, 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 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 Similarly Secured is registered as the absolute owner of such Bond Similarly Secured for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond Similarly Secured is registered on the relevant Record Date) and for all other purposes, whether or not such Bond Similarly Secured 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 Similarly Secured shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond Similarly Secured to the extent of the sums paid.

Section 3.8 Registration, Transfer and Exchange.

- (a) So long as any Bond Similarly Secured 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 Similarly Secured in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will maintain a copy of the Register, with a copy thereof filed 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 Similarly Secured 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 Similarly Secured shall be effective until entered in the Register. If any Bond Similarly Secured 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 Similarly Secured shall have been made available to the Trustee, all liability of the City to the Owner thereof for the payment of such Bond Similarly Secured shall forthwith cease and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner of such Bond Similarly Secured 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 Similarly Secured.
- (c) The Bonds Similarly Secured shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond Similarly Secured or Bonds Similarly Secured of the same Series and of the same maturity and bearing the same interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond Similarly Secured presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured exchanged for other Bonds Similarly Secured in accordance with this Section.

- (d) The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured transferred or exchanged in accordance with this Section. A new Bond Similarly Secured or Bonds Similarly Secured will be delivered by the Paying Agent/Registrar, in lieu of the Bond Similarly Secured 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 Similarly Secured 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 Similarly Secured or Bonds Similarly Secured in lieu of which such transferred Bond Similarly Secured is delivered.
- (e) Each exchange Bond Similarly Secured 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 Similarly Secured or Bonds Similarly Secured in lieu of which such exchange Bond Similarly Secured 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 Similarly Secured. 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 Similarly Secured.
- (g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond Similarly Secured or portion thereof called for redemption prior to maturity within forty-five (45) days prior to the date fixed for redemption; *provided*, *however*, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond Similarly Secured.

Section 3.9 Cancellation.

All Bonds Similarly Secured paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds Similarly Secured in lieu of which exchange Bonds Similarly Secured or replacement Bonds Similarly Secured 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 Similarly Secured in accordance with the records retention requirements of the Trustee.

Section 3.10 Temporary Bonds Similarly Secured.

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

officers of the City executing such temporary bonds may determine, as evidenced by their signing of such temporary bonds.

- (b) Until exchanged for bonds in definitive form, such bonds in temporary form shall be entitled to the benefit and security of this Indenture.
- (c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds Similarly Secured in definitive form; thereupon, upon the presentation and surrender of the Bond Similarly Secured or Bonds Similarly Secured in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds Similarly Secured in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond Similarly Secured or Bonds Similarly Secured of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond Similarly Secured or Bonds Similarly Secured in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.11 Replacement Bonds Similarly Secured.

- (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 Similarly Secured 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 Similarly Secured is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the Applicable Laws of the State of Texas and in the absence of notice or knowledge that such Bond Similarly Secured has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond Similarly Secured 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 Similarly Secured;
 - (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 Similarly Secured, if a bona fide purchaser of the original Bond Similarly Secured in lieu of which such replacement Bond Similarly Secured was issued presents for payment such original Bond Similarly Secured, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond Similarly Secured 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 Similarly Secured has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond Similarly Secured, may pay such Bond Similarly Secured if it has become due and payable or may pay such Bond Similarly Secured when it becomes due and payable.
- (e) Each replacement Bond Similarly Secured 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 Similarly Secured or Bonds Similarly Secured in lieu of which such replacement Bond Similarly Secured is delivered.

Section 3.12 <u>Book-Entry Only System.</u>

The Bonds Similarly Secured 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 for the applicable Series of Bonds Similarly Secured, the definitive Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured. 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 Similarly Secured, (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 Similarly Secured, 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 Similarly Secured. 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 Similarly Secured is registered in the Register as the absolute owner of such Bond Similarly Secured for the purpose of payment of principal of, premium, if any, and interest on Bonds Similarly Secured, for the purpose of giving notices of redemption and other matters with respect to such Bond Similarly Secured, for the purpose of registering transfer with respect to such Bond Similarly Secured, and for all other

purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds Similarly Secured 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 Similarly Secured to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a 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 <u>Successor Securities Depository: Transfer Outside Book-Entry-Only System.</u>

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

ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1 Limitation on Redemption.

The Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article IV. Each Series of Bonds Similarly Secured, other than the Bonds, shall be subject to mandatory sinking fund redemption and optional redemption as provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds Similarly Secured.

Section 4.2 <u>Mandatory Sinking Fund Redemption</u>.

(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:

Term Bonds Maturing September 1, 20

Redemption Date	Sinking Fund Installment
September 1, 20	\$
September 1, 20	
September 1, 20*	
* maturity	

Term Bonds Maturing September 1, 20

Redemption Date	Sinking Fund Installment
September 1, 20	\$
September 1, 20	
September 1, 20_*	
* maturity	

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

shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least (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 subparagraph (a) of this Section 4.2 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 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 maturing on or after September 1, 20__ before their scheduled maturity dates, in whole or in part, on any date, in minimum principal amounts of \$1,000, 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 Bonds Similarly Secured 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 as provided in Section 6.7(d) or (e), transfers to the Redemption Fund made pursuant to Section 6.3(d), 6.3(e), 6.7(a), 6.7(d), 6.7(e) 6.7(f) or 6.7(j) hereof, or as a result of unexpended amounts transferred from the Improvement Area #2 Improvements Account of the Project Fund as provided in Section 6.5(d)). The City shall notify the Trustee in writing at least forty-five (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.

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 Similarly Secured are to be redeemed pursuant to Sections 4.2, 4.3, or 4.4, as applicable, the Bonds Similarly Secured shall be redeemed in minimum principal amounts of \$1,000 or any integral multiple thereof. Each Bond Similarly Secured shall be treated as representing the number of bonds that is obtained by dividing the principal amount of such Series of the Bonds Similarly Secured by \$1,000. No redemption shall

result in a Bond Similarly Secured in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Bond Similarly Secured is less than an Authorized Denomination after giving effect to such partial redemption, a Bond Similarly Secured 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 conclusively rely on the directions provided in a City Certificate.
- (d) Notwithstanding the above provisions relating to the Bonds similarly Secured, if less than all of a Series of Bonds Similarly Secured are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds Similarly Secured or portion of a Bond Similarly Secured, as applicable, of such Series to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured of such Series.
- (e) Upon surrender of any Bond Similarly Secured for redemption in part, the Trustee, in accordance with Section 3.8 of this Indenture, shall authenticate and deliver an exchange Bond Similarly Secured or Bonds Similarly Secured of the same series and in an aggregate principal amount equal to the unredeemed portion of the Bond Similarly Secured so surrendered, such exchange being without charge.

Section 4.6 <u>Notice of Redemption to Owners.</u>

- (a) Upon receipt of written notice from the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds Similarly Secured by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond Similarly Secured or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds Similarly Secured are in book entry only form and held by the DTC as security depository, references to Owner in this Indenture means Cede & Co., as nominee for DTC.
- (b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds Similarly Secured are to be surrendered for payment, and, if less than all the Bonds Similarly Secured Outstanding are to be redeemed, and subject to Section 4.5 hereof, an identification of the Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(e) With respect to any optional redemption of the Bonds Similarly Secured, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds Similarly Secured to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds Similarly Secured 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 Similarly Secured to be purchased, the Trustee shall apply moneys available for redemption to the purchase of Bonds Similarly Secured 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 Similarly Secured purchased by the City shall not exceed the principal amount of such Bond Similarly Secured.

Section 4.8 Payment Upon Redemption.

- (a) The Trustee shall make provision for the payment of the Bonds Similarly Secured 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 Similarly Secured being redeemed.
- (b) Upon presentation and surrender of any Bond Similarly Secured called for redemption at the Designated Payment/Transfer 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured or the principal of and interest on such Bonds Similarly Secured, as applicable, to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds Similarly Secured or portions thereof shall cease to bear interest from and after the date fixed for

redemption, whether or not such Bonds Similarly Secured are presented and surrendered for payment on such date.

ARTICLE V FORM OF THE BONDS SIMILARLY SECURED

Section 5.1 Form Generally.

- (a) The Bonds Similarly Secured, 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 Similarly Secured, (i) shall be, with respect to the Bonds, 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, with respect to any Refunding Bonds, Substantially in the form set forth in an exhibit to a Supplemental 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 Similarly Secured, as evidenced by their execution thereof.
- (b) Any portion of the text of any Bonds Similarly Secured may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds Similarly Secured.
- (c) The definitive Bonds Similarly Secured 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 Similarly Secured, as evidenced by their execution thereof.
- (d) The Initial Bond of each Series of Bonds Similarly Secured submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.
- (e) The form of each Series of Refunding Bonds shall be set forth in the applicable Supplemental Indenture authorizing the issuance of such Refunding Bonds.

Section 5.2 CUSIP Registration.

The City may secure identification numbers through FactSet Research Systems Inc. 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 Similarly Secured. It is expressly *provided*, *however*, that the presence or absence of CUSIP numbers on the Bonds Similarly Secured 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 Similarly Secured as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds Similarly Secured. The Trustee may include in

any redemption notice a statement to the effect that the CUSIP numbers on the Bonds Similarly Secured have been assigned by an independent service and are included in such notice solely for the convenience of the Owners of the Bonds Similarly Secured and that neither the City nor the Trustee shall be liable for any inaccuracies of such numbers.

Section 5.3 <u>Legal Opinion</u>.

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

ARTICLE VI FUNDS AND ACCOUNTS

Section 6.1 Establishment of Funds and Accounts.

- (a) <u>Creation of Funds</u>. 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) Project Collection Fund.
 - (b) Creation of Accounts.
 - (i) The following Accounts are hereby created and established under the Bond Fund:
 - (A) Principal and Interest Account; and
 - (B) Capitalized Interest Account.
 - (ii) The following Accounts are hereby created and established under the Project Fund:
 - (A) Improvement Area #2 Improvements Account; and

- (B) Costs of Issuance Account.
- (iii) The following Accounts 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 Similarly Secured.
- (d) Except as otherwise provided herein, interest earnings and profit on each respective Fund and Account established by this Indenture, including the Project Collection Fund, shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2 <u>Initial Deposits to Funds and Accounts.</u>

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

is equ	(i)	to the Reserve Account of the Reserve Fund: \$	_ which
is equa	ai to tii	e initial Reserve Account Requirement;	
	(ii)	to the Capitalized Interest Account of the Bond Fund: \$;
	(iii)	to the Administrative Fund: \$;	
and	(iv)	to the Costs of Issuance Account of the Project Fund: \$;
anu			
г 1	(v)	to the Improvement Area #2 Improvements Account of the	Project
Fund:	D .	·	

Section 6.3 Pledged Revenue Fund.

(a) On or before February 20, 2025 and on or before each February 20 and August 20 of each year thereafter while the Bonds Similarly Secured are Outstanding, the City shall deposit or cause to be deposited with the Trustee all Pledged Revenues, if any, other than the Pledged Revenues on deposit in the Project Collection Fund which revenues shall be transferred in accordance with Section 6.10 hereof, into the Pledged Revenue Fund. Specifically, the City shall deposit or cause to be deposited Improvement Area #2 Assessment Revenues and other Pledged Revenues to be applied by the Trustee in the following order of priority:

- (i) <u>first</u>, to the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year;
- (ii) <u>second</u>, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the initial Reserve Account Requirement;
- (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in 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) <u>fourth</u>, to pay other Actual Costs of Improvement Area #2 Improvements; and
 - (v) fifth, to pay other costs permitted by the PID Act.

Along with each deposit of Pledged Revenues from the Project Collection Fund 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 Similarly Secured, 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 any expected transfers from the Capitalized Interest Account of the Bond Fund to the Principal and Interest Account of the Bond Fund, such that the amount on deposit in the Principal and Interest Account of the Bond Fund equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured 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 of the Bond Fund first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.
- (d) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Prepayments to the Pledged Revenue Fund and within two Business Days after such deposit shall transfer such Prepayments to the Redemption Fund.
- (e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and within two Business Days after such deposit shall transfer Foreclosure Proceeds, as directed by the City pursuant to a City Certificate, <u>first</u> to the Reserve Fund to restore any transfers from the accounts within the Reserve Fund made with respect to the Improvement Area #2 Assessed Property or Improvement Area #2 Assessed

Properties to which the Foreclosure Proceeds relate (*first*, to the Reserve Account of the Reserve Fund to replenish the Reserve Account Requirement, and *second*, to replenish the Additional Interest Reserve Account of the Reserve Fund to replenish the Additional Interest Reserve Requirement), and <u>second</u>, to the Redemption Fund.

- (f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured 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) (iii) above, the City may direct the Trustee by City Certificate to apply Improvement Area #2 Assessments for any lawful purposes permitted by the PID Act for which Improvement Area #2 Assessments may be paid. 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.
- (g) Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the City pursuant to a City Certificate, for any lawful purpose permitted by the PID Act for which such additional Pledged Revenues may be used, including transfers to other Funds and Accounts created pursuant to this Indenture.

Section 6.4 Bond Fund.

- (a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account of the Bond Fund and transfer the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds Similarly Secured, less any amount to be used to pay interest on the Bonds Similarly Secured on such Interest Payment Date from the Capitalized Interest Account of the Bond Fund as provided below.
- (b) If amounts in the Principal and Interest Account of the Bond Fund 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(g) hereof. 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.
- (c) Moneys in the Capitalized Interest Account of the Bond Fund shall be used for the payment of interest on the Bonds on the following dates and in the following amounts:

<u>Date</u>	Amount (\$)
September 1, 2025	

Any amounts on deposit to the Capitalized Interest Account of the Bond Fund after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #2 Improvements Account of the Project Fund, or if the Improvement Area #2 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 of the Bond Fund shall be closed.

Section 6.5 Project Fund.

- (a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1 hereof. Except as provided in Sections 6.5(c) and (d), money on deposit in the Improvement Area #2 Improvements Account of the Project Fund shall only be used to pay Actual Costs of the Improvement Area #2 Improvements.
- (b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds Similarly Secured pursuant to one or more City Certificates. Disbursements from the Improvement Area #2 Improvements Account to pay Actual Costs of the respective Authorized Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Accounts of the Project Fund shall be pursuant to and in accordance with the disbursement procedures described in the Financing Agreement or as provided in such written direction from the City. Such provisions and procedures related to such disbursement contained in the Financing Agreement, and no other provisions of the Financing Agreement, are herein incorporated by reference and deemed set forth herein in full.
- If the City Representative reasonably determines that amounts then on deposit in the Improvement Area #2 Improvements Account are not expected to be expended for purposes of the Improvement Area #2 Improvements Account of the Project Fund, due to the completion, abandonment, or constructive abandonment, of the Improvement Area #2 Improvements, as the case may be, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #2 Improvements Account of the Project Fund will ever be expended for the purposes of the Improvement Area #2 Improvements Account of the Project Fund, the City Representative shall, after providing the Developer with at least thirty (30) days written notice of such determination, file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #2 Improvements Account of the Project Fund that are not expected to be used for purposes of the Improvement Area #2 Improvements Account of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Area #2 Improvements Account of the Project Fund, as applicable, shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practical date after notice of redemption has been provided in accordance with this Indenture, and the Improvement Area #2 Improvements Account of the Project Fund shall be closed.
- (d) Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the Bonds Similarly Secured have been paid and the appropriate portion of the costs incidental to the organization of the District have been paid, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Costs of Issuance Account of the Project Fund that are not expected to be used for purposes of the Costs of Issuance Account of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Costs of Issuance Account of the Project Fund shall be transferred first to the Improvement Area #2 Improvements Account of the Project Fund, as specified in the City Certificate, and used to pay Actual Costs and second to the Principal and Interest Account of the Bond Fund used to pay interest on the Bonds Similarly Secured, as directed

by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account of the Project Fund shall be closed.

- (e) 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.
- (f) In providing any disbursement from the Improvement Area #2 Improvements Account of the Project Fund, the Trustee may conclusively rely as to the completeness and accuracy of all statements in such Certification for Payment 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 Certification for Payment by a City Representative shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed.

Section 6.6 Redemption Fund.

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee, 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 Similarly Secured 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 Similarly Secured as provided in Article IV.

Section 6.7 <u>Reserve Fund</u>.

- (a) The Reserve Account of the Reserve Fund will be initially funded with a deposit of \$_____ from the proceeds of the Bonds in the amount of the Reserve Account Requirement and the City agrees with the Owners of the Bonds Similarly Secured to accumulate from the deposits outlined in Section 6.3(a) hereof, and when accumulated maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement except to the extent such a deficiency is due to the application of Section 6.7(d) hereof. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.
- (b) The Trustee, if needed, will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account of the Reserve Fund on March 1 and September 1 of each year, commencing March 1, 2025, to the extent that funds are available after application of the deposit priority in Section 6.3(a) hereof, an amount equal to the Additional Interest in the Additional Interest Reserve Account of the Reserve Fund until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account of the Reserve Fund; *provided*, *however*, that at any time the amount on deposit in the Additional Interest Reserve Account of the Reserve Fund is less than Additional Interest Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Additional Interest Reserve Account of the Reserve Fund until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account of the Reserve Fund.

- (c) Whenever a transfer is made from an Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.
- Whenever Bonds Similarly Secured 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 Similarly Secured. 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 of the Reserve Fund prior to redemption, and (ii) the Reserve Account Requirement after such redemption; provided, however, no such transfer from the Reserve Account of the Reserve Fund 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 Similarly Secured to be redeemed, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured 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 Similarly Secured to be redeemed in minimum principal amounts of \$1,000, from the Additional Interest Reserve Account of the Reserve Fund to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.
- (e) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account of the Reserve Fund 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 of the Bond Fund to be used for the payment of interest on the Bonds Similarly Secured 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, (ii) to the Improvement Area #2 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, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured.
- (f) 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 of the Reserve Fund 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"). The Excess Additional Interest Reserve Amount on deposit in the Additional Interest Reserve Account of the Reserve Fund shall be transferred by the Trustee to the Redemption Fund, and shall notify the City of such transfer in writing. In transferring the amounts

to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Improvement Area #2 Assessment Roll in the Amended and Restated Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.

- (g) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first from the Additional Interest Reserve Account of the Reserve Fund to the Principal and Interest Account of the Bond Fund and second from the Reserve Account of the Reserve Fund to the Principal and Interest Account of the Bond Fund the amounts necessary to cure such deficiency.
- (h) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account of the Reserve Fund and the Additional Interest Reserve Account of the Reserve Fund shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds Similarly Secured.
- (i) If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with Section 6.3.
- (j) If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds Similarly Secured on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds Similarly Secured as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured 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 2024 (Plum Creek North Public Improvement District Improvement Area #2 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 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) Notwithstanding Section 6.3(a) hereof, the City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay Annual Collection Costs and Delinquent Collection Costs, other than the Annual Collection Costs and Delinquent Collection Costs deposited into the Project Collection Fund, which amounts shall be deposited in accordance with Section 6.10 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 Amended and Restated Service and Assessment Plan.
 - (b) The Administrative Fund is not a Pledged Fund.

Section 6.10 Project Collection Fund.

While any Bonds Similarly Secured are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Improvement Area #2 Assessment Revenue on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Improvement Area #2 Assessment Revenue for deposit on the City's behalf, the Trustee shall accept such Improvement Area #2 Assessment Revenue and deposit the same into the Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited (i) all of that portion of the Improvement Area #2 Assessment Revenue deposited into the Project Collection Fund that consists of the Annual Collection Costs and Delinquent Collection Costs to the Administrative Fund and (ii) all of that portion of the Improvement Area #2 Assessment Revenue deposited into the Project Collection Fund that consists of Pledged Revenues into the Pledged Revenue Fund for future allocations as set forth in Section 6.3(a) hereof. The City shall provide such City Certificate on or before February 20, 2025 and every August 20 and February 20 thereafter while the Bonds are Outstanding. The Project Collection Fund is not a Pledged Fund.

Section 6.11 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. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account of the Reserve Fund may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds Similarly Secured, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured. 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. To ensure that cash on hand is invested, in the absence of direction pursuant to a City Certificate, money in any Fund or Account established pursuant to this Indenture shall be invested in the Invesco Short-Term Investments Trust Treasury (CUSIP 825252786) until directed otherwise by the City Certificate.

- (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 have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any City Certificate and to ensure that an investment it is directed to purchase is a permitted investment pursuant to the terms of this Indenture. 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 constitute Investment Securities or comply with Section 6.11(a) above. The parties hereto acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.
- (d) Investments in any and all Funds and Accounts (and subaccounts, if any) 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 (and subaccounts, if any) 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 (and subaccounts, if any) 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 and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.
- (f) The Trustee may conclusively rely on any City Certificate and shall not be required to make any investigation in connection therewith.

Section 6.12 Advances from Available Funds.

In the event of a delinquency in the payment of any installment of the 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 Improvement Area #2 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 Assessment, delinquent 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 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 6.13 Security of Funds.

All Funds or Accounts heretofore created, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds or Accounts shall be used only for the purposes and in the manner permitted or required by this Indenture.

ARTICLE VII COVENANTS

Section 7.1 Confirmation of Assessments.

The City hereby confirms, covenants, and agrees that the Improvement Area #2 Assessments to be collected from the Improvement Area #2 Assessed Property are as so reflected in the Amended and Restated Service and Assessment Plan (as it may be updated form time to time) and, in accordance with the Assessment Ordinance, it has levied the Improvement Area #2 Assessments against the respective Improvement Area #2 Assessed Properties from which the Pledged Revenues will be collected and received.

Section 7.2 Collection and Enforcement of Assessments.

- (a) For so long as any Bonds Similarly Secured are Outstanding, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #2 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 Improvement Area #2 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 Assessment or the corresponding Improvement Area #2 Assessed Property. Furthermore, nothing shall obligate the City, the City Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of the applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

Section 7.3 <u>Against Encumbrances</u>.

- (a) Other than the 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, other than that specified in Section 9.6 of this Indenture, or upon any other property pledged under this Indenture, except any pledge created for the equal and ratable security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.
- (b) So long as Bonds Similarly Secured are Outstanding hereunder, and except as set forth in Section 13.2 hereof, the City shall not issue any bonds, notes or other evidences of indebtedness secured by any pledge of or other lien or charge on any portion of the Pledged Revenues, the Pledged Funds, the Trust Estate or other property pledged under this Indenture, except that the City may issue Refunding Bonds in accordance with the terms of this Indenture, as provided in Section 13.2 hereof.

Section 7.4 Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds Similarly Secured or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Improvement Area #2 Assessments. The Trustee and Owners of any Bonds Similarly Secured 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 Similarly Secured 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 <u>Covenants to Maintain Tax-Exempt Status.</u>

- (a) <u>Definitions</u>. When used in this Section, the following terms shall have the following meanings:
- (b) "Closing Date" means the date on which, each Series of the Bonds Similarly Secured are first authenticated and delivered to the respective initial purchasers against payment therefor.
- (c) "Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.
- (d) "Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.
- (e) "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.
- (f) "Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.
- (g) "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.
- (h) "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.
- (i) "Yield" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) of the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.
- (j) 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.

- (k) <u>No Private Use or Private Payments</u>. 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 each Series of the Bonds Similarly Secured:
- (l) 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 Similarly Secured of such Series, 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
- (m) 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 Similarly Secured of such Series 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.

(n) 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 any Bonds Similarly Secured 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 Improvement Area #2 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 that Series of the Bonds Similarly Secured are delivered and will ensure that the Improvement Area #2 Assessments continue to meet such requirements for so long as Bonds Similarly Secured are outstanding hereunder.
- (o) <u>Not to Invest at Higher Yield</u>. 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 any Series of the Bonds Similarly Secured 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 Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of such Series of the Bonds Similarly Secured.

- (p) 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 Similarly Secured to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.
- (q) <u>Information Report</u>. 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 with respect to each Series of the Bonds Similarly Secured.
- (r) <u>Rebate of Arbitrage Profits</u>. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:
- (s) 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 day on which the last outstanding Bond Similarly Secured is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds Similarly Secured 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.
- (t) Not less frequently than each Computation Date for ach Series of the Bonds Similarly Secured, the City shall calculate the Rebate Amount for the respective Series of Bonds Similarly Secured 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 each Series of the Bonds Similarly Secured until six years after the final Computation Date.
- (u) As additional consideration for the purchase of the Bonds Similarly Secured by the Purchasers 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, direct the Trustee to transfer to the Rebate Fund from the funds or accounts designated in such City Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value of previous rebate payments made for any Series of the Bonds Similarly Secured equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code

and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

- (v) 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.
- (w) 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 Similarly Secured, 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 Similarly Secured not been relevant to either party.
- (x) <u>Elections</u>. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, City Secretary or Assistant 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 each Series of the Bonds Similarly Secured, 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 Similarly Secured, 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 Similarly Secured or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds Similarly Secured 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 Similarly Secured or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds Similarly Secured 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 Similarly Secured, or as to the existence of an 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 Similarly Secured, 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 Similarly Secured (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, the funds available for such payment in any of the Pledged Funds, if any, 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 Similarly Secured 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 the Assistant 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 <u>Trustee as Registrar and Paying Agent.</u>

The Trustee is hereby designated and agrees to act as Registrar and Paying Agent for and in respect to the Bonds Similarly Secured. 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 Similarly Secured 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 delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its sole and exclusive 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, form the Pledged Revenue Fund to pay all costs, fees, and 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 Similarly Secured Outstanding hereunder.

Section 9.3 Responsibilities of the Trustee.

(a) The recitals contained in this Indenture and in the Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured 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.

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 Improvement Area #2 Improvements.

- (c) 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 occurred and continues, 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.
- (d) The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds Similarly Secured) 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 Similarly Secured.
- (e) 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 Similarly Secured. The Trustee shall not be accountable for the use or application of any Bonds Similarly Secured or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.
- (f) The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it is established that the Trustee was negligent in ascertaining the pertinent facts.
- (g) 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 at least a Quarter in Interest of the aggregate outstanding principal of the Bonds Similarly Secured 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.

- (h) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee is notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by an Owner of the Bonds Similarly Secured. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above, unless Trustee has actual knowledge of an Event of Default.
- (i) Before taking any action under this Indenture (other than making any deposits, payments or transfers prior to an Event of Default when required hereunder), 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.
- (j) 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 Similarly Secured.
- (k) 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 the Trustee shall be entitled to rely and act upon the opinion or advice of its own counsel, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of its own counsel.

Section 9.4 Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5 Trustee Protected in Relying on Certain Documents.

The Trustee may conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, 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 to the Owner of any Bond Similarly Secured, shall be conclusive and binding upon all future owners of the same Bond Similarly Secured and upon Bonds Similarly Secured issued in exchange therefor and upon transfer or in place thereof.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13 herein.

Section 9.6 Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, upon written direction of the City, compensation for all services rendered by it hereunder, including its services as 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 lien therefor on any and all funds at any time held by it in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, the from any moneys in the Pledged Revenue Fund. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City fails to make any payment required by this Section, the Trustee may make such payment from any moneys in the Administrative Fund and shall have a first lien with right of payment before payment on account of principal of or interest on any Bond Similarly Secured, upon all moneys in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from any moneys in its possession (except the Rebate Fund) under any provisions hereof for the foregoing reasonable advances, fees, costs, and expenses incurred. 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 Similarly Secured and may join in any action that any Owner of Bonds Similarly Secured 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 holders of Bonds Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the holders of a majority in aggregate outstanding principal amount of the Bonds Similarly Secured. 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 <u>Resignation of Trustee</u>.

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 Similarly Secured. 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. Notwithstanding the foregoing, if, after sixty (60) days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

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 Similarly Secured 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 a Quarter in Interest of the aggregate outstanding principal of the Bonds Similarly Secured.

Section 9.10 Successor Trustee.

If the Trustee resigns, is removed, is dissolved, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property is appointed, or if any public officer takes charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee becomes vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed after any such vacancy occurs by the Owners of a

Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

Until such successor Trustee shall have been appointed by the Owners of a Quarter in Interest of the Bonds Similarly Secured, 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 Similarly Secured 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 Similarly Secured.

If in a proper case no appointment of a successor Trustee is 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 Similarly Secured 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 Similarly Secured, notice of its appointment to any Rating Agency which, at the time of such appointment, is providing a rating on the Bonds Similarly Secured and each of the Owners of the Bonds Similarly Secured.

Section 9.11 Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such

Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12 Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, *provided* that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13 Security Interest in Trust Estate.

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds Similarly Secured and the pledge of the Trust Estate provided for herein, and such pledge is, under current law, valid, effective and perfected. The City shall cause to be filed all appropriate initial financing statements, if any, to ensure that the Trustee (for the benefit of the Owners of the Bonds Similarly Secured) 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 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 Similarly Secured and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds Similarly Secured.

Section 9.15 Expenditure of Funds and Risk.

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of its rights or powers if the Trustee shall have reasonable

grounds for believing that the repayment of such funds or indemnity against such risk or liability is not assured.

Section 9.16 Environmental Hazards.

The Trustee may inform any Holder 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.

Section 9.17 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 Similarly Secured then Outstanding or their representatives duly authorized in writing.

Section 9.18 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 Similarly Secured.

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 Similarly Secured 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 Similarly Secured, 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 Similarly Secured then Outstanding. No

such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured 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 Similarly Secured, without the express consent of the Owner of such Bond Similarly Secured, (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 Similarly Secured, (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 Similarly Secured, or (iv) reduce the percentage of Owners of Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured in any material respect;
- (iv) to authorize a Series of Refunding Bonds in accordance with the provisions of this Indenture, as set forth in Section 13.2 herein; 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 Similarly Secured.

Any modification or amendment made pursuant to this Section 10.1 shall not be subject to the notice procedure specified in Section 10.3 below. Notwithstanding the above, no Supplemental Indenture under subsection (i), (ii), (iii) or (v) above 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 Similarly Secured 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 Similarly Secured. 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured at the expiration of forty-five (45) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such forty-five (45) day period; provided, however, that the Trustee during such forty-five (45) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its sole discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as it may deem expedient 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 Similarly Secured 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 <u>Endorsement or Replacement of Bonds Similarly Secured Issued After</u> Amendments.

The City may determine that Bonds Similarly Secured 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 Similarly Secured Outstanding at such effective date and presentation of his Bond Similarly Secured 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 Similarly Secured. The City may determine that new Bonds Similarly Secured, 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 Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

Section 10.6 <u>Amendatory Endorsement of Bonds Similarly Secured.</u>

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds Similarly Secured held by such Owner, provided that due notation thereof is made on such Bonds Similarly Secured.

Section 10.7 Waiver of Default.

Subject to the second and third sentences of Section 10.1, with the written consent of the Owners of more than fifty percent (50%) in aggregate principal amount of the Bonds Similarly Secured 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 engaged 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 Similarly Secured, 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 Improvement Area #2 Assessments including the prosecution of foreclosure proceedings;
- (iii) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make the payments; 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 Similarly Secured with a copy to the Trustee, specifying such default by the Owners of a Quarter in Interest of the Bonds Similarly Secured 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 Similarly Secured 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. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

(b) THE PRINCIPAL OF THE BONDS SIMILARLY SECURED 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 Similarly Secured, in the selection of Trust Estate assets to be used in the payment of Bonds Similarly Secured 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.
- 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. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

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 Similarly Secured have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for sixty (60) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such sixty (60) day period by the Owners of a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Owners of the Bonds Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured 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 Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured 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 Similarly Secured.
- (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 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 shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs, and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall be applied by the Trustee, on behalf of the City, to the

payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, 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 Similarly Secured, or Redemption Price of any Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured 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, if previously directed in writing by Owners of a Quarter in Interest of the Bonds Similarly Secured, shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest, if any, on Bonds Similarly Secured.

Section 11.6 Evidence of Ownership of Bonds Similarly Secured.

(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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured shall bind all future Owners of the same Bonds Similarly Secured 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 Similarly Secured.

Bonds Similarly Secured owned or held by or for the account of the City shall be promptly delivered to the Trustee and cancelled. Such Bonds Similarly Secured will not be deemed Outstanding for any purpose, including without limitation, the purpose of consent or other action or any calculation of Outstanding Bonds Similarly Secured provided for in this Indenture, and the City shall not be entitled with respect to such Bonds Similarly Secured 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 Similarly Secured 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 Applicable Laws 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 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 <u>Representations as to the Trust Estate.</u>

- (a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds Similarly Secured, 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 Improvement Area #2 Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured 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 <u>Accounts, Periodic Reports and Certificates.</u>

The Trustee shall keep or cause to be kept proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City during the Trustee's regular business hours and each Owner or Owners of not less than 10% in principal amount of any Bonds Similarly Secured then Outstanding or their representatives duly authorized in writing, providing reasonable notice to the Trustee.

Section 12.3 General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

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 conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.
- (b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2 Additional Obligations or Other Liens; Refunding Bonds.

- (a) The City reserves the right to issue Additional 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 Pledged Revenues or any portion of the Trust Estate. 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 Similarly Secured.
- (b) Other than Refunding Bonds issued to refund all or a portion of the Bonds Similarly Secured, the City will not create or voluntarily permit to be created any debt, lien or charge on any portion of the Trust Estate, and will not cause or allow any matter or things whereby the lien of this Indenture or the priority hereof might or could be lost or impaired, and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction

and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Trust Estate; *provided*, *however*, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds.

- (c) 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 Similarly Secured or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, and in accordance with the conditions set forth below:
 - (i) The principal of all Refunding Bonds must (i) be scheduled to be paid, (ii) be subject to mandatory sinking fund redemption or (iii) mature, on September 1 of the years in which such principal (i) is scheduled to be paid, (ii) is subject to mandatory sinking fund redemption or (iii) matures. 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; and
 - (ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under this Section 13.2 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 (1) a copy, certified by the City Secretary of the City, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, 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, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding 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 Similarly Secured.
- (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 Similarly Secured which are 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 Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured 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 Similarly Secured, 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 Similarly Secured 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 <u>Bonds Similarly Secured Deemed Paid.</u>

All Outstanding Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured to become due on such Bonds Similarly Secured 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 or other third-party 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 Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, (iv) if the Bonds Similarly Secured are then rated, the Trustee shall have received written confirmation from each Rating Agency then publishing a rating on such Bonds Similarly Secured that such deposit will not result in the reduction or withdrawal of the rating on the Bonds Similarly Secured, and (v) the Trustee shall have received an opinion of Bond Counsel to the effect that (A) any Bond Similarly Secured 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 Similarly Secured 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 Similarly Secured. 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured shall bind all future Owners of such Bond Similarly Secured 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 <u>Waiver of Personal Liability</u>.

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 Similarly Secured; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5 Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any City Certificate or City Certificate, shall be in writing and shall be delivered by hand, mailed by first class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the City: City of Kyle, Texas

1700 Kohlers Crossing Kyle, Texas 78640 Attn: City Manager Fax No.: 512.262.3987

Email: <u>blangley@cityokyle.com</u>

With copy to: P3 Works, LLC

Attn: Jon Snyder

3901 S. Lamar Blvd, Suite 440 North Austin, Texas 78704 Phone No.: 512.568.5432 Email: jon@P3-works.com

If to the Trustee

BOKF, NA

Attus Pools I P

or the Paying Agent/Registrar: Attn: Rachel Roy

1401 McKinney Street, Suite 1000

Houston, Texas 77010 Fax No.: 713.354.0279

Email: rachel.roy@bankoftexas.com

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 Similarly Secured notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Similarly Secured Outstanding.
- The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the City shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method), 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.

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 Similarly Secured 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.

Section 15.9 No Boycott of Israel.

- (a) The Trustee makes the following representations and covenants pursuant to Chapter 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this 2024 Supplemental Indenture. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under the common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. Section 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.
- (b) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.
- (c) <u>No Boycott of Israel.</u> The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.
- (d) <u>No Discrimination Against Firearm Entities.</u> The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.
- (e) <u>No Boycott of Energy Companies.</u> The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

[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			
No			\$
		tes of America of Texas	
	CIAL ASSESSMENT R RTH PUBLIC IMPROVI	CYLE, TEXAS EVENUE BOND, SERIES 2 EMENT DISTRICT IMPRO DJECT)	
INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
%	, 20	, 20	
The City of Ky from the Trust Estate,		for value received, hereby p	romises to pay, solely
or registered assigns, o	on the Maturity Date, as s	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 March 1, 2025, 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 October 30, 2024 and issued in the aggregate principal amount of \$ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of October 1, 2024 (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 purpose of (i) paying a portion of the Actual Costs of the Improvement Area #2 Improvements, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the Actual Costs incidental to the administration of the District, and (v) paying the costs of issuance of the Bonds.

The Bonds Similarly Secured are 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 Similarly Secured, 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 sinking fund redemption prior to their respective 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:

Term Bonds Maturing September 1, 20

Redemption Date	Sinking Fund Installment
September 1, 20	\$
September 1, 20	
September 1, 20_*	
* maturity	

Term Bonds Maturing September 1, 20

Redemption Date	Sinking Fund Installment
September 1, 20	\$
September 1, 20	
September 1, 20 *	
* maturity	

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 such random method as Trustee shall deem fair and appropriate, 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 (i) 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, or (ii) shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem the Bonds maturing on or after September 1, 20__ 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.

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 Trustee, and upon delivery to the Trustee of such certifications and/or opinion of Bond 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 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.

	$\overline{\mathbf{N}}$	Mayor, City of Kyle, Texas
City Secretary, City of Kyle, Texas		
[City Seal]		
	<u>nptrolle</u>	r's Registration Certificate.
The following Registration Certific the Initial Bond:	cate of (Comptroller of Public Accounts shall appear on
		ERTIFICATE OF UBLIC ACCOUNTS
OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO
	§	
THE STATE OF TEXAS	§	
		ile and of record in my office an opinion to the xas has approved this Bond, and that this Bond
WITNESS MY SIGNATURE ANI	O SEAL	OF OFFICE this
		Comptroller of Public Accounts
	0	f the State of Texas

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

BOKF, NA, Houston, Texas, as Trustee
By:Authorized Signatory
ent.
NMENT
ned hereby sells, assigns, and transfers unto (print feree):
) the within Bond and all rights attorney to transfer the n hereof, with full power of substitution in the
NOTICE: The signature on this Assignment

Authorized Signatory

- (e) The Initial Bond shall be in the form set forth in paragraphs (a), (b), (d) and (e) of this Exhibit A, except for the following alterations:
 - (i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;
 - (ii) in the first paragraph of the Bond, the words "on the Maturity Date as specified above, the sum of ______ DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Year Principal Installment Interest Rate"

(Information to be inserted from Section 3.2(c) of the Indenture); and

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

EXHIBIT B

FORM OF CITY CERTIFICATE

[City Letterhead]

BOKF, NA 1401 McKinney Street, Suite 1000 Houston, Texas 77010 Attn: rachel.roy@bankoftexas.com

Re: City of Kyle, Texas Special Assessment Revenue Bonds, Series 2024

(Plum Creek North Public Improvement District Improvement Area #2

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,
<u>CITY OF KYLE, TEXAS</u>
By:
Name:
Title:

APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN



Plum Creek North Public Improvement District

AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN
SEPTEMBER 9, 2024



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INTRODUCTION

Capitalized terms used in this 2024 Amended and Restated Service and Assessment Plan shall have the meanings given to them in Section I unless otherwise defined in this 2024 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 2024 Amended and Restated Service and Assessment Plan, or an Exhibit attached to and made a part of this 2024 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 approving the Original Service and Assessment Plan and authorizing the levy of Assessments on Assessed Property in Improvement Area #1 and the Major Improvement Area.

On March 22, 2022, the City Council approved the 2022 Amended and Restated Service and Assessment Plan by adopting Ordinances No. 1186 and No. 1187, which served to amend and restate the Original Service and Assessment Plan in its entirety for the purpose of issuing the Improvement Area #1 Bonds and the Major Improvement Area Bonds.

On September 5, 2023, the City Council approved the 2023 Annual Service Plan Update by approving Ordinance No. 1282. The 2023 Annual Service Plan Update updated the Assessment Rolls for 2023.

On August 6, 2024, the City Council approved the 2024 Annual Service Plan Update by approving
Ordinance No The 2024 Annual Service Plan Update updated the Assessment Rolls for 2024.
Onapproving and approved Ordinance Noapproving this 2024 Amended and Restated Service and Assessment Plan and authorizing the levy of the
this 2024 Amended and Restated Service and Assessment Plan and authorizing the levy of the Improvement Area #2 Assessments on Assessed Property in Improvement Area #2.
improvement Area #2 Assessments on Assessed Property in improvement Area #2.

This 2024 Amended and Restated Service and Assessment Plan serves to amend and restate the 2022 Amended and Restated Service and Assessment Plan in its entirety for the purposes of (1) levying the Improvement Area #2 Assessment on Improvement Area #2 Assessed Property; (2) approving the Improvement Area #2 Assessment Roll and (3) issuing the Improvement Area #2 Bonds.

The PID Act requires a service plan must (i) cover a period of at least five years; (ii) define the annual indebtedness and projected cost of the Authorized Improvements; and (iii) include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV**, and the notice form is attached as **Exhibit S.**

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.** The Improvement Area #2 Assessment Roll is included as **Exhibit J.**

SECTION I: DEFINITIONS

"2022 Amended and Restated Service and Assessment Plan" means the 2022 Amended and Restated Service and Assessment Plan approved by the City Council on March 22, 2022.

"2023 Annual Service Plan Update" means the 2023 Annual Service Plan Update approved by the City Council on September 5, 2023.

"2024 Amended and Restated Service and Assessment Plan" means this 2024 Amended and Restated Service and Assessment Plan approved by the City Council on ______, 2024.

"2024 Annual Service Plan Update" means the 2024 Annual Service Plan Update approved by the City Council on August 6, 2024.

"2024 Assessment Ordinance" means Ordinance No. [_____], which was passed and adopted by the City Council on [_____], 2024, and levied Assessments against Assessed Property in Improvement Area #2.

"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 additional interest, not to exceed 0.50%, charged on Assessments securing PID Bonds, pursuant to Section 372.018 of the PID Act.

"Administrative Reserves" means the estimated Annual Collection Costs associated with the first year of the District.

"Administrator" means the City or the person or independent firm designated by the City who shall have the responsibility provided in this 2024 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 2024 Amended and Restated Service and Assessment Plan and the PID 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, if applicable.

"Annual Service Plan Update" means an update to this 2024 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.** The Improvement Area #2 Assessment Roll is included as **Exhibit J.**

"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 O, Exhibit P, and Exhibit Q.

"Bond Issuance Costs" means the costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, initial trustee fee, 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 2024 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**.

"Estimated Buildout Value" means the estimated buildout value of an Assessed Property at the time Assessments are levied, as shown on Exhibit M-1, Exhibit M-2, and Exhibit M-3, 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 the Owner and the City, dated November 16, 2021, as amended by that certain First Amendment to Plum Creek North Public Improvement District Financing and Reimbursement Agreement between the Owner and the City dated March 22, 2022.

"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 the Original 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 2024 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 Authorized Improvements" means the Improvement Area #1 Projects, Administrative Reserves, and Bond Issuance Costs relating to the Improvement Area #1 Bonds.

"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 Projects" mean the Improvement Area #1 Improvements and Improvement Area #1's allocable share of the Major Improvements.

"Improvement Area #2" means approximately 164.403 acres located within the District, as shown on Exhibit B-4 and more specifically described in Exhibit A-4.

"Improvement Area #2 Annual Installment" means the annual installment payment of the Improvement Area #2 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 #2 Assessed Property" means any Parcel within Improvement Area #2 against which an Improvement Area #2 Assessment is levied, including the Improvement Area #2 Remainder Parcel.

"Improvement Area #2 Assessment" means an Assessment levied against Improvement Area #2 Assessed Property and imposed pursuant to the 2024 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Improvement Area #2 Assessment Roll" means the Assessment Roll for the Improvement Area #2 Assessed Property and included in this 2024 Amended and Restated Service and Assessment Plan as Exhibit J, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds, or in connection with any Annual Service Plan Update.

"Improvement Area #2 Authorized Improvements" means the Improvement Area #2 Improvements, Administrative Reserves, and Bond Issuance Costs relating to the Improvement Area #2 Bonds.

"Improvement Area #2 Bonds" mean those certain "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2024 (Plum Creek North Public Improvement District Improvement Area #2 Project)", that are secured by Improvement Area #2 Assessments.

"Improvement Area #2 Improvements" mean those Authorized Improvements that only benefit Improvement Area #2, more specifically described in **Section III.C**.

"Improvement Area #2 Remainder Parcel" means all of the area within Improvement Area #2, save and except the Phase 2 Section 3 Plat. Until a plat has been recorded and a Property ID has been assigned by the Appraisal District to each Lot within the Improvement Area #2 Remainder Parcel, the Improvement Area #2 Annual Installment will be allocated to each property ID within the Improvement Area #2 Remainder Parcel based on the Hays Central Appraisal District acreage for billing purposes only.

"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 N**.

"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 N**.

"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 N**.

"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 N**.

"Lot Type 5" means a Lot within Improvement Area #2 designated as a 35' single-family residential lot by the Owner, as shown on the map attached as **Exhibit N**.

"Lot Type 6" means a Lot within Improvement Area #2 designated as a 50' single-family residential lot by the Owner, as shown on the map attached as **Exhibit N**.

"Lot Type 7" means a Lot within Improvement Area #2 designated as a 55' single-family residential lot by the Owner, as shown on the map attached as **Exhibit N**.

"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. Improvement Area #2 is located within the Major Improvement Area.

"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 the Original 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 2024 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 Authorized Improvements" means the Major Improvement Area Projects, Administrative Reserves, and Bond Issuance Costs relating to the Major Improvement Area Bonds.

"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 Projects" means the Major Improvement Area's allocable share of the Major Improvements.

"Major Improvement Area Remainder Parcel" means all of the area within Major Improvement Area, other than Non-Benefited Property and Improvement Area #2 Assessed Property. Until a plat has been recorded on a property ID within Major Improvement Area Remainder Parcel, the Major Improvement Area Annual Installment will be allocated to each property ID within the Major Improvement Area Remainder Parcel based on the Hays Central Appraisal District acreage for billing purposes only.

"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 and Improvement Area #2, the amount shown for each Lot Type on Exhibit L. 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.

"Original Assessment Ordinance" means Ordinance No. 1174, which was passed and adopted by the City Council on November 16, 2021, and levied Assessments against Assessed Property in Improvement Area #1 and the Major Improvement Area.

"Original Service and Assessment Plan" means the Plum Creek North Public Improvement District Service and Assessment Plan approved by the Original Assessment Ordinance as updated and amended from time to time.

"Owner" means Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, and any of its successors 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 3 Plat" means the final Plum Creek Phase 2 Section 3 Plat recorded with the County on March 23, 2023.

"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, the Major Improvement Area Bonds, and the Improvement Area #2 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 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 1,246 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**. Improvement Area #2 includes approximately 164.403 acres located within the Major Improvement Area, as more particularly described by metes and bounds on **Exhibit A-4** and depicted on **Exhibit B-4**. Development of the Major Improvement Area is anticipated to include approximately 843 single-family units. Approximately 403 single-family units are anticipated to be developed within Improvement Area #2 and approximately 437 single-family units are anticipated to be developed within the Major Improvement Area Remainder Parcel.

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, Improvement Area #2 Improvements, and Administrative Reserves 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 P**, and **Exhibit Q**.

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. Improvement Area #2 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 #2.

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 #2.

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 #2.

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 #2.

D. 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, initial trustee fee, 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.

E. Administrative Reserves

Estimated cost of the first year Annual Collection Costs.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan 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 Administrative Reserves 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.

This section of this 2024 Amended and Restated Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized 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, Administrative Reserves, and Bond Issuance Costs shall be allocated as follows:

- The costs of the Major Improvements were allocated between Improvement Area #1 and the Major Improvement Area pro rata based on the ratio of the Estimated Buildout Value of each Parcel designated as Major Improvement Area Assessed Property or Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Assessed Property within the District at the time the Original Service and Assessment Plan was approved, as shown on **Exhibit M-2**. At that time, Improvement Area #1 was allocated 32.68% of the Major Improvements, and the Major Improvement Area was allocated the remaining 67.32% of the Major Improvements.
- The costs of the Improvement Area #1 Authorized Improvements were allocated 100% to
 Improvement Area #1 Assessed Property by spreading the entire Improvement Area #1

Assessment across all Improvement Area #1 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property, as shown on **Exhibit M-1**.

- The costs of the Improvement Area #2 Authorized Improvements are allocated 100% to Improvement Area #2 Assessed Property by spreading the entire Improvement Area #2 Assessment across all Improvement Area #2 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #2 Assessed Property to the Estimated Buildout Value of all Improvement Area #2 Assessed Property, as shown on Exhibit M-3.
- Bond Issuance Costs and Administrative Reserves shall be allocated entirely to the Assessed Property securing the applicable PID Bond.

B. Assessments

Improvement Area #1 Assessments were 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.

Improvement Area #2 Assessments were levied on the Improvement Area #2 Assessed Property as shown on the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit J**. The projected Improvement Area #2 Annual Installments are shown on **Exhibit K**, subject to revisions made during any Annual Service Plan Update.

Major Improvement Area Assessments were levied on the Major Improvement Area Assessed Property 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 Major Improvement Area Remainder Parcel, or the Improvement Area #2 Remainder 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 Authorized Improvements equal \$21,503,300, as shown on **Exhibit C**; and
- 2. The Improvement Area #1 Assessed Property receives special benefit from Improvement Area #1 Authorized Improvements equal to or greater than the Actual Costs of the Improvement Area #1 Authorized Improvements; and
- 3. With the adoption of the Original Assessment Ordinance, the Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Authorized Improvements, which equals \$6,385,000; and
- 4. The special benefit (≥ \$21,503,300) received by the Improvement Area #1 Assessed Property from Improvement Area #1 Authorized Improvements 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 Original 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 Authorized Improvements 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 Authorized Improvements 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 Original Assessment Ordinance, (2) the Original Service and Assessment Plan and the Original Assessment Ordinance, and (3) the levying of the Improvement Area #1 Assessed Property.

Major Improvement Area Assessments

- 1. The costs of the Major Improvement Area Authorized Improvements equal \$2,759,722, as shown on **Exhibit C**; and
- 2. The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Authorized Improvements equal to or greater than the Actual Costs of the Major Improvement Area Authorized Improvements; and
- 3. With the adoption of the Original Assessment Ordinance, the Major Improvement Area Assessed Property was allocated 100% of the Major Improvement Area Assessment levied for the Major Improvement Area Authorized Improvements, which equals \$2,730,000; and

- 4. The special benefit (≥ \$2,759,722) received by the Major Improvement Area Assessed Property from the Major Improvement Area Authorized Improvements is equal to or greater than the amount of the Major Improvement Area Assessments (\$2,730,000) levied on the Major Improvement Area Assessed Property; and
- 5. At the time the City Council approved the Original 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 Authorized Improvements confer 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 Authorized Improvements 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 Original Assessment Ordinance, (2) the Original Service and Assessment Plan and the Original Assessment Ordinance, and (3) the levying of the Major Improvement Area Assessments on the Major Improvement Area Assessment Property.

■ Improvement Area #2

- 1. The costs of Improvement Area #2 Authorized Improvements equal \$20,150,099 as shown on **Exhibit C**; and
- 2. The Improvement Area #2 Assessed Property receives special benefit from Improvement Area #2 Authorized Improvements equal to or greater than the Actual Costs of the Improvement Area #2 Authorized Improvements; and
- 3. The Improvement Area #2 Assessed Property was allocated 100% of the Improvement Area #2 Assessments levied on the Improvement Area #2 Assessed Property for Improvement Area #2 Authorized Improvements, which equal \$5,463,000, as shown on the Improvement Area #2 Assessment Roll attached hereto as Exhibit J; and
- 4. The special benefit (≥ \$20,150,099) received by the Improvement Area #2 Assessed Property from Improvement Area #2 Authorized Improvements is equal to or greater than the sum of the Improvement Area #2 Assessments (\$5,463,000) levied on the Improvement Area #2 Assessed Property; and
- 5. At the time the City Council approved the 2024 Assessment Ordinance levying the Improvement Area #2 Assessments, the Owner owned 66.50% of the Improvement Area #2 Assessed Property, which figure includes the Improvement Area #2 Remainder Parcel. The Owner acknowledged that the Improvement Area #2 Authorized Improvements confer a special benefit on the Improvement Area #2 Assessed Property, including the Improvement Area #2 Remainder Parcel, and

consented to the imposition of the Improvement Area #2 Assessments to pay for the Improvement Area #2 Authorized Improvements 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 2024 Assessment Ordinance, (2) the 2024 Amended and Restated Service and Assessment Plan and the 2024 Assessment Ordinance, and (3) the levying of the Improvement Area #2 Assessments on the Improvement Area #2 Assessed Property, including the Improvement Area #2 Remainder 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 2024 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, builder contracts, discussions with homebuilders, reports from third party consultants, 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 2024 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 R**.

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 2024 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 Remaining 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. **Exhibit K** shows the projected Improvement Area #2 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 the Major Improvement Area Remainder Parcel or Improvement Area #2 Remainder Parcel, the Annual Installment will be allocated to each Property ID within the Major Improvement Area Remainder Parcel and Improvement Area #2 Remainder 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, 2025.

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.

The Improvement Area #2 Assessment Roll is attached as **Exhibit J**. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments for each Parcel within the Improvement Area #2 Assessed Property as part of each Annual Service Plan Update.

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 2024 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 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a City Council meeting, and within 30 days after closing such meeting, the City Council shall make a final determination as to whether or not an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this 2024 Amended and Restated Service and Assessment Plan, the applicable Assessment Ordinance, or the applicable 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 2024 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 2024 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 2024 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 2024 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 2024 Amended and Restated Service and Assessment Plan. Interpretations of this 2024 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 2024 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 S.** 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 2024 Amended and Restated Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this 2024 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 2024 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

Exhibit A-1	District Legal Description
Exhibit A-2	Improvement Area #1 Legal Description
Exhibit A-3	Major Improvement Area Legal Description
Exhibit A-4	Improvement Area #2 Legal Description
Exhibit B-1	District Boundary Map
Exhibit B-2	Improvement Area #1 Boundary Map
Exhibit B-3	Major Improvement Area Boundary Map
Exhibit B-4	Improvement Area #2 Boundary Map
Exhibit C	Authorized Improvements
Exhibit D	Service Plan
Exhibit E	Sources and Uses
Exhibit F	Improvement Area #1 Assessment Roll
Exhibit G	Improvement Area #1 Annual Installments
Exhibit H	Major Improvement Area Assessment Roll
Exhibit I	Major Improvement Area Annual Installments
Exhibit J	Improvement Area #2 Assessment Roll
Exhibit K	Improvement Area #2 Annual Installments
Exhibit L	Maximum Assessment Per Lot Type
Exhibit M-1	Estimated Buildout Value for Improvement Area #1
Exhibit M-2	Estimated Buildout Value for Improvement Area #1, Major Improvement
	Area, and Improvement Area #2
Exhibit M-3	Estimated Buildout Value for Improvement Area #2
Exhibit N	Lot Type Classification Map
Exhibit O	Maps of Major Improvements
Exhibit P	Maps of Improvement Area #1 Improvements
Exhibit Q	Maps of Improvement Area #2 Improvements
Exhibit R	Notice of PID Assessment Termination
Exhibit S	Buyer Disclosures

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.

324.250-Ac. M.M. McCarver Sur. No. 4, A-10, Havs County, Texas Job No. 5549-01-001 FN1626R3(en) Page 1 of 4

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 FOIL OWS:

COMMENCING at a 1/2-inch iron rod with a plastic cap stamped "LAI" previously set in the north right-ofway 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:

- 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:

- 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.
- 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
- 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

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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:

- 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,
- 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,
- 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,
- 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,
- 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,
- 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.
- 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,
- 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 reentrant corner in the north line of the said 983.99 acre tract, for the southerty southwest corner of a certain tract of land described in a deed to Texas-Lehigh Cernent Company of record in Volume 609, Page 843, Real Property Records of Hays County, Texas, for the northerty northwest corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "BCG" set for the northerty 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

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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:

- 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.
- \$ 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,
- 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,
- 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,
- 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,
- 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,
- 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,
- 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,
- 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,
- 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.
- 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,
- 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,

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Exhibit A ~ 1

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- 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,
- 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,
- 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:

- 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,
- 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,
- 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,
- 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;
- 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,
- 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;
- 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
- 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.

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Exhibit A ~ 1

Job No. 5549-01-001 FN1626R3(en) Page 5 of 4

THE STATE OF TEXAS COUNTY OF TRAVIS

KNOW ALL MEN BY THESE PRESENTS

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 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 Bea Cave Road, Suite 100 | Austin, TX 78746 | P: 512.327.1180 TBPE Firm No. 14309 | TBPLS Firm No. 101205-00

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 983.99 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 609, Page 843, Real Property Records of Hays County, Texas, from which a 1/2-inch iron rod found bears N 86*07*40* E, a distance of 0.90 feet;

THENCE N 86"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 983.99 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 983.99 acre tract and the south line of the said Texas-Lehigh Coment Company tract, with the north line of the tract described herein, at a distance of 622.93 feet, pessing 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 983.99 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 983.99 acre tract and the west line of the said Texas-Lehigh Coment Company tract, with the east line of the tract described herein, a distance of 999.97 feet to a 1/2-inch fron rod found at a re-entrant comer in the east line of the said 983.99 acre tract being the southwest corner of the said Texas-Lehigh Coment 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 doed 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 agre tract, with the east, south, and west lines of the tract described herein, the following five (5) courses and distances:

- \$ 01"48"25" 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,
- S 88*07*40* W, a distance of 1618.53 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for the southwest corner of the tract described herein.
- N 17*04'43" E a distance of 1116.23 feet to a 1/2-inch iron rod with a plestic 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 langency, and
- 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.

Bowmen Consulting | 3101 See Cave Road, Suite 100 | Austin, TX 78746 | P: 512.327.1180 TBPE Firm No. 14309 | TBPLS Firm No. 101206-00 51.48-Ac. M.M. McCerver Sur. No. 4, A-10, Haye 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) H:\Survey_FieldNotes\FN-1600s\FN1827(en).doc

THE STATE OF TEXAS

9169

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 Tday of July 2014 A.D.

Bowman Consulting Group, Ltd. Austin, Texas 78746

John D. Barnard

Registered Professional Land Surveyor No. 5749 - State of Texas

Austin, Texas 78748

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

Exhibit A -3

10.889-Ac. M.M. McCerver Sur. No. 4, A-10, John Cooper Survey No. 13, A-100 Heys County, Toxas Job No. 5549-01-001 FN1755(on) Page 1 of 4

1.1

FIELD NOTES DESCRIPTION

DESCRIPTION OF 10.850 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 5233, PAGE 170, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAUD 10.869 ACRES OF LAND AS SURVEYED BY SOMMAN 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 stemped "LAI" previously set in the north right-of-way line of Köhler's Crossing (County Road 171), a variable width right-of-way, for the northwest comer of a certain called 1.171 sere truct designated as Percei 3, Tract 1, and described in a deed to the City of Kyle, Texas, of record in Volume 2220, Page 505, Official Public Records of Heye County, Texas, same being the southerty southwest comer 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 back, a distance of 582.28 feet to a %-inch iron rod with a plantic cap stamped "BCG" set, for the southerty southwest corner and POINT OF BEGRANING of the tract discretized health.

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 end south lines of the tract described herein, the following four (4) courses and distances:

- N 02"58"49" W, a distance of 283.91 feet to a ½-inch iron rod with a plastic cup stamped "BCG" set for a re-entrant comer.
- 8 87"01"11" W, a distance of 252.57 feet to a M-inch fron rod with a plastic cap stamped "BCG" set for a point-of-curvature.
- with the arc of a curve to the right, having a radius of \$85.00 feet, an arc distance of 190.97 feet, and a cherd which bears N 63*37*41" W, a distance of 180.13 feet to a %-inch iron rod with a plastic cap stemped "BCG" set for a point-of-langency, and
- 4. N 74"16"34" W, a distance of 73.75 feet to a ¼-inch iron rod with a plastic cup stemped "BCG" set in the seat 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 caried 1.853 acre tract designated as Exhibit A, Parcel No. 1, and described in a deed to the Site of Toxas of record in Volume 1076, Page 203, Official Public Records of Hays County, Texas, for the westerly southwest comer of the tract described herein, from which a ¼-isoh iron rod with a plastic cap stamped "BCG" previously pot in the seast right-of-way line of said R.M. Highway No. 2770, for a point-of-oursetter in the west line of the said 14.42 acre tract and the cest line of the said 14.63 acre tract bases S 15"44"17" W, a distance of 112.47 feet;

THENCIT with the east right-of-way line of said R.M. 2770 and the east line of the said 1.063 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:

- N 15*44*17* E, a distance of 504.10 feet to a Toxas Department of Transportation (TXDOT) Type 2 right-of-way marker found for a point-of-ourveture, and
- 2. with the ero of a curve to the left, having a radius of 2970.17 feet, an arc distance of 4.01 feet, and a chord which beers N 15*41'07' E, a distance of 4.01 feet to a 1/2-inch ivon red with a plustic 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 sold 1.63 acre tract, for the northwest corner of the said 14.42 were truct, and the northwest corner of the tract described herein, from which a Texas Department of Transportation (TXDOT) Type 2 right-of-way traster 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 1.863 acre tract beers with the arc of a curve to the left, having a

Bowman Consulting | 3101 Bes Cave Road, Suite 100 | Authin, TX 78746 | P: 512.327.1180 TBPE Firm No. 14309 | TBPLS Firm No. 101208-00

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. 5549-01-001 FN1755(en)

radius of 2970.17 feet, an are 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 sold 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:

- N 88*23*03* E, at a distance of 416.49 feet, passing a 1/2-inch iron rod with a plastic cap elamped *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 stemped *BCG* previously set for the northeast corner of the said 14.42 acre tract, and the northeast corner of the tract described harsin, 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 courtheast 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 392.04 feet;

THENCE S 87°01'11" W, with the north right-of-way line of said Kohlar's Crossing and the north line of the said 1.171 scre tract, with the south line of the said 14.42 scre 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, NAD63, Grid. BOWMAN WORD FILE: FN1755(en) H:\Survey_FlektNotes\FN-1700e\FN1755(en).doc

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 arrise of surveys made on the ground during the months of July and August 2014, under my direction and

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, on this 25 day of August 2015 A.D.

Bowman Consulting Group, Ltd. Austin, Texas 78746

John D. Barnard

sational Land Surveyor Registered Profe

No. 5749 - State of Texas

Bowman Consulting | 3101 Bee Cave Road, Sulta 100 | Austin, TX 78745 | P: 512.327.1180 TBPE Firm No. 14309 | TBPLS Firm No. 101206-00

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:

- South 3"42'40" West, a distance of 476.82 feet to a 1/2" rebar with "Chaparral" cap set:
- 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.

Fric J. Dannheim Date

Registered Professional Land Surveyor State of Texas No. 6075

State of Texas No. 6075 TBPLS Firm No. 10124500 ERIC J. DANNHEIM

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 PID 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. 20000733, 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 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 "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 "LANDDEV" 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,
- 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.
- 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,
- 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,
- 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.
- 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

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:

- 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 reentrant 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,
- 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:

- 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,
- 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.
- 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-oftangency,
- 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 93.05 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,
- 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
- 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:

- 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,
- 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,
- 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,
- 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.
- N 68°20'34" E, a distance of 503.54 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,
- 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,
- 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,
- 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,
- 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 ½-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:

- S 12°27'49" W, a distance of 433.06 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at an angle point.
- S 12°33'30" W, a distance of 413.85 feet to a ½-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,
- S 33°31'58" W, a distance of 340.39 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at an angle point, and
- 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 28th 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



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 I 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:

- 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,
- 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,
- 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,
- 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,
- 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,
- 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,
- 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:

 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

S 12°27'49" W, a distance of 15.00 feet to a ½-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:

- N 40°20'07" W, a distance of 204.42 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point,
- S 60°18"32" W, a distance of 515.65 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point of the tract described herein,
- S 50°19'03" W, a distance of 476.39 feet to a ½-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,
- S 68°20'25" W, a distance of 120.09 feet to a ½-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,
- S 42°03'00" W, a distance of 61.35 feet to a ½-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.
- S 68°20"34" W, a distance of 503.54 feet to a ¼-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.
- N 20°51'57" W, a distance of 79.51 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point,
- N 54°18'28" W, a distance of 107.54 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point,
- N 76°03'31" W, a distance of 84.20 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point, and
- S 82°11'26" W, a distance of 159.98 feet to a ½-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:

- 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,
- 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,
- 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,
- 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,
- 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,
- 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 pointof-curvature,
- 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,
- 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,
- 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,
- 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,

- 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 530.10 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 ½-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:

- S 21°33'07" E, a distance of 978.97 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at a pointof-curvature, and
- 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 ½-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 ½-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 28th 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 ½-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 ½-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 ½-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 ½-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 Hay 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:

- 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 ½-inch iron rod with a plastic cap stamped "BCG" found at a point-of-tangency, and
- 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 ½-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,
- 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,
- 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,

- 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,
- 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
- 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 ½-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 ½-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:

- N 17°04'40" E, a distance of 1,116.29 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at a point of curvature.
- 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
- 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 28th 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



EXHIBIT A-4 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION

Hays County, Texas M.M. McCarver League No. 4, Abstract No. 10 PID 2 ~ 164.403 Acres Page 1 of 4

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:

- 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,
- 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,
- 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,
- 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.
- 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,
- 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,
- 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:

 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

S 12°27'49" W, a distance of 15.00 feet to a ½-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:

- N 40°20'07" W, a distance of 204.42 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point,
- S 60°18'32" W, a distance of 515.65 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point of the tract described herein,
- S 50°19'03" W, a distance of 476.39 feet to a ½-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,
- S 68°20'25" W, a distance of 120.09 feet to a ½-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,
- S 42°03'00" W, a distance of 61.35 feet to a ½-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,
- S 68°20'34" W, a distance of 503.54 feet to a ½-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.
- N 20°51'57" W, a distance of 79.51 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point.
- N 54°18'28" W, a distance of 107.54 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point,
- N 76°03'31" W, a distance of 84.20 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" previously set for an angle point, and
- S 82°11'26" W, a distance of 159.98 feet to a ½-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,
- 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,
- 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,

- 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:

- N 12°33'23" E, a distance of 553.60 feet to a calculated point-of-curvature.
- 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,
- 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,
- 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 pointof-curvature.
- 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,
- 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,
- 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,
- 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,

- 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 530.10 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 ½-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:

- S 21°33'07" E, a distance of 978.97 feet to a ½-inch iron rod with a plastic cap stamped "BCG" found at a pointof-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 ½-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 ½-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

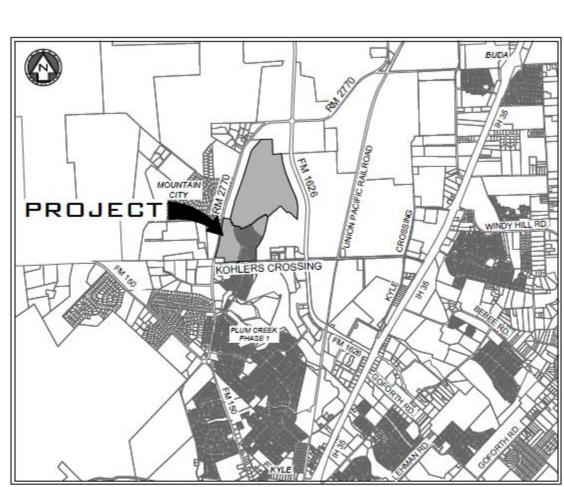
That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during 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 28th 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



EXHIBIT B-1 – DISTRICT BOUNDARY MAP



LOCATION MAP



PLUM CREEK NORTH
PUBLIC IMPROVEMENT DISTRICT
LOCATION MAP

EXHIBIT B-2 – IMPROVEMENT AREA #1 BOUNDARY MAP

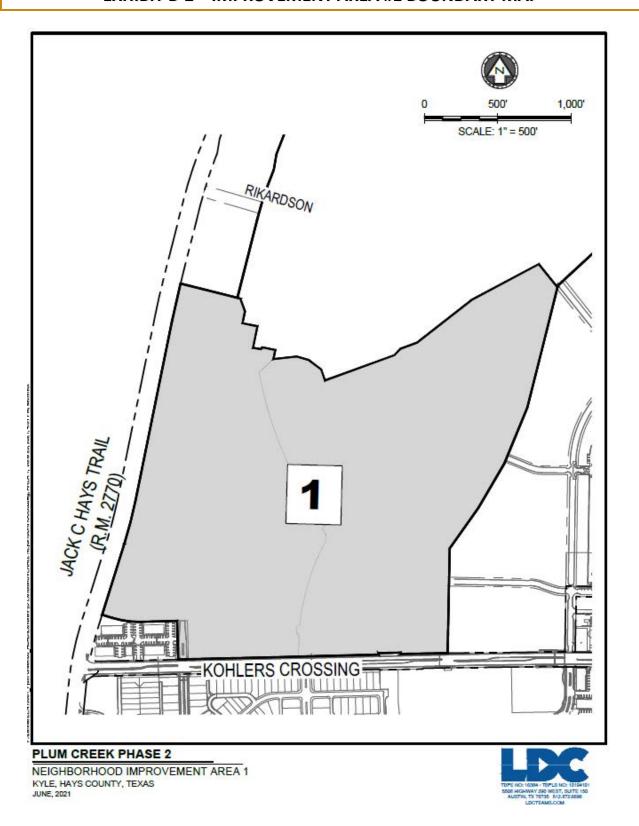


EXHIBIT B-3 – MAJOR IMPROVEMENT AREA BOUNDARY MAP

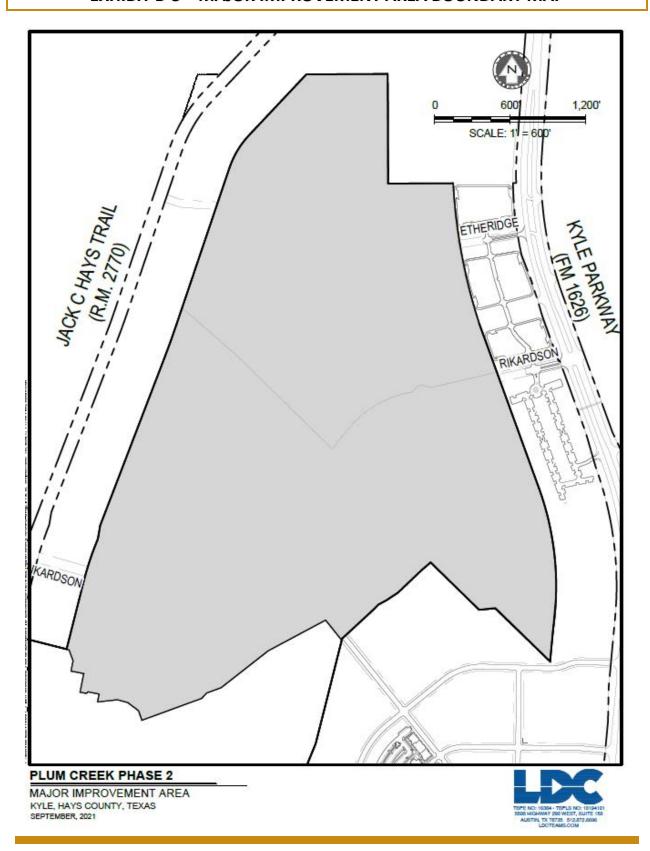
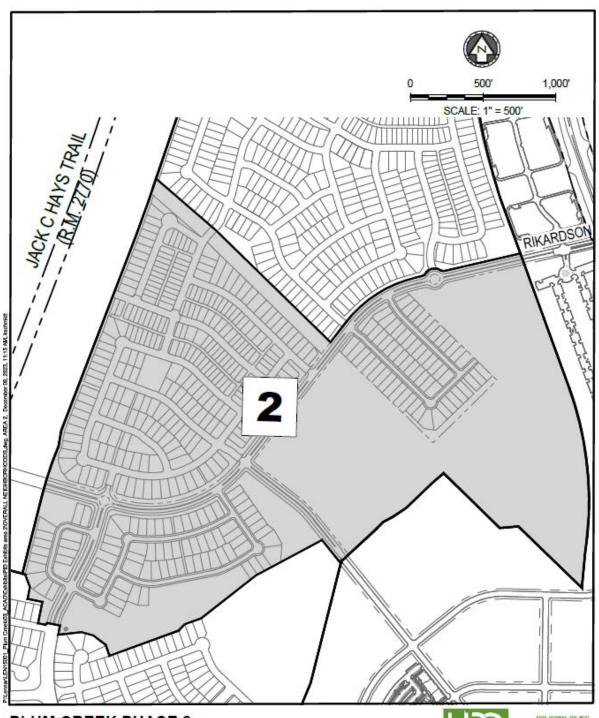


EXHIBIT B-4 – IMPROVEMENT AREA #2 BOUNDARY MAP



PLUM CREEK PHASE 2

NEIGHBORHOOD IMPROVEMENT AREA 2 KYLE, HAYS COUNTY, TEXAS DECEMBER, 2023



EXHIBIT C – AUTHORIZED IMPROVEMENTS

		Total Costs	Major Improvement Area [a]		Improvement Area #1 [a]			Improvement Area #2 [c]			Area #2 [c]	
			%		Cost	%		Cost		%		Cost
Major Improvements [b]												
Water	\$	524,967	67.32%	\$	353,416	32.68%	\$	171,551		0.00%	\$	-
Wastewater		1,514,192	67.32%		1,019,377	32.68%		494,815		0.00%		=
Detention		776,927	67.32%		523,039	32.68%		253,888		0.00%		-
Clearing & Erosion Control		297,165	67.32%		200,056	32.68%		97,109		0.00%		-
	\$	3,113,251		\$	2,095,887		\$	1,017,364			\$	-
Improvement Area #1 Improvements												
Water	\$	1,904,089	0.00%	\$	-	100.00%	\$	1,904,089		0.00%	\$	-
Wastewater		1,664,789	0.00%		-	100.00%		1,664,789		0.00%		-
Drainage		3,563,862	0.00%		-	100.00%		3,563,862		0.00%		-
Streets		3,530,060	0.00%		-	100.00%		3,530,060		0.00%		-
Clearing & Erosion Control		1,345,247	0.00%			100.00%		1,345,247		0.00%		-
Parks & Common Areas		3,622,769	0.00%		-	100.00%		3,622,769		0.00%		-
Soft Costs		1,538,668	0.00%		-	100.00%		1,538,668		0.00%		-
Contingency		2,163,484	0.00%			100.00%		2,163,484		0.00%		-
	\$	19,332,968	-	\$	-		\$	19,332,968			\$	-
Improvement Area #2 Improvements												
Water	\$	3,022,418	0.00%	\$	-	0.00%	\$	-		100.00%	\$	3,022,418
Wastewater		2,487,815	0.00%		-	0.00%		-		100.00%		2,487,815
Drainage		6,461,402	0.00%		-	0.00%		-		100.00%		6,461,402
Streets		6,861,102	0.00%		-	0.00%		-		100.00%		6,861,102
	\$	18,832,737	•	\$	-	_	\$	-			\$	18,832,737
Bond Issuance Costs and District Formation E	xpenses											
Debt Service Reserve Fund	\$	1,225,553		\$	229,129	:	\$	495,635			\$	500,789
Capitalized Interest		570,401			169,066			96,431				304,904
Underwriter Discount		437,340			81,900			191,550				163,890
Cost of Issuance		820,872			165,769			327,322				327,780
		3,054,166	•		645,864	_		1,110,939				1,297,362
Administrative Reserves												
First Year Annual Collection Costs		80,000			17,970			42,030				20,000
	\$	80,000	•	\$	17,970	_	\$	42,030			\$	20,000
Total	\$	44,413,122		\$	2,759,722	:	\$	21,503,300			\$	20,150,099

Notes:

[a] Costs were determined by the Engineer's Report prepared by LandDev Consulting dated October 2021.

[[]b] Major Improvements were allocated between Improvement Area #1 and the Major Improvement Area on a pro rata basis based on Estimated Buildout Value at the time Improvement Area #1 Bonds were issued. Soft costs associated with the Major Improvements are not PID eligible.

[[]c] Costs were determined by the Engineer's Report prepared by HRGreen Development dated January 2024.

EXHIBIT D – SERVICE PLAN

	Impro	ovement Area #1				
Installments Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Principal		\$ 248,000.00	\$ 258,000.00	\$ 268,000.00	\$ 278,000.00	\$ 289,000.00
Interest		\$ 236,358.76	\$ 227,368.76	\$ 218,016.26	\$ 208,301.26	\$ 197,528.76
Capitalized Interest		\$ -	\$ -	\$ -	\$ -	\$ -
	(1)	\$ 484,358.76	\$ 485,368.76	\$ 486,016.26	\$ 486,301.26	\$ 486,528.76
Annual Collection Costs	(2)	\$ 48,322.42	\$ 49,288.87	\$ 50,274.65	\$ 51,280.14	\$ 52,305.74
Additional Interest	(3)	\$ 29,575.00	\$ 28,335.00	\$ 27,045.00	\$ 25,705.00	\$ 24,315.00
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 562,256.18	\$ 562,992.63	\$ 563,335.91	\$ 563,286.40	\$ 563,149.50
	Impro	ovement Area #2				
Installments Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Principal		\$ -	\$ 44,000.00	\$ 46,000.00	\$ 48,000.00	\$ 51,000.00
Interest		\$ 304,903.69	\$ 320,951.25	\$ 318,366.25	\$ 315,663.75	\$ 312,843.75
Capitalized Interest		\$ (304,903.69)		\$ -	\$ -	\$ -
	(1)	\$ -	\$ 364,951.25	\$ 364,366.25	\$ 363,663.75	\$ 363,843.75
Annual Collection Costs	(2)	\$ -	\$ 20,400.00	\$ 20,808.00	\$ 21,224.16	\$ 21,648.64
Additional Interest	(3)	\$ -	\$ 27,315.00	\$ 27,095.00	\$ 26,865.00	\$ 26,625.00
Total Annual Installment	(4) = (1) + (2) + (3)	\$ -	\$ 412,666.25	\$ 412,269.25	\$ 411,752.91	\$ 412,117.39
	Major II	mprovement Are	a			
Installments Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Principal		\$ 106,000.00	\$ 110,000.00		\$ 120,000.00	\$ 125,000.00
Interest		\$ 118,296.26	\$ 113,923.76	\$ 109,386.26	\$ 104,642.50	
Capitalized Interest		\$ -	\$ -	\$ -	\$ -	\$ -
	(1)	\$ 224,296.26	\$ 223,923.76	\$ 224,386.26	\$ 224,642.50	\$ 224,392.50
Annual Collection Costs	(2)	\$ 28,502.75	\$ 29,072.81	\$ 29,654.26	\$ 30,247.35	\$ 30,852.29
Additional Interest	(3)	\$ 13,145.00	\$ 12,615.00	\$ 12,065.00	\$ 11,490.00	\$ 10,890.00
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 265,944.01	\$ 265,611.57	\$ 266,105.52	\$ 266,379.85	\$ 266,134.79

EXHIBIT E – SOURCES AND USES

		Major provement Area	Improvement Area #1		I	mprovement Area #2
Sources of		ds				
Improvement Area #1 Bonds	\$	-	\$	6,385,000	\$	-
Improvement Area #2 Bonds		-		-		5,463,000
Major Improvement Area Bonds		2,730,000		-		-
Owner Contribution [a]		29,722		15,118,300		14,687,099
Total Sources	\$	2,759,722	\$	21,503,300	\$	20,150,099
Uses of	Funds					
Major Improvements	\$	2,095,887	\$	1,017,364	\$	-
Improvement Area #1 Improvements		-		19,332,968	•	-
Improvement Area #2 Improvements		-				18,832,737
p	\$	2,095,887	\$	20,350,332	\$	18,832,737
Bond Issuance Costs and District Formation Expenses						
Debt Service Reserve Fund	\$	229,129	\$	495,635	\$	500,789
Capitalized Interest		169,066		96,431	•	304,904
Underwriter Discount		81,900		191,550		163,890
Cost of Issuance		165,769		327,322		327,780
		645,864		1,110,939		1,297,362
Administrative Reserves						
First Year Annual Collection Costs	Ś	17,970	\$	42,030	\$	20,000
	\$ \$	17,970	\$	42,030	\$	20,000
Total Uses	\$	2,759,722	\$	21,503,300	\$	20,150,099

[[]a] Owner Contribution represents the Actual Costs expended or to be expended by the Owner on the construction of the Authorized Improvements benefiting the applicable Improvement Area in excess of the par amount of the applicable series of PID Bonds.

EXHIBIT F – IMPROVEMENT AREA #1 ASSESSMENT ROLL

		Improvement Area #1						
		Annual Installme						
Parcel ID	Lot Type	Out	standing Assessment		Due 1/31/2025			
R173059	Non-Benefited	\$	-	\$	-			
R173060	Non-Benefited	\$	-	\$	-			
R173061	Non-Benefited	\$	-	\$	-			
R173062	Non-Benefited	\$	-	\$	-			
R173063	Non-Benefited	\$	-	\$	-			
R173064	Non-Benefited	\$	-	\$	-			
R173065	Non-Benefited	\$	-	\$	_			
R173066	4	\$	16,113.71	\$	1,531.70			
R173067	4	\$	16,113.71	\$	1,531.70			
R173068	4	\$	16,113.71	\$	1,531.70			
R173069	4	\$	16,113.71	\$	1,531.70			
R173070	3	\$	15,208.45	\$	1,445.65			
R173071	Non-Benefited	\$	-	\$	-			
R173072	3	\$	15,208.45	\$	1,445.65			
R173073	4	\$	16,113.71	\$	1,531.70			
R173074	3	\$	15,208.45	\$	1,445.65			
R173074	2	\$	14,665.29	\$	1,394.02			
R173076	3	\$	15,208.45	\$	1,445.65			
R173077	Non-Benefited	\$	-	\$	-, 1 13.03			
R173078	3	\$	15,208.45	\$	1,445.65			
R173079	3	\$	15,208.45	\$	1,445.65			
R173080	3	\$	15,208.45	\$	1,445.65			
R173081	3	\$	15,208.45	\$	1,445.65			
R173082	3	\$	15,208.45	\$	1,445.65			
R173082	3	\$	15,208.45	\$	1,445.65			
R173084	Non-Benefited	\$	-	\$	-			
R173084	3	\$	15,208.45	\$	1,445.65			
R173085	3	\$	15,208.45	\$	1,445.65			
R173087	3	\$	15,208.45	\$	1,445.65			
R173087	3	\$	15,208.45	\$	1,445.65			
R173089	3	\$	15,208.45	۶ \$	1,445.65			
R173089	3	\$	15,208.45	\$	1,445.65			
R173090	3	\$	15,208.45	۶ \$	1,445.65			
R173091	3	\$	15,208.45	ب \$	1,445.65			
R173092	3	\$	15,208.45	۶ \$	1,445.65			
R173093	3	\$	15,208.45	۶ \$	1,445.65			
R173094	3		15,208.45		1,445.65			
		\$		\$	·			
R173096	3	\$ ¢	15,208.45	\$	1,445.65			
R173097	3	\$ ¢	15,208.45	\$ ¢	1,445.65			
R173098	3	\$ \$	15,208.45	\$ ¢	1,445.65			
R173099	3		15,208.45	\$	1,445.65			
R173100	3	\$	15,208.45	\$	1,445.65			
R173101	3	\$	15,208.45	\$	1,445.65			
R173102	3	\$	15,208.45	\$	1,445.65			
R173103	3	\$	15,208.45	\$	1,445.65			
R173104	3	\$	15,208.45	\$	1,445.65			
R173105	3	\$	15,208.45	\$	1,445.65			
R173106	3	\$	15,208.45	\$	1,445.65			
R173107	3	\$	15,208.45	\$	1,445.65			
R173108	3	\$	15,208.45	\$	1,445.65			

		Improvement Area #1						
				Α	nnual Installment			
Parcel ID	Lot Type		nding Assessment		Due 1/31/2025			
R173109	3	\$	15,208.45	\$	1,445.65			
R173110	3	\$	15,208.45	\$	1,445.65			
R173111	3	\$	15,208.45	\$	1,445.65			
R173112	3	\$	15,208.45	\$	1,445.65			
R173113	3	\$	15,208.45	\$	1,445.65			
R173114	3	\$	15,208.45	\$	1,445.65			
R173115	Non-Benefited	\$	-	\$	-			
R173116	3	\$	15,208.45	\$	1,445.65			
R173117	3	\$	15,208.45	\$	1,445.65			
R173118	3	\$	15,208.45	\$	1,445.65			
R173119	3	\$	15,208.45	\$	1,445.65			
R173120	3	\$	15,208.45	\$	1,445.65			
R173121	3	\$	15,208.45	\$	1,445.65			
R173122	3	\$	15,208.45	\$	1,445.65			
R173123	3	\$	15,208.45	\$	1,445.65			
R173124	3	\$	15,208.45	\$	1,445.65			
R173125	3	\$	15,208.45	\$	1,445.65			
R173126	Non-Benefited	\$, =	\$	· -			
R173127	3	\$	15,208.45	\$	1,445.65			
R173128	3	\$	15,208.45	\$	1,445.65			
R173129	3	\$	15,208.45	\$	1,445.65			
R173130	3	\$	15,208.45	\$	1,445.65			
R173131	3	\$	15,208.45	\$	1,445.65			
R173132	3	\$	15,208.45	\$	1,445.65			
R173133	3	\$	15,208.45	\$	1,445.65			
R173134	3	\$	15,208.45	\$	1,445.65			
R173135	3	\$	15,208.45	\$	1,445.65			
R173136	3	\$	15,208.45	\$	1,445.65			
R173137	3	\$	15,208.45	\$	1,445.65			
R173138	Non-Benefited	\$	-	\$	-			
R173139	3	\$	15,208.45	\$	1,445.65			
R173140	3	\$	15,208.45	\$	1,445.65			
R173141	3	\$	15,208.45	\$	1,445.65			
R173142	3	\$	15,208.45	\$	1,445.65			
R173143	3	\$	15,208.45	\$	1,445.65			
R173144	3	\$	15,208.45	\$	1,445.65			
R173145	3	\$	15,208.45	\$	1,445.65			
R173146	3	\$	15,208.45	\$	1,445.65			
R173147	3	\$	15,208.45	\$	1,445.65			
R173148	3	\$	15,208.45	\$	1,445.65			
R173149	3	\$	15,208.45	\$	1,445.65			
R173150	3	\$	15,208.45	\$	1,445.65			
R173151	3	\$	15,208.45	\$	1,445.65			
R173152	3	\$	15,208.45	\$	1,445.65			
R173153	3	\$	15,208.45	\$	1,445.65			
R173154	Non-Benefited	\$	· -	\$	-			
R173155	2	\$	14,665.29	\$	1,394.02			
R173156	2	\$	14,665.29	\$	1,394.02			
R173157	2	\$	14,665.29	\$	1,394.02			
R173158	2	\$	14,665.29	\$	1,394.02			

			Improvemen	t A	rea #1
				Α	nnual Installment
Parcel ID	Lot Type	Outstand	ing Assessment		Due 1/31/2025
R173159	2	\$	14,665.29	\$	1,394.02
R173160	2	\$	14,665.29	\$	1,394.02
R173161	2	\$	14,665.29	\$	1,394.02
R173162	3	\$	15,208.45	\$	1,445.65
R173163	3	\$	15,208.45	\$	1,445.65
R173164	3	\$	15,208.45	\$	1,445.65
R173165	3	\$	15,208.45	\$	1,445.65
R173166	3	\$	15,208.45	\$	1,445.65
R173167	3	\$	15,208.45	\$	1,445.65
R173168	3	\$	15,208.45	\$	1,445.65
R173169	3	\$	15,208.45	\$	1,445.65
R173170	3	\$	15,208.45	\$	1,445.65
R173171	Non-Benefited	\$	-	\$	-
R173172	2	\$	14,665.29	\$	1,394.02
R173173	2	\$	14,665.29	\$	1,394.02
R173174	2	\$	14,665.29	\$	1,394.02
R173175	2	\$	14,665.29	\$	1,394.02
R173176	2	\$	14,665.29	\$	1,394.02
R173177	2	\$	14,665.29	\$	1,394.02
R173178	2	\$	14,665.29	\$	1,394.02
R173179	4	\$	16,113.71	\$	1,531.70
R173180	4	\$	16,113.71	\$	1,531.70
R173181	4	\$	16,113.71	\$	1,531.70
R173182	4	\$	16,113.71	\$	1,531.70
R173183	4	\$	16,113.71	\$	1,531.70
R173184	Non-Benefited	\$	· -	\$	-
R173185	Non-Benefited	\$	-	\$	-
R173186	4	\$	16,113.71	\$	1,531.70
R173187	4	\$	16,113.71	\$	1,531.70
R173188	4	\$	16,113.71	\$	1,531.70
R173189	4	\$	16,113.71	\$	1,531.70
R173190	4	\$	16,113.71	\$	1,531.70
R173191	4	\$	16,113.71	\$	1,531.70
R173192	4	\$	16,113.71	\$	1,531.70
R173193	4	\$	16,113.71	\$	1,531.70
R173194	4	\$	16,113.71	\$	1,531.70
R173195	4	\$	16,113.71	\$	1,531.70
R173196	4	\$	16,113.71	\$	1,531.70
R173197	Non-Benefited	\$		\$	-
R173198	4	\$	16,113.71	\$	1,531.70
R173199	4	\$	16,113.71	\$	1,531.70
R173200	4	\$	16,113.71	\$	1,531.70
R173201	4	\$	16,113.71	\$	1,531.70
R173202	4	\$	16,113.71	\$	1,531.70
R173203	4	\$	16,113.71	\$	1,531.70
R173204	4	\$	16,113.71	\$	1,531.70
R173205	4	\$	16,113.71	\$	1,531.70
R173206	4	\$	16,113.71	\$	1,531.70
R173207	4	\$	16,113.71	\$	1,531.70
R173208	4	\$	16,113.71	\$	1,531.70

		Improvement Area #1						
				Α	nnual Installment			
Parcel ID	Lot Type		standing Assessment		Due 1/31/2025			
R173209	Non-Benefited	\$	-	\$	-			
R173210	2	\$	14,665.29	\$	1,394.02			
R173211	2	\$	14,665.29	\$	1,394.02			
R173212	2	\$	14,665.29	\$	1,394.02			
R173213	2	\$	14,665.29	\$	1,394.02			
R173214	2	\$	14,665.29	\$	1,394.02			
R173215	2	\$	14,665.29	\$	1,394.02			
R173216	2	\$	14,665.29	\$	1,394.02			
R173217	2	\$	14,665.29	\$	1,394.02			
R173218	Non-Benefited	\$	-	\$	-			
R173219	3	\$	15,208.45	\$	1,445.65			
R173220	3	\$	15,208.45	\$	1,445.65			
R173221	3	\$	15,208.45	\$	1,445.65			
R173222	3	\$	15,208.45	\$	1,445.65			
R173223	3	\$	15,208.45	\$	1,445.65			
R173224	3	\$	15,208.45	\$	1,445.65			
R173225	3	\$	15,208.45	\$	1,445.65			
R173226	3	\$	15,208.45	\$	1,445.65			
R173227	3	\$	15,208.45	\$	1,445.65			
R173228	3	\$	15,208.45	\$	1,445.65			
R173229	3	\$	15,208.45	\$	1,445.65			
R173230	3	\$	15,208.45	\$	1,445.65			
R173231	3	\$	15,208.45	\$	1,445.65			
R173232	3	\$	15,208.45	\$	1,445.65			
R173233	3	\$	15,208.45	\$	1,445.65			
R173234	Non-Benefited	\$	-	\$	-			
R173235	2	\$	14,665.29	\$	1,394.02			
R173236	2	\$	14,665.29	\$	1,394.02			
R173237	2	\$	14,665.29	\$	1,394.02			
R173238	2	\$	14,665.29	\$	1,394.02			
R173239	2	\$	14,665.29	\$	1,394.02			
R173240	2	\$	14,665.29	\$	1,394.02			
R173241	2	\$	14,665.29	\$	1,394.02			
R173242	2	\$	14,665.29	\$	1,394.02			
R173243	2	\$	14,665.29	\$	1,394.02			
R173244	2	\$	14,665.29	\$	1,394.02			
R173245	3	\$	15,208.45	\$	1,445.65			
R173246	3	\$	15,208.45	\$	1,445.65			
R173247	3	\$	15,208.45	\$	1,445.65			
R173248	3	\$	15,208.45	\$	1,445.65			
R173249	3	\$	15,208.45	\$	1,445.65			
R173250	3	\$	15,208.45	\$	1,445.65			
R173251	3	\$	15,208.45	\$	1,445.65			
R173252	3	\$	15,208.45	\$	1,445.65			
R173253	3	\$	15,208.45	\$	1,445.65			
R173254	3	\$	15,208.45	\$	1,445.65			
R173255	3	\$	15,208.45	\$	1,445.65			
R173256	3	\$	15,208.45	\$	1,445.65			
R173257	Non-Benefited	\$	-	\$	-			
R173258	3	\$	15,208.45	\$	1,445.65			

		Improvement Area #1					
				Α	nnual Installment		
Parcel ID	Lot Type	Outst	anding Assessment		Due 1/31/2025		
R173259	3	\$	15,208.45	\$	1,445.65		
R173260	3	\$	15,208.45	\$	1,445.65		
R173261	3	\$	15,208.45	\$	1,445.65		
R173262	3	\$	15,208.45	\$	1,445.65		
R173263	3	\$	15,208.45	\$	1,445.65		
R173264	3	\$	15,208.45	\$	1,445.65		
R173265	3	\$	15,208.45	\$	1,445.65		
R173266	3	\$	15,208.45	\$	1,445.65		
R173267	3	\$	15,208.45	\$	1,445.65		
R173268	3	\$	15,208.45	\$	1,445.65		
R173269	Non-Benefited	\$, -	\$	-		
R173270	3	\$	15,208.45	\$	1,445.65		
R173271	3	\$	15,208.45	\$	1,445.65		
R173272	3	\$	15,208.45	\$	1,445.65		
R173273	3	\$	15,208.45	\$	1,445.65		
R173274	3	\$	15,208.45	\$	1,445.65		
R173275	3	\$	15,208.45	\$	1,445.65		
R173276	3	\$	15,208.45	\$	1,445.65		
R173277	3	\$	15,208.45	\$	1,445.65		
R173277	3	\$	15,208.45	\$	1,445.65		
R173278	3	\$	15,208.45	\$	1,445.65		
R173273	3	\$	15,208.45	\$	1,445.65		
R173280 R173281	3	\$	15,208.45	۶ \$	1,445.65		
R173281	3	۶ \$	15,208.45	۶ \$	1,445.65		
R173282	3	۶ \$	15,208.45	۶ \$	1,445.65		
R173283	Non-Benefited	۶ \$	13,206.43	۶ \$	1,445.05		
		۶ \$	15 200 45	۶ \$	1 445 65		
R188305	3 3	\$ \$	15,208.45	۶ \$	1,445.65		
R188306	3	\$ \$	15,208.45	۶ \$	1,445.65		
R188307	3	\$ \$	15,208.45	۶ \$	1,445.65		
R188308 R188309	3	\$ \$	15,208.45	۶ \$	1,445.65 1,445.65		
	3	\$ \$	15,208.45	۶ \$	•		
R188310	3		15,208.45		1,445.65		
R188311		\$ \$	15,208.45	\$	1,445.65		
R188312	3		15,208.45	\$	1,445.65		
R188313	3	\$	15,208.45	\$	1,445.65		
R188314	3	\$	15,208.45	\$	1,445.65		
R188315	3	\$	15,208.45	\$	1,445.65		
R188316	3	\$	15,208.45	\$	1,445.65		
R188317	3	\$	15,208.45	\$	1,445.65		
R188318	Non-Benefited	\$	-	\$	-		
R188319	3	\$	15,208.45	\$	1,445.65		
R188320	3	\$	15,208.45	\$	1,445.65		
R188321	3	\$	15,208.45	\$	1,445.65		
R188322	3	\$	15,208.45	\$	1,445.65		
R188323	3	\$	15,208.45	\$	1,445.65		
R188324	3	\$	15,208.45	\$	1,445.65		
R188325	3	\$	15,208.45	\$	1,445.65		
R188326	3	\$	15,208.45	\$	1,445.65		
R188327	3	\$	15,208.45	\$	1,445.65		
R188328	3	\$	15,208.45	\$	1,445.65		

_		Improveme	ent A	rea #1
			A	Innual Installment
Parcel ID	Lot Type	Outstanding Assessmen		Due 1/31/2025
R188329	Non-Benefited	\$ -	\$	-
R188330	3	\$ 15,208.45		1,445.65
R188331	3	\$ 15,208.45		1,445.65
R188332	3	\$ 15,208.45		1,445.65
R188333	3	\$ 15,208.45		1,445.65
R188334	3	\$ 15,208.45		1,445.65
R188335	3	\$ 15,208.45		1,445.65
R188336	3	\$ 15,208.45		1,445.65
R188337	3	\$ 15,208.45		1,445.65
R188338	3	\$ 15,208.45		1,445.65
R188339	3	\$ 15,208.45		1,445.65
R188340	3	\$ 15,208.45		1,445.65
R188341	3	\$ 15,208.45		1,445.65
R188342	3	\$ 15,208.45		1,445.65
R188343	3	\$ 15,208.45		1,445.65
R188344	3	\$ 15,208.45		1,445.65
R188345	3	\$ 15,208.45		1,445.65
R188346	3	\$ 15,208.45		1,445.65
R188347	3	\$ 15,208.45		1,445.65
R188348	3	\$ 15,208.45		1,445.65
R188349	Non-Benefited	\$ -	\$	-
R188350	3	\$ 15,208.45		1,445.65
R188351	3	\$ 15,208.45		1,445.65
R188352	3	\$ 15,208.45		1,445.65
R188353	3	\$ 15,208.45		1,445.65
R188354	3	\$ 15,208.45		1,445.65
R188355	3	\$ 15,208.45		1,445.65
R188356	3	\$ 15,208.45		1,445.65
R188357	3	\$ 15,208.45		1,445.65
R188358	3	\$ 15,208.45		1,445.65
R188359	3	\$ 15,208.45		1,445.65
R188360	3	\$ 15,208.45		1,445.65
R188361	Non-Benefited	\$ -	\$	-
R188362	3	\$ 15,208.45		1,445.65
R188363	3	\$ 15,208.45		1,445.65
R188364	3	\$ 15,208.45		1,445.65
R188365	3	\$ 15,208.45		1,445.65
R188366	3	\$ 15,208.45		1,445.65
R188367	Non-Benefited	\$ -	\$	-
R188368	4	\$ 16,113.71		1,531.70
R188369	4	\$ 16,113.71		1,531.70
R188370	4	\$ 16,113.71		1,531.70
R188371	4	\$ 16,113.71		1,531.70
R188372	4	\$ 16,113.71		1,531.70
R188373	2	\$ 14,665.29		1,394.02
R188374	2	\$ 14,665.29		1,394.02
R188375	2	\$ 14,665.29		1,394.02
R188376	2	\$ 14,665.29		1,394.02
R188377	2	\$ 14,665.29		1,394.02
R188378	2	\$ 14,665.29	\$	1,394.02

		Impro	ovement	Area #1	
				Annual Ins	tallment
Parcel ID	Lot Type	Outstanding Asset	sment	Due 1/31	L/2025
R188379	2		565.29	\$	1,394.02
R188380	2		565.29	\$	1,394.02
R188381	2	\$ 14,6	565.29	\$	1,394.02
R188382	2	\$ 14,6	565.29	\$	1,394.02
R188383	2	\$ 14,6	565.29	\$	1,394.02
R188384	2		565.29	\$	1,394.02
R188385	2		565.29	\$	1,394.02
R188386	2		565.29	\$	1,394.02
R188387	1			\$	1,067.03
R188388	1			\$	1,067.03
R188389	1			\$	1,067.03
R188390	1			\$	1,067.03
R188391	1			\$	1,067.03
R188392	1			\$	1,067.03
R188393	1			\$	1,067.03
R188394	1			, \$	1,067.03
R188395	1			, \$	1,067.03
R188396	1			\$	1,067.03
R188397	1			\$	1,067.03
R188398	1			\$	1,067.03
R188399	1			\$	1,067.03
R188400	1			\$	1,067.03
R188401	1			\$	1,067.03
R188402	1			\$	1,067.03
R188403	Non-Benefited	\$		\$	-
R188404	1			\$	1,067.03
R188405	1			\$	1,067.03
R188406	1			\$	1,067.03
R188407	1			\$	1,067.03
R188408	1			\$	1,067.03
R188409	1			\$	1,067.03
R188410	1			\$	1,067.03
R188411	1			\$	1,067.03
R188412	1			۶ \$	1.067.03
R188413	Non-Benefited	\$		\$	-
R188414	1			\$	1,067.03
R188415	1			\$	1,067.03
R188416	1			۶ \$	1,067.03
R188417	1			۶ \$	1,067.03
R188418	1			\$	1,067.03
R188419	1			\$	1,067.03
R188420	1			۶ \$	1,067.03
R188421	1			۶ \$	1,067.03
R188422	1			۶ \$	1,067.03
R188423	1			۶ \$	1,067.03
R188424	1			\$ \$	1,067.03
R188425	1			\$ \$	1,067.03
	1			\$ \$	
R188426	1				1,067.03
R188427				\$	1,067.03
R188428	1	۶ 11,2	225.28	\$	1,067.03

		Improvement Area #1						
				Α	nnual Installment			
Parcel ID	Lot Type	Outst	anding Assessment		Due 1/31/2025			
R188429	4	\$	16,113.71	\$	1,531.70			
R188430	4	\$	16,113.71	\$	1,531.70			
R188431	1	\$	11,225.28	\$	1,067.03			
R188432	1	\$	11,225.28	\$	1,067.03			
R188433	1	\$	11,225.28	\$	1,067.03			
R188434	1	\$	11,225.28	\$	1,067.03			
R188435	1	\$	11,225.28	\$	1,067.03			
R188436	1	\$	11,225.28	\$	1,067.03			
R188437	1	\$	11,225.28	\$	1,067.03			
R188438	1	\$	11,225.28	\$	1,067.03			
R188439	1	\$	11,225.28	\$	1,067.03			
R188440	1	\$	11,225.28	\$	1,067.03			
R188441	1	\$	11,225.28	\$	1,067.03			
R188442	1	\$	11,225.28	\$	1,067.03			
R188443	1	\$	11,225.28	\$	1,067.03			
R188444	1	\$	11,225.28	\$	1,067.03			
R188445	1	\$	11,225.28	۶ \$	1,067.03			
R188446	1	\$	11,225.28	۶ \$	1,067.03			
		\$ \$						
R188447	1		11,225.28	\$	1,067.03			
R188448	1	\$	11,225.28	\$	1,067.03			
R188449	1	\$	11,225.28	\$	1,067.03			
R188450	1	\$	11,225.28	\$	1,067.03			
R188451	1	\$	11,225.28	\$	1,067.03			
R188452	1	\$	11,225.28	\$	1,067.03			
R188453	1	\$	11,225.28	\$	1,067.03			
R188454	1	\$	11,225.28	\$	1,067.03			
R188455	4	\$	16,113.71	\$	1,531.70			
R188456	4	\$	16,113.71	\$	1,531.70			
R188457	3	\$	15,208.45	\$	1,445.65			
R188458	3	\$	15,208.45	\$	1,445.65			
R188459	3	\$	15,208.45	\$	1,445.65			
R188460	3	\$	15,208.45	\$	1,445.65			
R188461	3	\$	15,208.45	\$	1,445.65			
R188462	3	\$	15,208.45	\$	1,445.65			
R188463	3	\$	15,208.45	\$	1,445.65			
R188464	3	\$	15,208.45	\$	1,445.65			
R188465	3	\$	15,208.45	\$	1,445.65			
R188466	3	\$	15,208.45	\$	1,445.65			
R188467	3	\$	15,208.45	\$	1,445.65			
R188468	3	\$	15,208.45	\$	1,445.65			
R188469	3	\$	15,208.45	\$	1,445.65			
R188470	3	\$	15,208.45	\$	1,445.65			
R188471	3	\$	15,208.45	\$	1,445.65			
R188472	3	\$	15,208.45	\$	1,445.65			
R188473	3	\$	15,208.45	\$	1,445.65			
R188474	3	\$	15,208.45	\$	1,445.65			
R188475	3	\$	15,208.45	\$	1,445.65			
R188476	3	\$	15,208.45	\$	1,445.65			
R188477	Non-Benefited	\$,	\$	_, ,			
R188478	4	\$	16,113.71	\$	1,531.70			

		Improvement Area #1					
				Α	nnual Installment		
Parcel ID	Lot Type		tanding Assessment		Due 1/31/2025		
R188479	4	\$	16,113.71	\$	1,531.70		
R188480	4	\$	16,113.71	\$	1,531.70		
R188481	4	\$	16,113.71	\$	1,531.70		
R188482	4	\$	16,113.71	\$	1,531.70		
R188483	4	\$	16,113.71	\$	1,531.70		
R188484	4	\$	16,113.71	\$	1,531.70		
R188485	4	\$	16,113.71	\$	1,531.70		
R188486	4	\$	16,113.71	\$	1,531.70		
R188487	4	\$	16,113.71	\$	1,531.70		
R188488	4	\$	16,113.71	\$	1,531.70		
R188489	4	\$	16,113.71	\$	1,531.70		
R188490	4	\$	16,113.71	\$	1,531.70		
R188491	4	\$	16,113.71	\$	1,531.70		
R188492	4	\$	16,113.71	\$	1,531.70		
R188493	4	\$	16,113.71	\$	1,531.70		
R188494	4	\$	16,113.71	\$	1,531.70		
R188495	Non-Benefited	\$	-	\$	-		
R188496	4	\$	16,113.71	\$	1,531.70		
R188497	4	\$	16,113.71	\$	1,531.70		
R188498	4	\$	16,113.71	\$	1,531.70		
R188499	4	\$	16,113.71	\$	1,531.70		
R188500	Non-Benefited	\$	-	\$	-		
R188501	4	\$	16,113.71	\$	1,531.70		
R188502	4	\$	16,113.71	\$	1,531.70		
R188503	4	\$	16,113.71	\$	1,531.70		
R188504	4	\$	16,113.71	\$	1,531.70		
R188505	4	\$	16,113.71	\$	1,531.70		
R188506	4	\$	16,113.71	\$	1,531.70		
R188507	4	\$	16,113.71	\$	1,531.70		
R188508	4	\$	16,113.71	\$	1,531.70		
R188509	4	\$	16,113.71	\$	1,531.70		
R188510	4	\$	16,113.71	\$	1,531.70		
R188511	4	\$	16,113.71	\$	1,531.70		
R188512	4	\$	16,113.71	\$	1,531.70		
R188513	3	\$	15,208.45	\$	1,445.65		
R188514	Non-Benefited	\$	-	\$	-		
R188515	3	\$	15,208.45	\$	1,445.65		
R190066	2	\$	14,665.29	\$	1,394.02		
	Total	\$	5,915,000.03	\$	562,254.73		

Note: Totals may not sum due to rounding

EXHIBIT G – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Total Annual Installment
2025	248,000.00	236,358.76	48,322.42	29,575.00	562,256.18
2026	258,000.00	227,368.76	49,288.87	28,335.00	562,992.63
2027	268,000.00	218,016.26	50,274.65	27,045.00	563,335.91
2028	278,000.00	208,301.26	51,280.14	25,705.00	563,286.40
2029	289,000.00	197,528.76	52,305.74	24,315.00	563,149.50
2030	301,000.00	186,330.00	53,351.86	22,870.00	563,551.86
2031	313,000.00	174,666.26	54,418.89	21,365.00	563,450.15
2032	325,000.00	162,537.50	55,507.27	19,800.00	562,844.77
2033	339,000.00	149,943.76	56,617.42	18,175.00	563,736.18
2034	353,000.00	135,960.00	57,749.77	16,480.00	563,189.77
2035	369,000.00	121,398.76	58,904.76	14,715.00	564,018.52
2036	385,000.00	106,177.50	60,082.86	12,870.00	564,130.36
2037	401,000.00	90,296.26	61,284.51	10,945.00	563,525.77
2038	419,000.00	73,755.00	62,510.20	8,940.00	564,205.20
2039	437,000.00	56,471.26	63,760.41	6,845.00	564,076.67
2040	456,000.00	38,445.00	65,035.62	4,660.00	564,140.62
2041	476,000.00	19,635.00	66,336.33	2,380.00	564,351.33
Total	\$ 5,915,000.00	\$ 2,403,190.10	\$ 967,031.70	\$ 295,020.00	\$ 9,580,241.80

[[]a] Interest is calculated at the actual rate of the Improvement Area #1 Bonds.

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

			Major Improv	/em	ent Area
				A	Annual Installment
Parcel ID	Lot Type		anding Assessment		Due 1/31/2025
R146069	Major Improvement Area Remainder Parcel	\$	532,914.95	\$	53,908.91
R146068	Major Improvement Area Remainder Parcel	\$	1,616,499.35	\$	163,522.74
R201522	Non-Benefited	\$	-	\$	-
R151279	Non-Benefited	\$ \$ \$ \$	-	\$	-
R198333	Non-Benefited	\$	-	\$	-
R198334	7	\$	3,487.46	\$	352.78
R198335	7	\$	3,487.46	\$	352.78
R198336	7	\$	3,487.46	\$	352.78
R198337	7	\$	3,487.46	\$	352.78
R198338	7	\$ \$ \$ \$	3,487.46	\$	352.78
R198339	7	\$	3,487.46	\$	352.78
R198340	7	\$	3,487.46	\$	352.78
R198341	7	\$	3,487.46	\$	352.78
R198342	7	\$	3,487.46	\$	352.78
R198343	Non-Benefited	\$ \$	- -	\$	-
R198344	7	\$	3,487.46	\$	352.78
R198345	7	\$	3,487.46	\$	352.78
R198346	7	\$	3,487.46	\$	352.78
R198347	7	\$	3,487.46	\$	352.78
R198348	7	\$	3,487.46	\$	352.78
R198349	7	Ś	3,487.46	\$	352.78
R198350	Non-Benefited	Ś	-	\$	_
R198351	7	Ś	3,487.46	\$	352.78
R198352	7	\$ \$ \$ \$ \$ \$ \$	3,487.46	\$	352.78
R198353	7	Ś	3,487.46	\$	352.78
R198354	7	Ś	3,487.46	\$	352.78
R198355	Non-Benefited	\$	-	\$	-
R198356	7	\$	3,487.46	\$	352.78
R198357	7	\$	3,487.46	\$	352.78
R198358	7	Ś	3,487.46	\$	352.78
R198359	7	\$ \$	3,487.46	\$	352.78
R198360	7		3,487.46	\$	352.78
R198361	7	خ	3,487.46	\$	352.78
R198362	7	\$ \$ \$ \$	3,487.46	\$	352.78
R198363	7	خ	3,487.46	ب \$	352.78
R198364	7	\$	3,487.46	ب \$	352.78
R198365	7		•	۶ \$	352.78
R198366	7	\$		۶ \$	352.78
R198367	7	\$	3,487.46	۶ \$	352.78
		\$			
R198368	7	\$	3,487.46	\$	352.78
R198369	7	\$ \$	3,487.46	\$	352.78
R198370	7	\$	3,487.46	\$	352.78
R198371	7	\$ \$ \$ \$ \$ \$	3,487.46	\$	352.78
R198372	7	۲	3,487.46	\$	352.78
R198373	7	٦	3,487.46	\$	352.78
R198374	7	٦	3,487.46	\$	352.78
R198375	7	\$	3,487.46	\$	352.78
R198376	7	\$	3,487.46	\$	352.78
R198377	7	\$	3,487.46	\$	352.78
R198378	Non-Benefited	\$	-	\$	-

			Major Improv	rement Area
				Annual Installment
Parcel ID	Lot Type	Outstan	ding Assessment	Due 1/31/2025
R198379	7	\$	3,487.46	\$ 352.78
R198380	7	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	3,487.46	\$ 352.78
R198381	7	\$	3,487.46	\$ 352.78
R198382	7	\$	3,487.46	\$ 352.78
R198383	7	\$	3,487.46	\$ 352.78
R198384	7	\$	3,487.46	\$ 352.78
R198385	7	\$	3,487.46	\$ 352.78
R198386	7	\$	3,487.46	\$ 352.78
R198387	7	\$	3,487.46	\$ 352.78
R198388	7	\$	3,487.46	\$ 352.78
R198389	7	\$	3,487.46	\$ 352.78
R198390	7	\$	3,487.46	\$ 352.78
R198391	7	\$		\$ 352.78
R198392	7	\$		\$ 352.78
R198393	7	\$		\$ 352.78
R198394	7	\$		\$ 352.78
R198395	7	Ś		\$ 352.78
R198396	7	Ś		\$ 352.78
R198397	7	Ś		\$ 352.78
R198398	7	Ś		\$ 352.78
R198399	7	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$		\$ 352.78
R198400	, 7	Š		\$ 352.78
R198401	, 7	Š		\$ 352.78
R198402	, 7	Š		\$ 352.78
R198403	, 7	ξ ,		\$ 352.78
R198404	, 7	\$		\$ 352.78
R198405	, Non-Benefited	\$	5,407.40	\$ -
R198406	7	\$	3,487.46	\$ 352.78
R198407	, 7			\$ 352.78
R198408	7	\$ \$ \$		\$ 352.78
R198409	7	ć		\$ 352.78
R198410	7	ç		\$ 352.78
R198411	7	\$		\$ 352.78
R198412	, 7	\$		\$ 352.78
R198413	, 7	\$		\$ 352.78
R198414	7	۶		\$ 352.78
R198414 R198415	7	ې خ		
R198415 R198416	7	\$		
R198416 R198417	7	\$ 6		\$ 352.78
		\$ 6	3,487.46	\$ 352.78
R198418	Non-Benefited	\$	-	\$ -
R198419	Non-Benefited	\$	2 204 54	\$ -
R198420	6	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		\$ 332.97
R198421	6	۶		\$ 332.97
R198422	6	۶		\$ 332.97
R198423	6	}		\$ 332.97
R198424	6	٦		\$ 332.97
R198425	6	\$		\$ 332.97
R198426	6	\$		\$ 332.97
R198427	6			\$ 332.97
R198428	6	\$	3,291.54	\$ 332.97

			Major Improve	ement Area
				Annual Installment
Parcel ID	Lot Type	Outstar	nding Assessment	Due 1/31/2025
R198429	6	\$	3,291.54	332.97
R198430	6	\$	3,291.54	332.97
R198431	6	\$	3,291.54	332.97
R198432	6	\$	3,291.54	332.97
R198433	6	\$	3,291.54	332.97
R198434	6	\$	3,291.54	332.97
R198435	6	\$ \$ \$	3,291.54	332.97
R198436	6	\$	3,291.54	332.97
R198437	6	\$	3,291.54	332.97
R198438	6	\$	3,291.54	332.97
R198439	6		3,291.54	332.97
R198440	6	\$ \$	3,291.54	332.97
R198441	Non-Benefited	\$	- 5	-
R198442	6	\$	3,291.54	
R198443	6	\$	3,291.54	332.97
R198444	6	\$	3,291.54	
R198445	Non-Benefited	\$	- 5	
R198446	6	\$	3,291.54	
R198447	6	\$	3,291.54	
R198448	6	\$	3,291.54	
R198449	6	\$	3,291.54	
R198450	6	\$	3,291.54	
R198451	6	\$	3,291.54	
R198452	6	\$	3,291.54	
R198453	6	\$	3,291.54	
R198454	6	\$	3,291.54	
R198455	6	\$	3,291.54	
R198456	6	\$	3,291.54	
R198457	6	\$	3,291.54	
R198458	6	\$	3,291.54	
R198459	6	\$	3,291.54	
R198460	6	\$	3,291.54	
R198461	6	\$	3,291.54	
R198462	6	\$	3,291.54	
R198463	6	\$	3,291.54	
R198464	6	\$	3,291.54	
R198465	6	\$	3,291.54	
R198466	6	Ś	3,291.54	
R198467	6	\$ \$ \$ \$ \$	3,291.54	
R198468	6	Ś	3,291.54	
R198469	6	Š	3,291.54	
R198470	6	Š	3,291.54	
R198471	6	Š	3,291.54	
R198472	Non-Benefited	\$	- (
R198473	6	\$	3,291.54	
R198474	6	\$	3,291.54	
R198475	6		3,291.54	
R198476	6	\$ \$	3,291.54	
R198477	6	\$	3,291.54	
R198477	6	\$	3,291.54	
N1304/0	U	ب ا	3,231.34	332.37

			Major Improvement Area				
				- 1	Annual Installment		
Parcel ID	Lot Type	Outsta	nding Assessment		Due 1/31/2025		
R198479	6	\$	3,291.54	\$	332.97		
R198480	6	\$	3,291.54	\$	332.97		
R198481	6	\$	3,291.54	\$	332.97		
R198482	6	\$	3,291.54	\$	332.97		
R198483	6	\$	3,291.54	\$	332.97		
R198484	6	\$	3,291.54	\$	332.97		
R198485	Non-Benefited	\$	-	\$	=		
Total		\$	2,628,999.12	\$	265,945.41		

Note: For billing purposes only, until a plat has been recorded within the Major Improvement Area Remainder Parcel, the Annual Installment will be billed to each Tax Parcel within the Major Improvement Area Remainder Parcel based on the acreage of the Tax Parcel as calculated by the Hays Central Appraisal District.

Note: Totals may not sum due to rounding

EXHIBIT I – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

Installment	Principal	Interest [a]	Annual Collection	Additional	Capitalized	Total Annual
Due 1/31	Principal	interest [a]	Costs	Interest	Interest	Installment
2025	106,000.00	118,296.26	28,502.75	13,145.00	-	265,944.01
2026	110,000.00	113,923.76	29,072.81	12,615.00	-	265,611.57
2027	115,000.00	109,386.26	29,654.26	12,065.00	-	266,105.52
2028	120,000.00	104,642.50	30,247.35	11,490.00	-	266,379.85
2029	125,000.00	99,392.50	30,852.29	10,890.00	-	266,134.79
2030	131,000.00	93,923.76	31,469.34	10,265.00	-	266,658.10
2031	137,000.00	88,192.50	32,098.73	9,610.00	-	266,901.23
2032	143,000.00	82,198.76	32,740.70	8,925.00	-	266,864.46
2033	150,000.00	75,942.50	33,395.51	8,210.00	-	267,548.01
2034	157,000.00	69,005.00	34,063.42	7,460.00	-	267,528.42
2035	165,000.00	61,743.76	34,744.69	6,675.00	-	268,163.45
2036	172,000.00	54,112.50	35,439.59	5,850.00	-	267,402.09
2037	181,000.00	46,157.50	36,148.38	4,990.00	-	268,295.88
2038	190,000.00	37,786.26	36,871.35	4,085.00	-	268,742.61
2039	199,000.00	28,998.76	37,608.77	3,135.00	-	268,742.53
2040	209,000.00	19,795.00	38,360.95	2,140.00	-	269,295.95
2041	219,000.00	10,128.76	39,128.17	1,095.00	-	269,351.93
Total	\$ 2,629,000.00	\$ 1,213,626.34	\$ 570,399.06	\$ 132,645.00	\$ -	\$ 4,545,670.40

[[]a] Interest is calculated at the actual rate of the Major Improvement Area Bonds.

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 – IMPROVEMENT AREA #2 ASSESSMENT ROLL

			Improvement Area #2				
				standing		nual Installment	
Parcel ID	Lot Type	Note		sment [c]		Due 1/31/2025	
R146068	Improvement Area #2 Remainder Parcel			,313,188.49	\$	-	
R151279	Non-Benefited		\$ \$ \$	-	\$	-	
R201522	Non-Benefited		\$	-	\$	-	
R198333	Non-Benefited		\$	-	\$	-	
R198334	7	[a]	\$	15,886.83	\$	-	
R198335	7	[a]	\$	15,886.83	\$	-	
R198336	7	[a]	\$	15,886.83	\$	-	
R198337	7	[a]	\$	15,886.83	\$	-	
R198338	7	[a]	\$	15,886.83	\$	-	
R198339	7	[a]	\$	15,886.83	\$	-	
R198340	7	[a]	\$	15,886.83	\$	-	
R198341	7	[a]	\$	15,886.83	\$	-	
R198342	7	[a]	\$	15,886.83	\$	-	
R198343	Non-Benefited		\$	-	\$	-	
R198344	7	[a]	\$	15,886.83	\$	-	
R198345	7	[a]	\$	15,886.83	\$	-	
R198346	7	[a]	\$	15,886.83	\$	-	
R198347	7	[a]	\$	15,886.83	\$	-	
R198348	7	[a]	\$	15,886.83	\$	-	
R198349	7	[a]	\$	15,886.83	\$	-	
R198350	Non-Benefited		\$	-	\$	-	
R198351	7	[a]	\$	15,886.83	\$	-	
R198352	7	[a]	\$	15,886.83	\$	-	
R198353	7	[a]	\$	15,886.83	\$	-	
R198354	7	[a]	\$	15,886.83	\$	-	
R198355	Non-Benefited		\$	-	\$	-	
R198356	7	[a]	\$	15,886.83	\$	-	
R198357	7	[a]	\$	15,886.83	\$	-	
R198358	7	[a]	\$	15,886.83	\$	-	
R198359	7	[a]	\$	15,886.83	\$	-	
R198360	7	[b]	\$	15,886.83	\$	-	
R198361	7	[a]	\$	15,886.83	\$	-	
R198362	7	[a]	\$	15,886.83	\$	-	
R198363	7	[b]	\$	15,886.83	\$	-	
R198364	7	[a]	\$	15,886.83	\$	-	
R198365	7	[b]	\$	15,886.83	\$	-	
R198366	7	[b]	\$	15,886.83	\$	-	
R198367	7	[a]	\$	15,886.83	\$	-	
R198368	7	[b]	\$	15,886.83	\$	-	
R198369	7	[a]	\$	15,886.83	\$	-	
R198370	7	[b]	\$	15,886.83	\$	-	
R198371	7	[a]	\$	15,886.83	\$	-	
R198372	7	[b]	\$	15,886.83	\$	-	
R198373	7	[a]	\$	15,886.83	\$	-	
R198374	7	[b]	\$	15,886.83	\$	-	
R198375	7	[b]	\$	15,886.83	\$	-	
R198376	7	[b]	\$	15,886.83	\$	-	
R198377	7	[b]	\$	15,886.83	\$	-	
R198378	Non-Benefited		\$	-	\$	-	
R198379	7	[a]	\$	15,886.83	\$	-	

			Improvement Area #2			
			Outstanding	Annual Installment		
Parcel ID	Lot Type	Note	Assessment [c]			
R198380	7	[a]	\$ 15,886.83			
R198381	7	[a]	\$ 15,886.83			
R198382	7	[b]	\$ 15,886.83			
R198383	7	[b]	\$ 15,886.83	-		
R198384	7	[b]	\$ 15,886.83			
R198385	7	[b]	\$ 15,886.83			
R198386	7	[b]	\$ 15,886.83			
R198387	7	[b]	\$ 15,886.83			
R198388	7	[b]	\$ 15,886.83			
R198389	7	[b]	\$ 15,886.83			
R198390	7	[b]	\$ 15,886.83			
R198391	7	[b]	\$ 15,886.83			
R198392	7	[b]	\$ 15,886.83			
R198393	7		\$ 15,886.83			
R198394	7	[b]	\$ 15,886.83	-		
R198395	7	[b]	\$ 15,886.83	- \$		
R198396	7	[b]	\$ 15,886.83			
R198397	7	[a]	\$ 15,886.83	- \$		
R198398	7	[a]	\$ 15,886.83	- \$		
R198399	7	[a]	\$ 15,886.83			
R198400	7	[a]	\$ 15,886.83	- \$		
R198401	7	[a]	\$ 15,886.83			
R198402	7	[a]	\$ 15,886.83			
R198403	7	[a]	\$ 15,886.83			
R198404	7	[a]	\$ 15,886.83			
R198405	Non-Benefited		\$ -	\$ -		
R198406	7	[a]	\$ 15,886.83			
R198407	7	[b]	\$ 15,886.83			
R198408	7	[b]	\$ 15,886.83			
R198409	7	[b]	\$ 15,886.83			
R198410	7	[b]	\$ 15,886.83			
R198411	7	[b]	\$ 15,886.83			
R198412	7	[b]	\$ 15,886.83			
R198413	7		\$ 15,886.83			
R198414	7	[b]	\$ 15,886.83			
R198415	7	[b]	\$ 15,886.83			
R198416	7	[b]	\$ 15,886.83			
R198417	7	[b]	\$ 15,886.83			
R198418	Non-Benefited		\$ -	\$ -		
R198419	Non-Benefited		\$ -	\$ -		
R198420	6	[a]	\$ 14,431.48			
R198421	6	[a]	\$ 14,431.48			
R198422	6	[a]	\$ 14,431.48			
R198423	6	[a]	\$ 14,431.48			
R198424	6	[a]	\$ 14,431.48			
R198425	6	[a]	\$ 14,431.48			
R198426	6		\$ 14,431.48			
R198427	6	[a]	\$ 14,431.48			
R198428	6	[a]	\$ 14,431.48			
R198429	6	[a]	\$ 14,431.48			

			Improvement Area #2			
			Outstanding	Annual Installment		
Parcel ID	Lot Type	Note	Assessment [c]			
R198430	6	[a]	\$ 14,431.48			
R198431	6	[b]	\$ 14,431.48			
R198432	6	[a]	\$ 14,431.48	\$ -		
R198433	6	[a]	\$ 14,431.48	\$ -		
R198434	6	[a]	\$ 14,431.48	\$ -		
R198435	6	[a]	\$ 14,431.48	\$ -		
R198436	6	[b]	\$ 14,431.48	\$ -		
R198437	6	[b]	\$ 14,431.48	\$ -		
R198438	6	[b]	\$ 14,431.48	\$ -		
R198439	6	[b]	\$ 14,431.48	\$ -		
R198440	6		\$ 14,431.48	\$ -		
R198441	Non-Benefited		\$ -	\$ -		
R198442	6	[b]	\$ 14,431.48	\$ -		
R198443	6		\$ 14,431.48	\$ -		
R198444	6		\$ 14,431.48	\$ -		
R198445	Non-Benefited		\$ -	\$ -		
R198446	6	[a]	\$ 14,431.48	\$ -		
R198447	6	[a]	\$ 14,431.48	\$ -		
R198448	6	[a]	\$ 14,431.48	\$ -		
R198449	6	[a]	\$ 14,431.48	\$ -		
R198450	6	[a]	\$ 14,431.48	\$ -		
R198451	6	[a]	\$ 14,431.48	\$ -		
R198452	6	[a]	\$ 14,431.48	\$ -		
R198453	6	[a]	\$ 14,431.48	\$ -		
R198454	6	[a]	\$ 14,431.48			
R198455	6	[a]	\$ 14,431.48	\$ -		
R198456	6	[a]	\$ 14,431.48	\$ -		
R198457	6	[b]	\$ 14,431.48	\$ -		
R198458	6	[a]	\$ 14,431.48	\$ -		
R198459	6	[b]	\$ 14,431.48	\$ -		
R198460	6	[a]	\$ 14,431.48	\$ -		
R198461	6	[b]	\$ 14,431.48	\$ -		
R198462	6	[b]	\$ 14,431.48	\$ -		
R198463	6	[b]	\$ 14,431.48	\$ -		
R198464	6	[a]	\$ 14,431.48	\$ -		
R198465	6	[b]	\$ 14,431.48	\$ -		
R198466	6	[a]	\$ 14,431.48	\$ -		
R198467	6	[a]	\$ 14,431.48			
R198468	6	[a]	\$ 14,431.48			
R198469	6	[a]	\$ 14,431.48	\$ -		
R198470	6	[a]	\$ 14,431.48	\$ -		
R198471	6	[a]	\$ 14,431.48			
R198472	Non-Benefited		\$ -	\$ -		
R198473	6	[a]	\$ 14,431.48			
R198474	6	[a]	\$ 14,431.48			
R198475	6	[a]	\$ 14,431.48			
R198476	6	[a]	\$ 14,431.48			
R198477	6	[a]	\$ 14,431.48			
R198478	6	[a]	\$ 14,431.48			
R198479	6	[a]	\$ 14,431.48			

			Improvement Area #2				
				Outstanding	Ann	ual Installment	
Parcel ID	Lot Type	Note	Α	ssessment [c]	Du	ue 1/31/2025	
R198480	6	[a]	\$	14,431.48	\$	-	
R198481	6	[b]	\$	14,431.48	\$	-	
R198482	6	[b]	\$	14,431.48	\$	-	
R198483	6	[b]	\$	14,431.48	\$	-	
R198484	6	[b]	\$	14,431.48	\$	-	
R198485	Non-Benefited		\$	-	\$	-	
Total			\$	5,462,999.82	\$	-	

- [a] Property has been sold to an end-user prior to the levy of the Improvement Area #2 Assessments.
- [b] Property is anticipated to be sold to an end-user prior to the levy of the Improvement Area #2 Assessments.
- [c] Represents only Improvement Area #2 Bonds attributable to Improvement Area #2. Lots within Improvement Area #2 have also been allocated a portion of the Major Improvement Area Assessment on the basis of Estimated Buildout Value as shown on **Exhibit M-2**. See **Exhibit H** for the Major Improvement Area Assessment Roll.

Note: For billing purposes only, until a plat has been recorded within the Improvement Area #2 Remainder Parcel, the Annual Installment will be billed to each Tax Parcel within the Improvement Area #2 Remainder Parcel based on the acreage of the Tax Parcel as calculated by the Hays Central Appraisal District.

Note: Totals may not sum due to rounding

EXHIBIT K – IMPROVEMENT AREA #2 ANNUAL INSTALLMENTS

Installment	Principal [a]	Interest [b]	Anr	ual Collection	Additional	Capitalized	Total IA #2 Annual
Due 1/31				Costs	 Interest	Interest	Installment
2025	\$ -	\$ 304,903.69	\$	-	\$ -	\$ (304,903.69)	
2026	44,000.00	\$ 320,951.25		20,400.00	27,315.00	-	412,666.25
2027	46,000.00	\$ 318,366.25		20,808.00	27,095.00	-	412,269.25
2028	48,000.00	\$ 315,663.75		21,224.16	26,865.00	-	411,752.91
2029	51,000.00	\$ 312,843.75		21,648.64	26,625.00	-	412,117.39
2030	54,000.00	\$ 309,847.50		22,081.62	26,370.00	-	412,299.12
2031	56,000.00	\$ 306,675.00		22,523.25	26,100.00	-	411,298.25
2032	60,000.00	\$ 303,385.00		22,973.71	25,820.00	-	412,178.71
2033	63,000.00	\$ 299,860.00		23,433.19	25,520.00	-	411,813.19
2034	66,000.00	\$ 296,158.75		23,901.85	25,205.00	-	411,265.60
2035	70,000.00	\$ 292,281.25		24,379.89	24,875.00	-	411,536.14
2036	74,000.00	\$ 288,168.75		24,867.49	24,525.00	-	411,561.24
2037	78,000.00	\$ 283,821.25		25,364.84	24,155.00	-	411,341.09
2038	82,000.00	\$ 279,238.75		25,872.13	23,765.00	-	410,875.88
2039	87,000.00	\$ 274,421.25		26,389.58	23,355.00	-	411,165.83
2040	92,000.00	\$ 269,310.00		26,917.37	22,920.00	-	411,147.37
2041	97,000.00	\$ 263,905.00		27,455.71	22,460.00	-	410,820.71
2042	230,000.00	\$ 258,206.25		28,004.83	21,975.00	-	538,186.08
2043	244,000.00	\$ 244,693.75		28,564.92	20,825.00	-	538,083.67
2044	260,000.00	\$ 230,358.75		29,136.22	19,605.00	-	539,099.97
2045	275,000.00	\$ 215,083.75		29,718.95	18,305.00	-	538,107.70
2046	292,000.00	\$ 198,927.50		30,313.33	16,930.00	-	538,170.83
2047	310,000.00	\$ 181,772.50		30,919.59	15,470.00	-	538,162.09
2048	330,000.00	\$ 163,560.00		31,537.99	13,920.00	-	539,017.99
2049	350,000.00	\$ 144,172.50		32,168.74	12,270.00	-	538,611.24
2050	372,000.00	\$ 123,610.00		32,812.12	10,520.00	-	538,942.12
2051	395,000.00	\$ 101,755.00		33,468.36	8,660.00	-	538,883.36
2052	419,000.00	\$ 78,548.75		34,137.73	6,685.00	-	538,371.48
2053	445,000.00	\$ 53,932.50		34,820.48	4,590.00	-	538,342.98
2054	473,000.00	\$ 27,788.75		35,516.89	2,365.00	-	538,670.64
Total	\$ 5,463,000.00	\$ 7,062,211.19	\$	791,361.58	\$ 575,090.00	\$ (304,903.69)	\$ 13,586,759.08

[[]a] Represents only Improvement Area #2 Bonds attributable to Improvement Area #2. Lots within Improvement Area #2 have also been allocated a portion of the Major Improvement Area Assessment on the basis of Estimated Buildout Value as shown on **Exhibit M-2**. See **Exhibit H** for the Major Improvement Area Assessment Roll.

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.

[[]b] Interest is calculated at a 5.875% rate for illustrative purposes.

EXHIBIT L – MAXIMUM ASSESSMENT PER LOT TYPE

Lot Type	Units				or Improvement ea Assessment	To	tal Assessment	Maximum Assessment per Lot Type	Equivalent Tax Rate Per \$100 of Estimated Buildout Value
	Improvement Area #1								
1	64	\$	718,418.12	\$	-	\$	718,418.12	\$11,225.28 per Unit	\$0.3446
2	48	\$	703,933.88	\$	-	\$	703,933.88	\$14,665.29 per Unit	\$0.3446
3	217	\$	3,300,233.24	\$	-	\$	3,300,233.24	\$15,208.45 per Unit	\$0.3446
4	74	\$	1,192,414.75	\$	-	\$	1,192,414.75	\$16,113.71 per Unit	\$0.3446
Tot	:al	\$	5,915,000.00	\$	-	\$	5,915,000.00		
					Impro	oven	nent Area #2		
5	116	\$	1,155,255.07	\$	281,818.52	\$	1,437,073.59	\$12,388.57 per Unit	\$0.3729
6	173	\$	2,496,646.07	\$	569,436.42	\$	3,066,082.49	\$17,723.02 per Unit	\$0.3695
7	114	\$	1,811,098.86	\$	397,571.01	\$	2,208,669.86	\$19,374.30 per Unit	\$0.3677
Tot	:al	\$	5,463,000.00	\$	1,248,825.94	\$	6,711,825.94		

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 M-1 – ESTIMATED BUILDOUT VALUE FOR IMPROVEMENT AREA #1

Lot Type	Un	its	T	otal Buildout Value	% of Estimated Buildout Value	
			Improvement Area #1			
35'	64	lots	\$ 310,000	\$	19,840,000	12.15%
43'	48	lots	\$ 405,000	\$	19,440,000	11.90%
50'	217	lots	\$ 420,000	\$	91,140,000	55.79%
55'	74	lots	\$ 445,000	\$	32,930,000	20.16%
		Total		\$	163,350,000	100.00%

EXHIBIT M-2 – ESTIMATED BUILDOUT VALUE FOR IMPROVEMENT AREA #1, MAJOR IMPROVEMENT AREA, AND IMPROVEMENT AREA #2

Lot Type		nits ement		d Buildout Value [a] Time of Original Servic		otal Buildout Value nd Assessment P	% of Estimated Buildout Value At Time of Improvement Area #1 Bonds	% Allocation for Major Improvement Area Bonds
35'	64	lots	\$			19,840,000		
43'	48	lots	\$	•		19,440,000		
50'	227	lots	\$	420.000	Ś	95,340,000		
55'	64	lots	\$	445,000	Ś	28,480,000		
	Tota	l			\$	163,100,000	32.68%	0.00%
I.	/lajor Im	proven	ent Area a	t Time of Original Serv	/ice	and Assessment	Plan	
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		
	Tota				\$	336,005,000	67.32%	0.00%
Total Improvement Are	a #1 an	d Majoı	Improvem	ent Area	\$	499,105,000	100.00%	
				nprovement Area #2				
35'	116	lots	\$	310,000	\$	35,960,000		
50'	173	lots	\$	420,000	\$	72,660,000		
55'	114	lots	\$	445,000	\$	50,730,000		
	Tota				\$	159,350,000	0.00%	47.50%
•	•			ler Parcel at Time of 2			Plan Update	
35'	94	lots	\$	310,000		29,140,000		
50'	280	lots	\$	420,000	\$	117,600,000		
55'	66	lots	\$	445,000	\$	29,370,000		
	Tota				\$	176,110,000	0.00%	52.50%
Total Improvement Area #2 and	Major I	mprove	ment Area	Remainder Parcel	\$	335,460,000	0.00%	100.00%

EXHIBIT M-3 – ESTIMATED BUILDOUT VALUE FOR IMPROVEMENT AREA #2

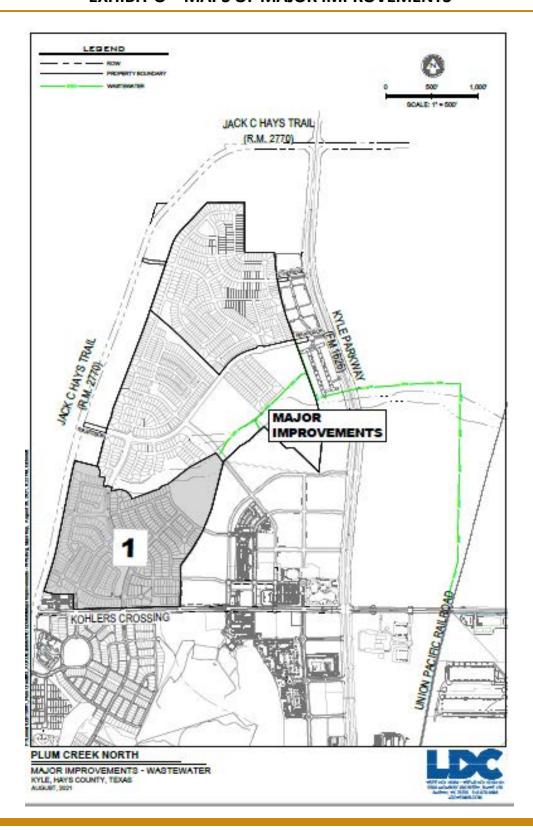
Lot Type	Un	its	Estimat	ed Buildout Value [a]	ī	otal Buildout Value	% of Estimated Buildout Value At Time of Improvement Area #2 Bonds
				ent Area #2			
35'	116	lots	\$	265,628	\$	30,812,848	21.15%
50'	173	lots	\$	384,915	\$	66,590,295	45.70%
55'	114	lots	\$	423,732	\$	48,305,448	33.15%
	Total				\$	145,708,591	100.00%

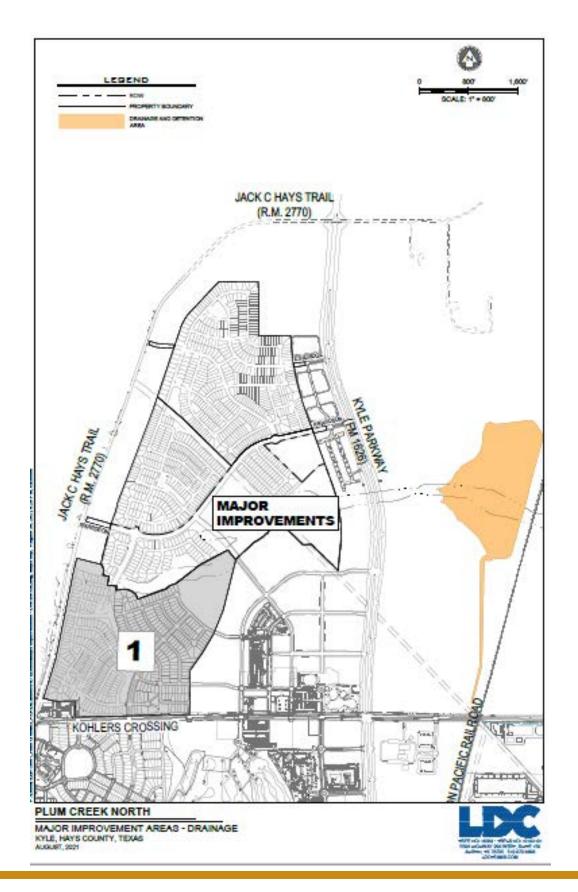
[[]a] The Estimated Buildout Values shown above will be used for the allocation of Improvement Area #2 Assessments only. Please see **Exhibit M-2** for the Allocation of Major Improvement Area Assessments based on Estimated Buildout Value.

EXHIBIT N – LOT TYPE CLASSIFICATION MAP



EXHIBIT O – MAPS OF MAJOR IMPROVEMENTS





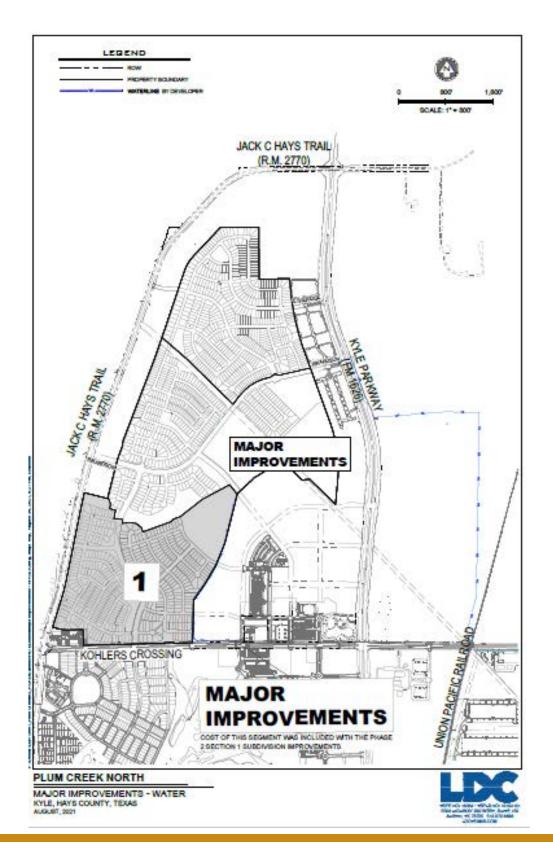
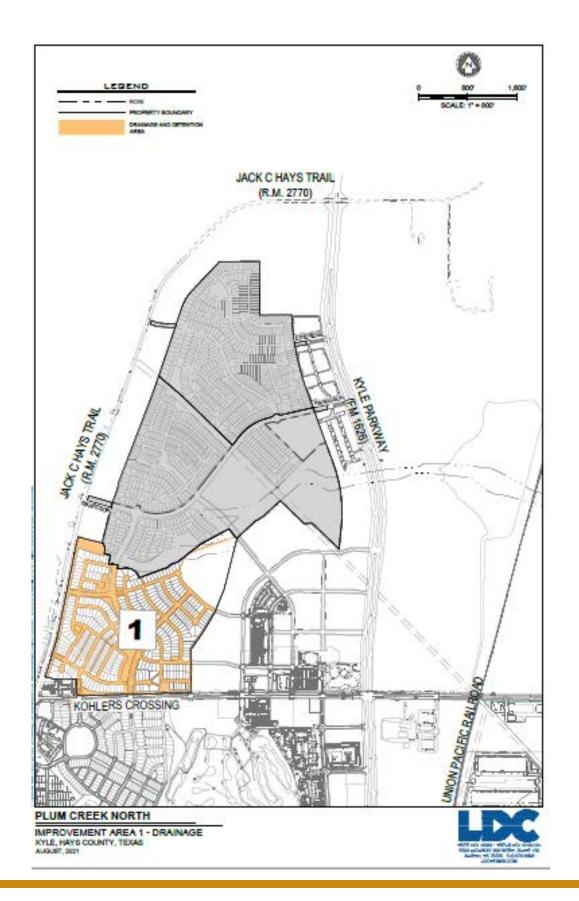
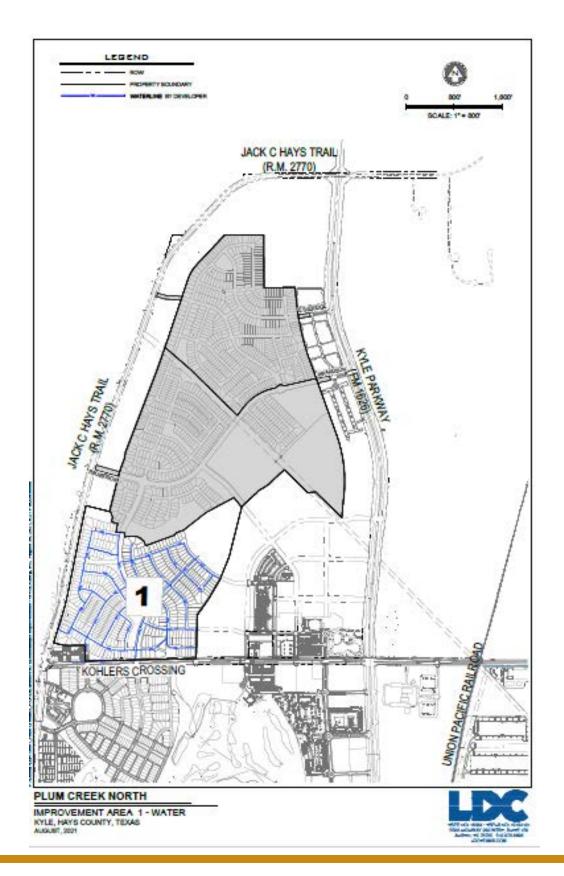


EXHIBIT P – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS







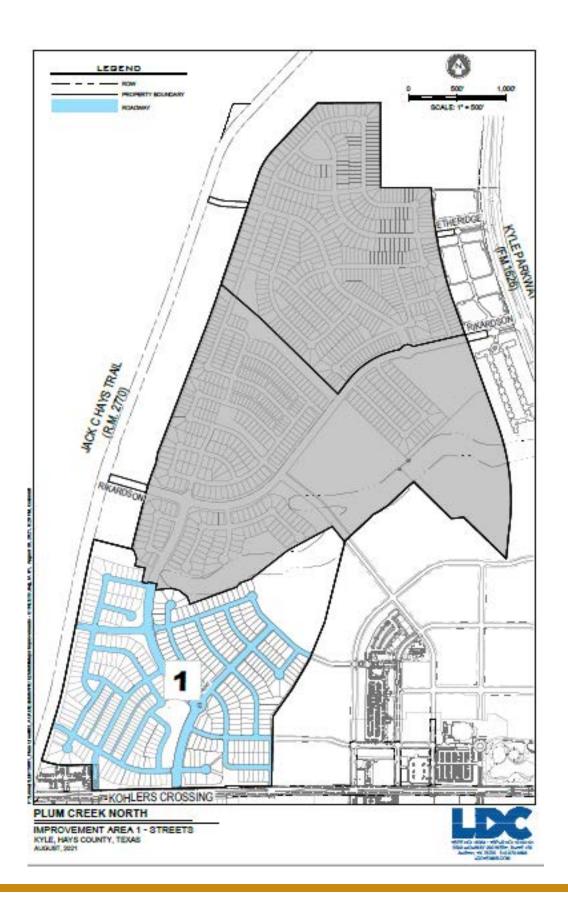
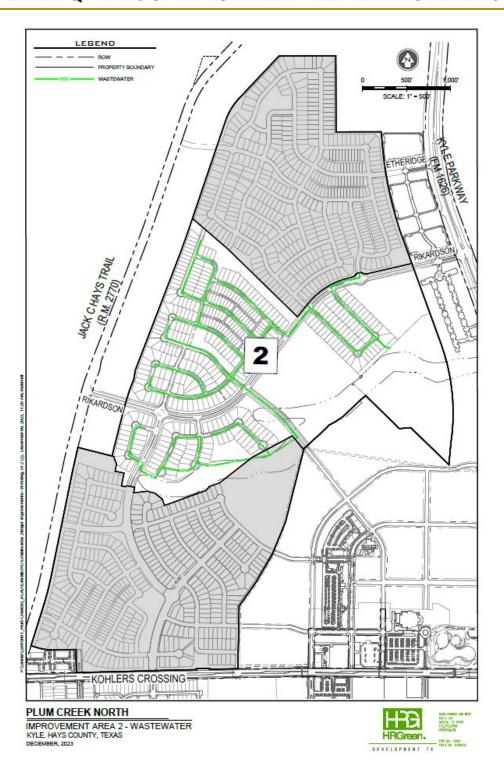
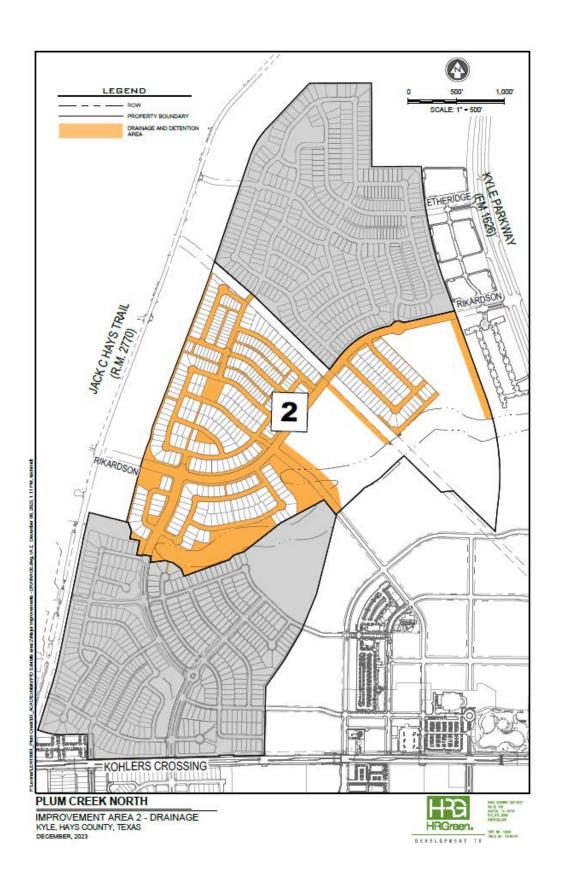
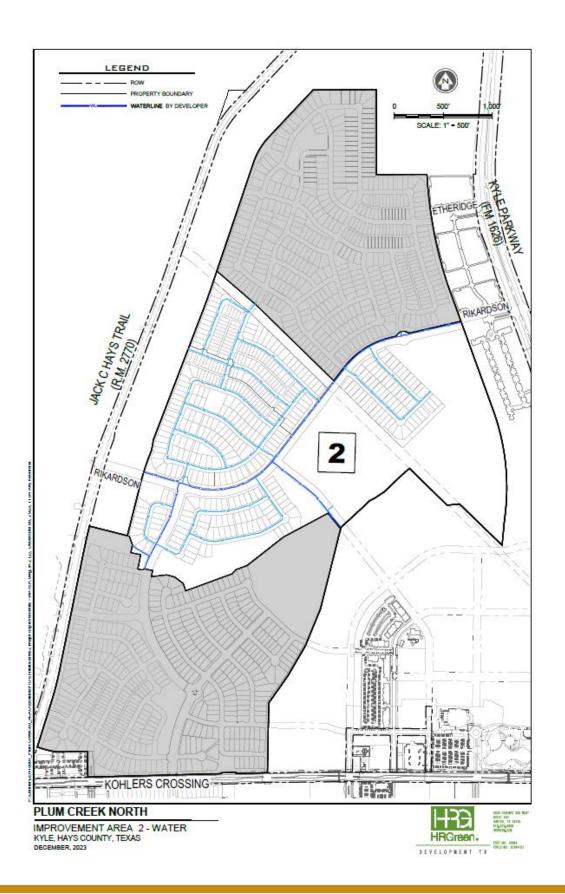




EXHIBIT Q – MAPS OF IMPROVEMENT AREA #2 IMPROVEMENTS







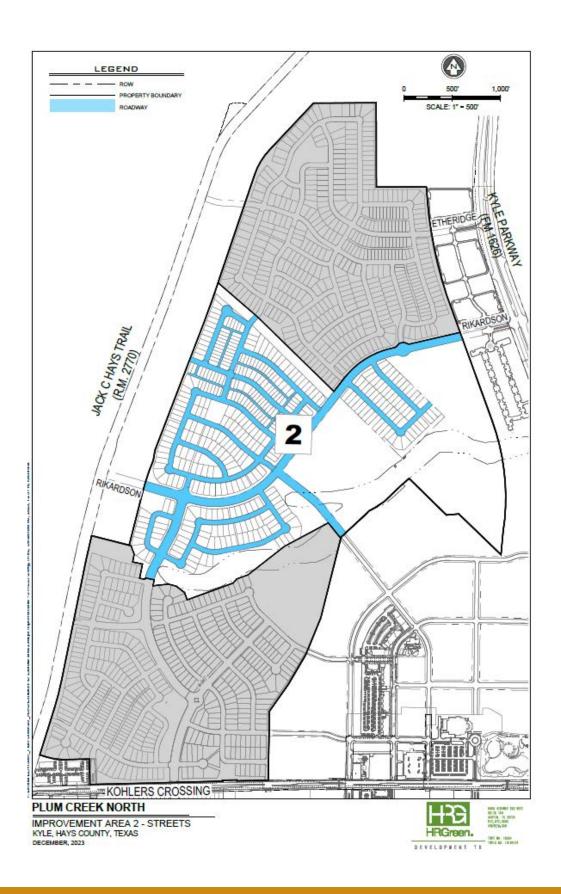


EXHIBIT R – NOTICE OF PID ASSESSMENT TERMINATION



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 (the "District"); and

WHEREAS, the District consists of approximately 389.19 contiguous acres located within the City; and

WHEREAS, on November 16, 2021, the City Council, approved Ordinance No. 1174, (hereinafter referred to as the "Original Assessment Ordinance") approving a Service and Assessment Plan and assessment roll for the property within Improvement Area #1 and the Major Improvement Area in the District; and

WHEREAS, On [], 202	4, the City Co	ouncil passe	d an	d approved	Ordinance No.
(collectively with	n the	Original	Assessment	Ordinance,	the	"Assessmen	t Ordinance")

approving an Amended and Restated Seproperty within Improvement Area #2 in the	rvice and Assessment Plan and assessment roll for the ne District; and
WHEREAS, the Assessment Ordina (hereinafter referred to as the "Lien Amou	nce imposed an assessment in the amount of \$ nt") for the following property:
	County, Texas, according to the map or plat of record in e Plat Records of Hays County, Texas (hereinafter referred
WHEREAS, the property owners of	the Property have paid unto the City the Lien Amount.
	RELEASE
Property Records of Hays County, Texas, releases and discharges, and by these pages.	I holder of the Lien, Instrument No, in the Real in the amount of the Lien Amount against the Property resents does hereby release and discharge, the abovehe undersigned securing said indebtedness. day of, 20 CITY OF KYLE, TEXAS,
ATTEST:	By: [Manager Name], City Manager
[Secretary Name], City Secretary	
STATE OF TEXAS § § COUNTY OF HAYS §	
This instrument was acknowledged	before me on the day of, 20, by y of Kyle, Texas, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT S – BUYER DISCLOSURES

Buyer disclosures for the following Lot Types are found in this Exhibit:

- Improvement Area #1
 - o Lot Type 1
 - o Lot Type 2
 - o Lot Type 3
 - o Lot Type 4
- Improvement Area #2
 - o Lot Type 5
 - o Lot Type 6
 - o Lot Type 7
 - o Improvement Area #2 Remainder Parcel
- Major Improvement Area
 - o Major Improvement Area Remainder Parcel

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 ¹	RETURN TO:
	_ _
	_
	_ _
NOTICE OF OBLI	GATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	CITY OF KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
_	
	STREET ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$11,225.28

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges re a binding contract for the purchase of the real prope	eceipt of this notice before the effective date of rty at the address described above.
DATE:	DATE:
CICNATUDE OF DUDOUACED	CICNIA TUDE OF DUDCH A CED
SIGNATURE OF PURCHASER	SIGNATURE OF PURCHASER
The undersigned seller acknowledges provide the effective date of a binding contract for the purchase above.	ing this notice to the potential purchaser before ase of the real property at the address described
DATE:	DATE:
SIGNATURE OF SELLER	SIGNATURE OF SELLER] ²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

required by Section 5.0143, Texas Propo	erty Code, as am	nended.
DATE:		DATE:
SIGNATURE OF PURCHASER		SIGNATURE OF PURCHASER
STATE OF TEXAS	§ §	
COUNTY OF	§	
, known to me	e to be the person ed to me that he o	fore me by and n(s) whose name(s) is/are subscribed to the per she executed the same for the purposes, 20
Notary Public, State of Texas] ³		

[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

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

address above.		
DATE:		DATE:
SIGNATURE OF SELLER		SIGNATURE OF SELLER
STATE OF TEXAS	& & &	
COUNTY OF	8	
, known to n	me to be the person(ore me by and as) whose name(s) is/are subscribed to the she executed the same for the purposes
Given under my hand and seal	l of office on this _	, 20
Notary Public, State of Texas]	l^4	

[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

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Installment			Annual Collection	Additional	Total Annual
Due 1/31	Principal	Interest [a]	Costs	Interest	Installment
2025	470.65	448.55	91.70	56.13	1,067.03
2026	489.62	431.49	93.54	53.77	1,068.43
2027	508.60	413.74	95.41	51.33	1,069.08
2028	527.58	395.31	97.32	48.78	1,068.99
2029	548.45	374.86	99.26	46.14	1,068.73
2030	571.23	353.61	101.25	43.40	1,069.49
2031	594.00	331.48	103.27	40.55	1,069.30
2032	616.77	308.46	105.34	37.58	1,068.15
2033	643.34	284.56	107.45	34.49	1,069.84
2034	669.91	258.02	109.60	31.28	1,068.80
2035	700.28	230.39	111.79	27.93	1,070.37
2036	730.64	201.50	114.02	24.42	1,070.59
2037	761.00	171.36	116.30	20.77	1,069.44
2038	795.16	139.97	118.63	16.97	1,070.73
2039	829.32	107.17	121.00	12.99	1,070.49
2040	865.38	72.96	123.42	8.84	1,070.61
2041	903.34	37.26	125.89	4.52	1,071.01
Total	\$ 11,225.28	\$ 4,560.69	\$ 1,835.20	\$ 559.88	\$ 18,181.05

[a] Interest is calculated at the actual rate of the Improvement Area #1 Bonds.

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.

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 ¹	RETURN TO:
	_ _
	_
	_ _
NOTICE OF OBLI	GATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	CITY OF KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
_	
	STREET ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$14,665.29

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges re a binding contract for the purchase of the real prope	eceipt of this notice before the effective date of rty at the address described above.
DATE:	DATE:
CICNATUDE OF DUDOUACED	CICNIA TUDE OF DUDCH A CED
SIGNATURE OF PURCHASER	SIGNATURE OF PURCHASER
The undersigned seller acknowledges provide the effective date of a binding contract for the purchase above.	ing this notice to the potential purchaser before ase of the real property at the address described
DATE:	DATE:
SIGNATURE OF SELLER	SIGNATURE OF SELLER] ²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

required by Section 5.0143, Texas Prop	perty Code, as an	nended.
DATE:		DATE:
SIGNATURE OF PURCHASER		SIGNATURE OF PURCHASER
STATE OF TEXAS	% %	
COUNTY OF	8	
, known to me	e to be the person	fore me by and n(s) whose name(s) is/are subscribed to the per she executed the same for the purposes
Given under my hand and seal of	of office on this _	
Notary Public, State of Texas] ³		

[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

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

address above.		
DATE:		DATE:
SIGNATURE OF SELLER		SIGNATURE OF SELLER
	e	
STATE OF TEXAS	\$ \$ \$	
COUNTY OF	§	
, known to	me to be the person	Fore me by and (s) whose name(s) is/are subscribed to the r she executed the same for the purposes
Given under my hand and sea	al of office on this _	, 20
Notary Public, State of Texas	5] ⁴	

[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

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

ANNUAL INSTALLMENTS - LOT TYPE 2

Installment			Annual Collection	Additional	Total Annual
Due 1/31	Principal	Interest [a]	Costs	Interest	Installment
2025	614.88	586.01	119.81	73.33	1,394.02
2026	639.67	563.72	122.20	70.25	1,395.85
2027	664.46	540.54	124.65	67.05	1,396.70
2028	689.26	516.45	127.14	63.73	1,396.58
2029	716.53	489.74	129.68	60.29	1,396.24
2030	746.28	461.98	132.28	56.70	1,397.24
2031	776.03	433.06	134.92	52.97	1,396.98
2032	805.79	402.99	137.62	49.09	1,395.48
2033	840.50	371.76	140.37	45.06	1,397.69
2034	875.21	337.09	143.18	40.86	1,396.34
2035	914.88	300.99	146.04	36.48	1,398.39
2036	954.55	263.25	148.97	31.91	1,398.67
2037	994.21	223.88	151.95	27.14	1,397.17
2038	1,038.84	182.86	154.98	22.17	1,398.86
2039	1,083.47	140.01	158.08	16.97	1,398.54
2040	1,130.58	95.32	161.25	11.55	1,398.70
2041	1,180.17	48.68	164.47	5.90	1,399.22
Total	\$ 14,665.29	\$ 5,958.32	\$ 2,397.60	\$ 731.45	\$ 23,752.67

[[]a] Interest is calculated at the actual rate of the Improvement Area #1 Bonds.

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.

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 ¹	RETURN TO:
	_
	-
	_
	_
NOTICE OF OBLI	GATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	CITY OF KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
-	STREET ADDRESS

LOT TYPE 3 PRINCIPAL ASSESSMENT: \$15,208.45

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledge a binding contract for the purchase of the real p	ges receipt of this notice before the effective date of property at the address described above.
DATE:	DATE:
SIGNATURE OF PURCHASER	SIGNATURE OF PURCHASER
	roviding this notice to the potential purchaser before urchase of the real property at the address described
DATE:	DATE:
SIGNATURE OF SELLER	SIGNATURE OF SELLER] ²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

DATE:	DATE:
SIGNATURE OF PURCHASER	SIGNATURE OF PURCHASER
STATE OF TEXAS	\$ \$
COUNTY OF	\$ \$ \$
, known to me to be foregoing instrument, and acknowledged to m therein expressed.	ledged before me by and the person(s) whose name(s) is/are subscribed to the e that he or she executed the same for the purposes
, known to me to be	the person(s) whose name(s) is/are subscribed to the e that he or she executed the same for the purposes

[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

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

address above.		
DATE:		DATE:
SIGNATURE OF SELLER		SIGNATURE OF SELLER
STATE OF TEXAS	& & &	
COUNTY OF	8	
, known to n	me to be the person(ore me by and as) whose name(s) is/are subscribed to the she executed the same for the purposes
Given under my hand and seal	l of office on this _	, 20
Notary Public, State of Texas]	l^4	

[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

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

ANNUAL INSTALLMENTS - LOT TYPE 3

Installment			Annual Collection	Additional	Total Annual
Due 1/31	Principal	Interest [a]	Costs	Interest	Installment
2025	637.65	607.72	124.24	76.04	1,445.65
2026	663.36	584.60	126.73	72.85	1,447.55
2027	689.07	560.56	129.26	69.54	1,448.43
2028	714.78	535.58	131.85	66.09	1,448.30
2029	743.07	507.88	134.49	62.52	1,447.95
2030	773.92	479.09	137.18	58.80	1,448.99
2031	804.78	449.10	139.92	54.93	1,448.72
2032	835.63	417.91	142.72	50.91	1,447.17
2033	871.63	385.53	145.57	46.73	1,449.46
2034	907.62	349.58	148.48	42.37	1,448.05
2035	948.76	312.14	151.45	37.83	1,450.19
2036	989.90	273.00	154.48	33.09	1,450.47
2037	1,031.04	232.17	157.57	28.14	1,448.92
2038	1,077.32	189.64	160.72	22.99	1,450.67
2039	1,123.60	145.20	163.94	17.60	1,450.33
2040	1,172.45	98.85	167.22	11.98	1,450.50
2041	1,223.88	50.48	170.56	6.12	1,451.04
Total	\$ 15,208.45	\$ 6,179.00	\$ 2,486.40	\$ 758.55	\$ 24,632.39

[[]a] Interest is calculated at the actual rate of the Improvement Area #1 Bonds.

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.

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 RECORDIN	G ¹ RETURN TO:
NOTICE OF OE	BLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	CITY OF KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
	STREET ADDRESS

LOT TYPE 4 PRINCIPAL ASSESSMENT: \$16,113.71

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledge a binding contract for the purchase of the real p	ges receipt of this notice before the effective date of property at the address described above.
DATE:	DATE:
SIGNATURE OF PURCHASER	SIGNATURE OF PURCHASER
	roviding this notice to the potential purchaser before urchase of the real property at the address described
DATE:	DATE:
SIGNATURE OF SELLER	SIGNATURE OF SELLER] ²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

DATE:	DATE:
SIGNATURE OF PURCHASER	SIGNATURE OF PURCHASER
STATE OF TEXAS	\$ \$
COUNTY OF	\$ \$ \$
, known to me to be foregoing instrument, and acknowledged to m therein expressed.	ledged before me by and the person(s) whose name(s) is/are subscribed to the e that he or she executed the same for the purposes
, known to me to be	the person(s) whose name(s) is/are subscribed to the e that he or she executed the same for the purposes

[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

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

address above.		
DATE:		DATE:
SIGNATURE OF SELLER		SIGNATURE OF SELLER
STATE OF TEXAS	\$ \$ \$	
COUNTY OF	8	
	to be the person(s d to me that he or	
Notary Public, State of Texas] ⁴		

[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

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

ANNUAL INSTALLMENTS - LOT TYPE 4

Installment			Annual Collection	Additional	Total Annual
Due 1/31	Principal	Interest [a]	Costs	Interest	Installment
2025	675.60	643.89	131.64	80.57	1,531.70
2026	702.85	619.40	134.27	77.19	1,533.71
2027	730.09	593.92	136.96	73.68	1,534.65
2028	757.33	567.46	139.70	70.03	1,534.51
2029	787.30	538.11	142.49	66.24	1,534.14
2030	819.99	507.60	145.34	62.30	1,535.23
2031	852.68	475.83	148.25	58.20	1,534.96
2032	885.37	442.79	151.21	53.94	1,533.31
2033	923.51	408.48	154.24	49.51	1,535.74
2034	961.65	370.38	157.32	44.90	1,534.25
2035	1,005.23	330.72	160.47	40.09	1,536.51
2036	1,048.82	289.25	163.68	35.06	1,536.81
2037	1,092.41	245.99	166.95	29.82	1,535.16
2038	1,141.44	200.92	170.29	24.35	1,537.01
2039	1,190.48	153.84	173.70	18.65	1,536.66
2040	1,242.24	104.73	177.17	12.69	1,536.84
2041	1,296.72	53.49	180.71	6.48	1,537.41
Total	\$ 16,113.71	\$ 6,546.80	\$ 2,634.40	\$ 803.70	\$ 26,098.61

[[]a] Interest is calculated at the actual rate of the Improvement Area #1 Bonds.

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.

LOT TYPE 5 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), 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 ¹	RETURN TO:
	_
	_
	_
	<u> </u>
NOTICE OF OBL	GATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	CITY OF KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
-	STREET ADDRESS

LOT TYPE 5 PRINCIPAL ASSESSMENT: \$12,388.57

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

	knowledges receipt of this notice before the effective date of the real property at the address described above.
DATE:	DATE:
SIGNATURE OF PURCHASER	SIGNATURE OF PURCHASER
-	edges providing this notice to the potential purchaser before for the purchase of the real property at the address described
DATE:	DATE:
SIGNATURE OF SELLER	SIGNATURE OF SELLER] ²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

undersigned purchaser acknowledged the required by Section 5.0143, Texas Proper	-	s notice including the current information nended.
DATE:		DATE:
SIGNATURE OF PURCHASER		SIGNATURE OF PURCHASER
STATE OF TEXAS	% % %	
COUNTY OF	§	
, known to me t	to be the person to me that he	fore me by and n(s) whose name(s) is/are subscribed to the or she executed the same for the purposes
·	-	
Notary Public, State of Texas] ³		

[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

Purchaser Signature Page to Final Notice with Current Information of Obligation to Pay Improvement District Assessment

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

[The undersigned seller ackr Section 5.014 of the Texas Property 5.0143, Texas Property Code, as am address above.	y Code including the co		ion
DATE:		DATE:	
SIGNATURE OF SELLER		SIGNATURE OF SELLER	
STATE OF TEXAS	§ § §		
COUNTY OF	§ §		
C C	me to be the person(s)	whose name(s) is/are subscribed to	
Given under my hand and se	eal of office on this	, 20	
Notary Public, State of Texa	s] ⁴		

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

ANNUAL INSTALLMENTS - LOT TYPE 5

	Improvement Area #2 Bonds							Major Improvement Bonds											
Installment		Principal	lest	avest [e]	Annual Collection		Additional	Ca	pitalized	Bulancia de laterant		Interest [a]	Annual Collection		Additional		Total Annual		
Due 1/31		Principal	inte	erest [a]	Costs		Interest	lı	nterest	Principal		Interest [a]		Costs		Interest		Installment	
2025	\$	-	\$	555.84	\$ -	\$	-	\$	(555.84)	\$ 97.96	\$	109.32	\$	26.34	\$	12.15	\$	245.76	
2026		80.21		585.10	37.19		49.80		-	101.65		105.28		26.87		11.66		997.75	
2027		83.86		580.38	37.93		49.39		-	106.27		101.08		27.40		11.15		997.48	
2028		87.50		575.46	38.69		48.98		-	110.89		96.70		27.95		10.62		996.79	
2029		92.97		570.32	39.47		48.54		-	115.51		91.85		28.51		10.06		997.23	
2030		98.44		564.85	40.25		48.07		-	121.06		86.80		29.08		9.49		998.04	
2031		102.09		559.07	41.06		47.58		-	126.60		81.50		29.66		8.88		996.44	
2032		109.38		553.07	41.88		47.07		-	132.15		75.96		30.26		8.25		998.02	
2033		114.85		546.65	42.72		46.52		-	138.62		70.18		30.86		7.59		997.98	
2034		120.32		539.90	43.57		45.95		-	145.08		63.77		31.48		6.89		996.96	
2035		127.61		532.83	44.44		45.35		-	152.48		57.06		32.11		6.17		998.04	
2036		134.90		525.33	45.33		44.71		-	158.95		50.01		32.75		5.41		997.39	
2037		142.19		517.41	46.24		44.03		-	167.26		42.65		33.40		4.61		997.81	
2038		149.49		509.05	47.17		43.32		-	175.58		34.92		34.07		3.77		997.38	
2039		158.60		500.27	48.11		42.58		-	183.90		26.80		34.75		2.90		997.90	
2040		167.72		490.95	49.07		41.78		-	193.14		18.29		35.45		1.98		998.38	
2041		176.83		481.10	50.05		40.94		-	202.38		9.36		36.16		1.01		997.84	
2042		419.29		470.71	51.05		40.06		-	-		-		-		-		981.12	
2043		444.81		446.08	52.07		37.96		-	-		-		-		-		980.93	
2044		473.98		419.95	53.12		35.74		-	-		-		-		-		982.78	
2045		501.33		392.10	54.18		33.37		-	-		-		-		-		980.97	
2046		532.32		362.65	55.26		30.86		-	-		-		-		-		981.09	
2047		565.13		331.37	56.37		28.20		-	-		-		-		-		981.07	
2048		601.59		298.17	57.49		25.38		-	-		-		-		-		982.63	
2049		638.05		262.83	58.64		22.37		-	-		-		-		-		981.89	
2050		678.16		225.34	59.82		19.18		-	-		-		-		-		982.50	
2051		720.09		185.50	61.01		15.79		-	-		-		-		-		982.39	
2052		763.84		143.20	62.23		12.19		-	-		-		-		-		981.46	
2053		811.24		98.32	63.48		8.37		-	-		-		-		-		981.40	
2054		862.28		50.66	64.75		4.31		-	-		-		-		-		982.00	
Total	\$	9,959.10	\$	12,874.47	\$ 1,442.66	\$	1,048.39	\$	(555.84)	\$ 2,429.47	\$	1,121.52	\$	527.11	\$	122.58	\$	28,969.45	

[[]a] Interest is calculated at a 5.875% 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.

Annual Installment Schedule to Notice of Obligation to Pay Improvement District Assessment

[[]a] Interest is calculated at the actual rate of the Major Improvement Area Bonds.

LOT TYPE 6 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), 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.

TER RECORDING ¹ RETURN TO:
NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF KYLE, TEXAS
CONCERNING THE FOLLOWING PROPERTY
STREET ADDRESS

LOT TYPE 6 PRINCIPAL ASSESSMENT: \$17,723.02

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of the a binding contract for the purchase of the real property at the analysis of the analysis of the real property at the analysis of the real property at the analysis of	
DATE:	DATE:
SIGNATURE OF PURCHASER	SIGNATURE OF PURCHASER
The undersigned seller acknowledges providing this not the effective date of a binding contract for the purchase of the above.	
DATE:	DATE:
SIGNATURE OF SELLER	SIGNATURE OF SELLER] ²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

undersigned purchaser acknowled information required by Section 5.0143,	-	eipt of this notice including the current Code, as amended.
DATE:		DATE:
SIGNATURE OF PURCHASER		SIGNATURE OF PURCHASER
STATE OF TEXAS	% % %	
COUNTY OF	§	
, known to me t	to be the person	efore me by and n(s) whose name(s) is/are subscribed to the or she executed the same for the purposes
Given under my hand and seal of	office on this	
Notary Public, State of Texas] ³		

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

5.0143, Texas Property Code, as a at the address above.	amended, at the	e closing of the purchase of the real property
DATE:		DATE:
SIGNATURE OF SELLER		SIGNATURE OF SELLER
STATE OF TEXAS	\$ \$ \$	
COUNTY OF	§	
	to be the person	efore me by and n(s) whose name(s) is/are subscribed to the or she executed the same for the purposes
Given under my hand and seal of	office on this	
Notary Public, State of Texas] ⁴		

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

ANNUAL INSTALLMENTS - LOT TYPE 6

		Impi	rovement Area #2 B	onds			Major Impro	vement Bonds		
Installment	Principal	Interest [a]	Annual Collection	Additional	Capitalized	Principal	Interest [b]	Annual Collection	Additional	Total Annual
Due 1/31	Fillicipal	interest [a]	Costs	Interest	Interest	Fillicipal	iliterest [b]	Costs	Interest	Installment
2025	\$ - !	\$ 805.46	\$ -	\$ -	\$ (805.46)	\$ 132.71	\$ 148.11	\$ 35.69	\$ 16.46	\$ 332.97
2026	116.23	847.85	53.89	72.16	-	137.72	142.63	36.40	15.79	\$ 1,422.68
2027	121.52	841.02	54.97	71.58	-	143.98	136.95	37.13	15.11	\$ 1,422.25
2028	126.80	833.88	56.07	70.97	-	150.24	131.01	37.87	14.39	\$ 1,421.23
2029	134.73	826.43	57.19	70.33	-	156.50	124.44	38.63	13.63	\$ 1,421.88
2030	142.65	818.52	58.33	69.66	-	164.01	117.59	39.40	12.85	\$ 1,423.02
2031	147.93	810.14	59.50	68.95	-	171.53	110.42	40.19	12.03	\$ 1,420.68
2032	158.50	801.45	60.69	68.21	-	179.04	102.91	40.99	11.17	\$ 1,422.96
2033	166.43	792.13	61.90	67.42	-	187.80	95.08	41.81	10.28	\$ 1,422.85
2034	174.35	782.36	63.14	66.58	-	196.57	86.40	42.65	9.34	\$ 1,421.38
2035	184.92	772.11	64.40	65.71	-	206.58	77.30	43.50	8.36	\$ 1,422.89
2036	195.48	761.25	65.69	64.79	-	215.35	67.75	44.37	7.32	\$ 1,422.00
2037	206.05	749.76	67.01	63.81	-	226.61	57.79	45.26	6.25	\$ 1,422.54
2038	216.62	737.66	68.35	62.78	-	237.88	47.31	46.16	5.11	\$ 1,421.87
2039	229.83	724.93	69.71	61.70	-	249.15	36.31	47.09	3.93	\$ 1,422.64
2040	243.03	711.43	71.11	60.55	-	261.67	24.78	48.03	2.68	\$ 1,423.28
2041	256.24	697.15	72.53	59.33	-	274.19	12.68	48.99	1.37	\$ 1,422.49
2042	607.59	682.10	73.98	58.05	-	-	-	-	-	\$ 1,421.71
2043	644.57	646.40	75.46	55.01	-	-	-	-	-	\$ 1,421.44
2044	686.84	608.53	76.97	51.79	-	-	-	-	-	\$ 1,424.13
2045	726.46	568.18	78.51	48.36	-	-	-	-	-	\$ 1,421.51
2046	771.37	525.50	80.08	44.72	-	-	-	-	-	\$ 1,421.67
2047	818.92	480.18	81.68	40.87	-	-	-	-	-	\$ 1,421.65
2048	871.75	432.07	83.31	36.77	-	-	-	-	-	\$ 1,423.91
2049	924.59	380.86	84.98	32.41	-	-	-	-	-	\$ 1,422.84
2050	982.70	326.54	86.68	27.79	-	-	-	-	-	\$ 1,423.71
2051	1,043.46	268.80	88.41	22.88	-	-	-	-	-	\$ 1,423.56
2052	1,106.86	207.50	90.18	17.66	-	-	-	-	-	\$ 1,422.20
2053	1,175.55	142.47	91.98	12.13	-	-	-	-	-	\$ 1,422.13
2054	1,249.51	73.41	93.82	6.25	-	-	-	-	-	\$ 1,422.99
Total	\$ 14,431.48	\$ 18,656.08	\$ 2,090.52	\$ 1,519.20	\$ (805.46)	\$ 3,291.54	\$ 1,519.47	\$ 714.15	\$ 166.07	\$ 41,583.06

[[]a] Interest is calculated at a 5.875% 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.

Annual Installment Schedule to Notice of Obligation to Pay Improvement District Assessment

[[]b] Interest is calculated at the actual rate of the Major Improvement Area Bonds.

LOT TYPE 7 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 ¹	RETURN TO:
	_
	_
	_
	<u> </u>
NOTICE OF OBL	GATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	CITY OF KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
-	STREET ADDRESS

LOT TYPE 7 PRINCIPAL ASSESSMENT: \$19,374.30

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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 no the effective date of a binding contract for the purchase of the r above.	<u> </u>			
DATE:	DATE:			
SIGNATURE OF SELLER	SIGNATURE OF SELLER] ²			

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

undersigned purchaser acknowled information required by Section 5.0143, Te	•	f this notice including the current e, as amended.
DATE:		DATE:
SIGNATURE OF PURCHASER		SIGNATURE OF PURCHASER
STATE OF TEXAS	§ § §	
COUNTY OF	§	
The foregoing instrument was ackn, known to me to foregoing instrument, and acknowledged to therein expressed.	be the person(s) w	hose name(s) is/are subscribed to the
Given under my hand and seal of or	ffice on this	, 20
Notary Public, State of Texas] ³		

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

5.0143, Texas Property Code, a at the address above.	is amended, at the	closing of the purchase of the real property
DATE:		DATE:
SIGNATURE OF SELLER		SIGNATURE OF SELLER
STATE OF TEXAS	& & &	
COUNTY OF	§	
, known to m	ne to be the person	fore me by and n(s) whose name(s) is/are subscribed to the or she executed the same for the purposes
Given under my hand and seal	of office on this _	
Notary Public, State of Texas] ²	1	

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

ANNUAL INSTALLMENTS - LOT TYPE 7

		Impr	rovement Area #2 B	onds			Major Impro	vement Bonds		
Installment	Duturatural	Interest fel	Annual Collection	Additional	Capitalized	Duturatural	lustament flui	Annual Collection	Additional	Total Annual
Due 1/31	Principal	Interest [a]	Costs	Interest	Interest	Principal	Interest [b]	Costs	Interest	Installment
2025	\$ -	\$ 886.68	\$ -	\$ -	\$ (886.68)	\$ 140.61	\$ 156.92	\$ 37.81	\$ 17.44	\$ 352.78
2026	127.96	933.35	59.32	79.43	-	145.92	151.12	38.57	16.73	1,552.41
2027	133.77	925.83	60.51	78.79	-	152.55	145.10	39.34	16.00	1,551.91
2028	139.59	917.97	61.72	78.13	-	159.18	138.81	40.12	15.24	1,550.77
2029	148.31	909.77	62.96	77.43	-	165.82	131.85	40.93	14.45	1,551.51
2030	157.04	901.06	64.22	76.69	-	173.78	124.59	41.75	13.62	1,552.73
2031	162.85	891.83	65.50	75.90	-	181.74	116.99	42.58	12.75	1,550.14
2032	174.48	882.27	66.81	75.09	-	189.69	109.04	43.43	11.84	1,552.65
2033	183.21	872.02	68.15	74.21	-	198.98	100.74	44.30	10.89	1,552.50
2034	191.93	861.25	69.51	73.30	-	208.27	91.54	45.19	9.90	1,550.88
2035	203.57	849.98	70.90	72.34	-	218.88	81.91	46.09	8.85	1,552.51
2036	215.20	838.02	72.32	71.32	-	228.16	71.78	47.01	7.76	1,551.57
2037	226.83	825.37	73.76	70.24	-	240.10	61.23	47.95	6.62	1,552.12
2038	238.46	812.05	75.24	69.11	-	252.04	50.12	48.91	5.42	1,551.36
2039	253.00	798.04	76.74	67.92	-	263.98	38.47	49.89	4.16	1,552.20
2040	267.54	783.17	78.28	66.65	-	277.25	26.26	50.89	2.84	1,552.88
2041	282.08	767.46	79.84	65.32	-	290.51	13.44	51.90	1.45	1,552.00
2042	668.86	750.88	81.44	63.91	-	-	-	-	-	1,565.09
2043	709.57	711.59	83.07	60.56	-	-	-	-	-	1,564.79
2044	756.10	669.90	84.73	57.01	-	-	-	-	-	1,567.74
2045	799.72	625.48	86.43	53.23	-	-	-	-	-	1,564.86
2046	849.16	578.50	88.15	49.23	-	-	-	-	-	1,565.04
2047	901.50	528.61	89.92	44.99	-	-	-	-	-	1,565.02
2048	959.67	475.65	91.71	40.48	-	-	-	-	-	1,567.51
2049	1,017.83	419.26	93.55	35.68	-	-	-	-	-	1,566.32
2050	1,081.81	359.47	95.42	30.59	-	-	-	-	-	1,567.29
2051	1,148.69	295.91	97.33	25.18	-	-	-	-	-	1,567.12
2052	1,218.48	228.43	99.28	19.44	-	-	-	-	-	1,565.63
2053	1,294.09	156.84	101.26	13.35	-	-	-	-	-	1,565.54
2054	1,375.52	80.81	103.29	6.88	-	-	-	-	-	1,566.50
Total	\$ 15,886.83	\$ 20,537.46	\$ 2,301.34	\$ 1,672.41	\$ (886.68)	\$ 3,487.46	\$ 1,609.92	\$ 756.66	\$ 175.96	\$ 45,541.36

[[]a] Interest is calculated at a 5.875% 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.

Annual Installment Schedule to Notice of Obligation to Pay Improvement District Assessment

[[]b] Interest is calculated at the actual rate of the Major Improvement Area Bonds.

IMPROVEMENT AREA #2 REMAINDER PARCEL DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), 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 ¹ R	ETURN TO:
	-
	-
	-
	-
NOTICE OF OBLIC	GATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	CITY OF KYLE, TEXAS
(CONCERNING THE FOLLOWING PROPERTY
_	
	STREET ADDRESS

IMPROVEMENT AREA #2 REMAINDER PARCEL PRINCIPAL ASSESSMENT: \$4,082,429.22

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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 posteriore the effective date of a binding contract for described above.	roviding this notice to the potential purchaser the purchase of the real property at the address			
DATE:	DATE:			
SIGNATURE OF SELLER	SIGNATURE OF SELLER] ²			

 $^{^2}$ To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

undersigned purchaser acknowledge information required by Section 5.0143, Tex	_	
DATE:		DATE:
SIGNATURE OF PURCHASER		SIGNATURE OF PURCHASER
STATE OF TEXAS	% %	
COUNTY OF	§	
The foregoing instrument was ackno, known to me to be t foregoing instrument, and acknowledged to purposes therein expressed.	the person(s) whos	e name(s) is/are subscribed to the
Given under my hand and seal of off	ice on this	, 20
Notary Public, State of Texas] ³		

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

5.0143, Texas Property Code, as an property at the address above.	mended, at the closing of the purchase of the real
DATE:	DATE:
SIGNATURE OF SELLER	SIGNATURE OF SELLER
STATE OF TEXAS	\$ \$ \$
COUNTY OF	§
, known to me to be	owledged before me byand the person(s) whose name(s) is/are subscribed to the o me that he or she executed the same for the
Given under my hand and seal of off	ffice on this, 20
Notary Public, State of Texas]4	

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 REMAINDER PARCEL

		Impro	vement Area #2 Bon	ds			Ì				
Installment	B. C. C. L.	Laterant follows	Annual Collection	Capitalized	Capitalized		Lateral Del	Annual Collection	Additional	Total Annual	
Due 1/31	Principal	Interest [a]	Costs	Additional Interest	Interest		Principal	Interest [b]	Costs	Interest	Installment
2025	\$ - \$	184,917.33	\$ -	\$ - 5	(184,917.33)	\$	31,015.41	\$ 34,613.28	\$ 8,339.85	\$ 3,846.20	\$ 77,814.74
2026	26,685.03	194,649.82	12,372.15	16,565.94	-		32,185.80	33,333.89	8,506.65	3,691.13	327,990.41
2027	27,897.98	193,082.08	12,619.59	16,432.52	-		33,648.80	32,006.23	8,676.78	3,530.20	327,894.17
2028	29,110.94	191,443.07	12,871.98	16,293.03	-		35,111.79	30,618.21	8,850.32	3,361.95	327,661.29
2029	30,930.37	189,732.80	13,129.42	16,147.47	-		36,574.78	29,082.07	9,027.33	3,186.39	327,810.64
2030	32,749.80	187,915.65	13,392.01	15,992.82	-		38,330.37	27,481.93	9,207.87	3,003.52	328,073.97
2031	33,962.76	185,991.59	13,659.85	15,829.07	-		40,085.96	25,804.97	9,392.03	2,811.87	327,538.10
2032	36,388.67	183,996.28	13,933.05	15,659.26	-		41,841.55	24,051.21	9,579.87	2,611.44	328,061.33
2033	38,208.10	181,858.45	14,211.71	15,477.31	-		43,889.73	22,220.64	9,771.47	2,402.23	328,039.65
2034	40,027.54	179,613.72	14,495.94	15,286.27	-		45,937.92	20,190.74	9,966.90	2,182.78	327,701.82
2035	42,453.45	177,262.10	14,785.86	15,086.14	-		48,278.71	18,066.11	10,166.24	1,953.09	328,051.70
2036	44,879.36	174,767.96	15,081.58	14,873.87	-		50,326.89	15,833.22	10,369.56	1,711.70	327,844.15
2037	47,305.27	172,131.30	15,383.21	14,649.47	-		52,960.28	13,505.60	10,576.95	1,460.07	327,972.15
2038	49,731.18	169,352.12	15,690.88	14,412.95	-		55,593.66	11,056.19	10,788.49	1,195.26	327,820.73
2039	52,763.57	166,430.41	16,004.69	14,164.29	-		58,227.05	8,484.99	11,004.26	917.30	327,996.55
2040	55,795.96	163,330.55	16,324.79	13,900.47	-		61,153.03	5,791.98	11,224.35	626.16	328,147.29
2041	58,828.35	160,052.54	16,651.28	13,621.49	-		64,079.01	2,963.66	11,448.83	320.40	327,965.56
2042	139,489.91	156,596.37	16,984.31	13,327.35	-		-	-	-	-	326,397.94
2043	147,980.60	148,401.34	17,323.99	12,629.90	-		-	-	-	-	326,335.83
2044	157,684.24	139,707.48	17,670.47	11,890.00	-		-	-	-	-	326,952.19
2045	166,781.41	130,443.53	18,023.88	11,101.58	-		-	-	-	-	326,350.40
2046	177,091.53	120,645.12	18,384.36	10,267.67	-		-	-	-	-	326,388.69
2047	188,008.13	110,240.99	18,752.05	9,382.21	-		-	-	-	-	326,383.39
2048	200,137.69	99,195.52	19,127.09	8,442.17	-		-	-	-	-	326,902.47
2049	212,267.25	87,437.43	19,509.63	7,441.48	-		-	-	-	-	326,655.79
2050	225,609.76	74,966.73	19,899.82	6,380.15	-		-	-	-	-	326,856.46
2051	239,558.75	61,712.15	20,297.82	5,252.10	-		-	-	-	-	326,820.82
2052	254,114.22	47,638.08	20,703.78	4,054.30	-		-	-	-	-	326,510.38
2053	269,882.64	32,708.87	21,117.85	2,783.73	-		-	-	-	-	326,493.10
2054	286,864.02	16,853.26	21,540.21	1,434.32	-		-	-	-	-	326,691.81
Total	\$ 3,313,188.49 \$	4,283,074.66	\$ 479,943.27	\$ 348,779.35	(184,917.33)	\$	769,240.73	\$ 355,104.91	\$ 166,897.75	\$ 38,811.69	\$ 9,570,123.52

[[]a] Interest is calculated at a 5.875% 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.

[[]b] Interest is calculated at the actual rate of the Major Improvement Area Bonds.

MAJOR IMPROVEMENT AREA REMAINDER PARCEL DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), 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.

TER RECORDING ¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF KYLE, TEXAS
CONCERNING THE FOLLOWING PROPERTY
STREET ADDRESS

MAJOR IMPROVEMENT AREA REMAINDER PARCEL PRINCIPAL ASSESSMENT: \$2,149,414.79

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledge of a binding contract for the purchase of the real	es receipt of this notice before the effective date property at the address described above.
DATE:	DATE:
SIGNATURE OF PURCHASER	SIGNATURE OF PURCHASER
The undersigned seller acknowledges probefore the effective date of a binding contract for described above.	roviding this notice to the potential purchaser the purchase of the real property at the address
DATE:	DATE:
SIGNATURE OF SELLER	SIGNATURE OF SELLER] ²

 $^{^2}$ To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

undersigned purchaser acknowledge information required by Section 5.0143, Tex	-	
DATE:]	DATE:
SIGNATURE OF PURCHASER	.	SIGNATURE OF PURCHASER
STATE OF TEXAS	§ § §	
COUNTY OF	§	
The foregoing instrument was acknown to me to be to foregoing instrument, and acknowledged to purposes therein expressed.	the person(s) whose	name(s) is/are subscribed to the
Given under my hand and seal of offi	ice on this	, 20
Notary Public, State of Texas] ³		

Purchaser Signature Page to Final Notice with Current Information of Obligation to Pay Improvement District Assessment

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

5.0143, Texas Property Code, as a property at the address above.	nmended, at the clo	osing of the purchase of the real
DATE:		DATE:
SIGNATURE OF SELLER		SIGNATURE OF SELLER
STATE OF TEXAS	§ §	
COUNTY OF	§	
The foregoing instrument was ackn, known to me to be foregoing instrument, and acknowledged to purposes therein expressed.	e the person(s) who	se name(s) is/are subscribed to the
Given under my hand and seal of or	ffice on this	, 20
Notary Public, State of Texas]4		

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

ANNUAL INSTALLMENTS - MAJOR IMPROVEMENT AREA REMAINDER PARCEL

Installment Due 1/31	Principal	Interest [a]	Anr	nual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2025	\$ 86,663.36	\$ 96,716.52	\$	23,303.25	\$ 10,747.07	\$ -	\$ 217,430.20
2026	89,933.67	93,141.66		23,769.31	10,313.76	-	217,158.40
2027	94,021.57	89,431.89		24,244.70	9,864.09	-	217,562.25
2028	98,109.46	85,553.49		24,729.59	9,393.98	-	217,786.53
2029	102,197.36	81,261.21		25,224.18	8,903.43	-	217,586.18
2030	107,102.83	76,790.08		25,728.67	8,392.45	-	218,014.02
2031	112,008.30	72,104.32		26,243.24	7,856.93	-	218,212.80
2032	116,913.78	67,203.97		26,768.10	7,296.89	-	218,182.74
2033	122,636.83	62,088.98		27,303.47	6,712.32	-	218,741.60
2034	128,359.88	56,417.03		27,849.54	6,099.14	-	218,725.58
2035	134,900.51	50,480.39		28,406.53	5,457.34	-	219,244.77
2036	140,623.56	44,241.24		28,974.66	4,782.84	-	218,622.29
2037	147,981.77	37,737.40		29,554.15	4,079.72	-	219,353.04
2038	155,339.98	30,893.25		30,145.23	3,339.81	-	219,718.27
2039	162,698.19	23,708.77		30,748.14	2,563.11	-	219,718.21
2040	170,873.98	16,183.97		31,363.10	1,749.62	-	220,170.67
2041	179,049.77	8,281.06		31,990.36	895.25	-	220,216.44
Total	\$ 2,149,414.79	\$ 992,235.22	\$	466,346.20	\$ 108,447.75	\$ -	\$ 3,716,443.96

[[]a] Interest is calculated at the actual rate of the Major Improvement Area Bonds.

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 D

FORM OF OPINION OF BOND COUNSEL



October 30, 2024



Norton Rose Fulbright US LLP 98 San Jacinto Boulevard, Suite 1100 Austin, Texas 78701-4255 United States

Tel +1 512 474 5201 Fax +1 512 536 4598 nortonrosefulbright.com

DRAFT

IN REGARD to the authorization and issuance of the "City of Kyle, Texas Special Assessment Revenue Bonds, Series 2024 (Plum Creek North Public Improvement District Improvement Area #2 Project)" (the "Bonds"), dated October 30, 2024, in the principal amount of \$_,___, we have examined the legality and validity of the issuance thereof by the City of Kyle, Texas (the "City") solely to express legal opinions as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, or the history or prospects of the collection of the Pledged Revenues, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds, and have not assumed any responsibility with respect thereto. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Indenture.

THE BONDS are issued in fully registered form only and mature, unless redeemed prior to maturity in accordance with the terms stated on the Bonds, on September 1 in each of the years specified in the Bonds, all in accordance with the Indenture of Trust (the "Indenture"), dated as of October 1, 2024, between the City and BOKF, NA, as trustee (the "Trustee), approved by the City Council of the City pursuant to an ordinance (the "Ordinance") adopted by the City Council of the City on October 15, 2024 authorizing the issuance of the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Indenture.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings had in connection with the issuance of the Bonds, including the Indenture, the Ordinance and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATION, we are of the opinion that, under applicable law of the United States of America and the State of Texas in force and effect on the date hereof:

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright North Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at nortonrosefulbright.com.

Page 2 of Legal Opinion of Norton Rose Fulbright US LLP

Re: City of Kyle, Texas Special Assessment Revenue Bonds, Series 2024 (Plum Creek North Public Improvement District Improvement Area #2 Project)

- 1. The Bonds have been authorized, issued and delivered in accordance with law; that the Bonds are valid, legally binding and enforceable limited obligations of the City in accordance with their terms payable solely from a first and prior lien on the Trust Estate, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally.
- 2. Assuming continuing compliance after the date hereof by the City with the provisions of the Indenture and in reliance upon representations and certifications of the City made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, interest on the Bonds for federal income tax purposes (i) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date hereof, of the owners thereof pursuant to Section 103 of such Code, existing regulations, published rulings, and court decisions thereunder, and (ii) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

We express no opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, 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.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Norton Rose Fulbright US LLP

APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER



CITY OF KYLE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of October 1, 2024 (this "Disclosure Agreement") is executed and delivered by and between the City of Kyle, Texas (the "Issuer"), P3Works, LLC (the "Administrator") and BOKF, NA, acting solely in its capacity of dissemination agent (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2024 (Plum Creek North Public Improvement District Improvement Area #2 Project)" (the "Bonds"). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. <u>Purpose of the Disclosure Agreement</u>. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. <u>Definitions</u>. In addition to the definitions set forth above and in the Indenture of Trust, dated as of October 1, 2024 relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Administrator" shall mean the Issuer or the person or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the current Administrator.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Annual Installment(s)" shall have the meaning assigned to such term in the Indenture.

"Annual Issuer Report" shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Trustee is located are required or authorized by law or executive order to close. "Designated Successors and Assigns" shall mean (i) an entity to which Developer assigns (in writing) its rights and obligations contained in the Financing Agreement, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Developer's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Developer.

"Developer" shall mean Lennar Homes of Texas Land and Construction, LTD., a Texas limited partnership, together with its Designated Successors and Assigns.

"Disclosure Agreement of Developer" shall mean the City of Kyle, Texas Special Assessment Revenue Bonds, Series 2024 (Plum Creek Public Improvement District Improvement Area #2 Project) Continuing Disclosure Agreement of the Developer dated as of October 1, 2024 executed and delivered by the Developer, P3Works, LLC, as Administrator and the Dissemination Agent.

"Disclosure Representative" shall mean the Director of Finance of the Issuer or the designee of either of such officers, or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean BOKF, NA, acting solely in its capacity of dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean Plum Creek North Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access System currently available on the internet at http://emma.msrb.org.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Financing Agreement" means the Plum Creek North Public Improvement District Financing and Reimbursement Agreement between the Developer and the City dated as of November 16, 2021, as amended.

"Fiscal Year" shall mean the Issuer's fiscal year, currently the 12 month period from October 1 through September 30.

"Improvement Area #2" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #2 Assessment(s)" shall have the meaning assigned to such term in the Indenture.

- "Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.
- "MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.
- "Outstanding" shall have the meaning assigned to such term in the Indenture.
- "Owner" shall mean the registered owner of any Bonds.
- "Participating Underwriter" shall mean FMSbonds, Inc. and its successors and assigns.
- "Prepayments" shall have the meaning assigned to such term in the Indenture.
- "Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.
- "SEC" shall mean the United States Securities and Exchange Commission.
- "Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.
- "Trust Estate" shall have the meaning assigned to such term in the Indenture.
- "Trustee" shall mean BOKF, NA, Houston, Texas, a national banking association duly organized and existing under the laws of the United States or any successor trustee pursuant to the Indenture.

SECTION 3. <u>Provision of Annual Issuer Reports.</u>

The Issuer shall cause and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other form required by the MSRB, commencing with the Fiscal Year ending September 30, 2024, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer, if prepared and when available, may be submitted separately from the Annual Issuer Report, and later than the date required in this paragraph for the filing of the Annual Issuer Report, if audited financial statements are not available by that date; provided, however, if the audited financial statements are not complete within such period, then the Issuer shall provide unaudited financial statements within such period. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. The Issuer is providing the audited financial statement in connection with the requirements of this Agreement and the Rule; notwithstanding such requirements, the Bonds are special obligations of the Issuer and do not give rise to a charge against the general credit or taxing power of the Issuer and are payable solely from the sources identified in the Indenture. If the Issuer's Fiscal Year changes, it shall file notice of such change (and of the date of the new Fiscal Year) with the MSRB prior to the next date by which the Issuer otherwise would be required to provide the Annual Issuer Report pursuant to

this paragraph. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the date specified in Section 4 of this Disclosure Agreement for providing the Annual Issuer Report to the MSRB, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer.

If by the fifth (5th) day before the filing date required under Section 4 of this Disclosure Agreement, the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the filing date required under Section 4 of this Disclosure Agreement; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report within the time required under this Disclosure Agreement, state the date by which the Annual Issuer Report for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB, no later than six months after the end of each Fiscal Year; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day of the six month period after the end of the Fiscal Year, provided, however, the Issuer may notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Issuer Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Issuer Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the filing date required under Section 4 of this Disclosure Agreement. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the filing date required under Section 4 of this Disclosure Agreement.

- (b) The Issuer shall or shall cause the Dissemination Agent to:
- (i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report on the date required in subsection (a);
- (ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof; and
- (iii) if the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Issuer

Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

- SECTION 4. <u>Content and Timing of Annual Issuer Reports</u>. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent, the following:
- (a) Within six (6) months after the end of each Fiscal Year the Annual Financial Information of the Issuer (any or all of which may be unaudited) being:
 - (i) Tables setting forth the following information, as of the end of such Fiscal Year:
 - (A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount, the principal amount remaining Outstanding and the interest amount remaining Outstanding;
 - (B) The amounts in the funds and accounts securing the Bonds; and
 - (C) The assets and liabilities of the Trust Estate.
 - (ii) The principal and interest paid on the Bonds during such Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.
 - (iii) Any changes to the land use designation for the property in Improvement Area #2 from the purposes identified in the Service and Assessment Plan.
 - (iv) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a "SAP Update"), including any changes to the methodology for levying the Improvement Area #2 Assessments.
 - (v) The aggregate taxable assessed valuation for parcels or lots within Improvement Area #2 based on the most recent certified tax roll available to the Issuer.
 - (vi) With respect to single-family residential lots, until building permits have been issued for parcels or lots representing, in the aggregate, ninety-five percent (95%) of the total Improvement Area #2 Assessments levied within Improvement Area #2, the Annual Financial Information (in the SAP Update or otherwise) shall include the following:
 - (A) the number of new homes completed in Improvement Area #2 during such Fiscal Year; and
 - (B) the aggregate number of new homes completed within Improvement Area #2 since filing the initial Annual Issuer Report for the Fiscal Year ended September 30, 2024.
 - (vii) Listing of any property or property owners in Improvement Area #2 representing more than five percent (5%) of the levy of Improvement Area #2 Assessments, the amount of the

levy of Improvement Area #2 Assessments against such landowners, and the percentage of such Improvement Area #2 Assessments relative to the entire levy of Improvement Area #2 Assessments, all as of the October 1 billing date for the Fiscal Year.

(viii) Collection and delinquency history of the Improvement Area #2 Assessments for the past five Fiscal Years, in substantially the following format:

Collected in	Improvement		Delinquent	Delinquent	Delinquent	Delinquent	Total Improvement	
Fiscal Year	Fiscal Year Area #2		Amount	Percentage	Amount	Percentage	Area #2 Assessments	
Ending 9/30	Assessment Billed	Levied	as of 3/1	as of 3/1	as of 9/1	as of 9/1	Collected(1)	
20								
20								
20								
20								
20							\$	
(1)	Collected as of	20	Includes \$	attributable	a to Pranayments			

- Collected as of ______, 20__. Includes \$_____ attributable to Prepayments.
- (ix) For each calendar year, if the total amount of Annual Installments that are delinquent as of September 1 in such calendar year is equal to or greater than ten percent (10%) of the total amount of Annual Installments due in such calendar year, a list of parcel numbers for which the Annual Installments are delinquent.
- (x) Total amount of Prepayments collected, as of the February 15 of the calendar year immediately succeeding such Fiscal Year, in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year).
 - (xi) The amount of delinquent Improvement Area #2 Assessments by Fiscal Year:
 - (A) which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted);
 - (B) for which foreclosure proceedings have been instituted but have not been concluded;
 - (C) which have been reduced to judgment but not collected;
 - (D) which have been reduced to judgment and collected; and
 - (E) the result of any foreclosure sales of assessed property within Improvement Area #2 if the assessed property sold at a foreclosure sale represents more than five percent (5%) of the total amount of Improvement Area #2 Assessments.
- (xii) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.
- (b) If not provided with the financial information provided under subsection 4(a) above, if prepared and when available, the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time

to time to the Issuer. If such audited financial statements are not complete within the time period specified in subsection 4(a) above, then the Issuer shall provide unaudited financial statements within such period and shall provide audited financial statements for the applicable Fiscal Year when and if the audit report on such statements becomes available.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs. The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

- (a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:
 - 1. Principal and interest payment delinquencies.
 - 2. Non-payment related defaults, if material.
 - 3. Unscheduled draws on debt service reserves reflecting financial difficulties.
 - 4. Unscheduled draws on credit enhancements reflecting financial difficulties.
 - 5. Substitution of credit or liquidity providers, or their failure to perform.
- 6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
 - 7. Modifications to rights of Owners, if material.
 - 8. Bond calls, if material, and tender offers.
 - 9. Defeasances.
- 10. Release, substitution, or sale of property securing repayment of the bonds, if material.
 - 11. Rating changes.
 - 12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

- 13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- 14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
- 15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
- 16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The Issuer does not intend for any sale by the Developer of real property within Improvement Area #2 to be considered a significant event for the purposes of number 10 above.

Any event described in number 12 above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in numbers 15 and 16 above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 5. In addition, the Issuer shall

have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

- The Dissemination Agent shall, promptly, and not more than five (5) Business Days after (b) obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than the Business Day immediately following the day on which it receives written instructions from the Issuer. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.
- (c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14 or 15 of subparagraph (a) above is <u>not</u> material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).
- SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Dissemination Agent and the Administrator may assume that the Issuer is an obligated person with respect to the Bonds until it receives written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 5(a).
- SECTION 7. <u>Dissemination Agent</u>. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall

be BOKF, NA. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer.

SECTION 8. <u>Amendment; Waiver</u>. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Issuer Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Issuer Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 9. <u>Additional Information</u>. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report or notice of occurrence of a Listed Event.

SECTION 10. <u>Default</u>. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Trustee (at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement by the Issuer shall not be deemed a default under the Disclosure Agreement of Developer by the Developer, and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitations the Annual Issuer Report) prepared by the Issuer pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Area #2, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent shall not be responsible for the Issuer's failure to submit a complete Annual Issuer Report to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Area #2, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

- (c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.
- SECTION 12. <u>Assessment Timeline</u>. The basic expected timeline for the collection of Improvement Area #2 Assessments and the anticipated procedures for pursuing the collection of delinquent Improvement Area #2 Assessments is set forth in <u>Exhibit C</u> which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Improvement Area #2 Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 13. <u>No Personal Liability</u>. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. <u>Sovereign Immunity</u>. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. <u>Beneficiaries</u>. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. <u>Dissemination Agent and Administrator Compensation</u>. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #2, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. <u>Statutory Verifications</u>. The Dissemination Agent and the Administrator, each respectively, make the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise

limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

- (a) Not a Sanctioned Company. The Dissemination Agent and the Administrator, each respectively, represent that neither the Dissemination Agent, the Administrator, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.
- (b) No Boycott of Israel. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.
- (c) <u>No Discrimination Against Firearm Entities</u>. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.
- (d) No Boycott of Energy Companies. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.
- SECTION 19. <u>Disclosure of Interested Parties</u>. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator's participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of

information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 20. <u>Governing Law and Venue</u>. This Disclosure Agreement shall be governed by the laws of the State of Texas. Venue of any action to enforce the rights and privileges existing under this Disclosure Agreement shall be brought in the state district court of Hays County, Texas.

SECTION 21. <u>Counterparts</u>. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(Signature pages follow.)

By: ______City Manager

BOK	KF, NA
(as I	Dissemination Agent)
By:	
,	Authorized Officer

(as Ad	ministrator)	
Ву:		
•	Authorized Officer	

P3WORKS, LLC

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL ISSUER REPORT

Name of Issuer:	City of Kyle, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2024
	(Plum Creek North Public Improvement District Improvement Area
	#2 Project)(the "Bonds")
CUSIP Nos.:	[insert CUSIP Numbers]
Date of Delivery:	, 20
MOTICE IS HED	EBY GIVEN that the City of Kyle, Texas (the "Issuer"), has not provided
	t][annual audited financial statements] with respect to the above-named
- ·	Continuing Disclosure Agreement of Issuer dated as of October 1, 2024
	Vorks, LLC, as "Administrator" and BOKF, NA, as "Dissemination
	nticipates that [the Annual Issuer Report][annual audited financial
statements] will be filed	= = = = = = = = = = = = = = = = = = = =
statements] win be mea	. .
Dated:	
	BOKF, NA
	on behalf of the City of Kyle, Texas
	(as Dissemination Agent)
	By:
	Title:

cc: City of Kyle, Texas

EXHIBIT B

CITY OF KYLE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)

(1 L)		IMPROV)151 N		
		AN	NUAL IS	SUER R	EPORT	Γ*			
Delivery Date:			20						
CUSIP Nos.:	[ins	ert CUSIP N	[umbers]						
DISSEMINATIO)N AG	SENT							
Name: Address: City: Celephone: Contact Person: BONDS OUTST	[_ [_ (_ A	OKF, NA]] _	_]					
CUSIP Number	N	Maturity Date	Interest Rate	Princ	ginal cipal ount	Outstar Prince Amo	ipal	Outstanding Interest Amount	
NVESTMENTS Fund/	<u> </u>	Investmen	t .		<u> </u>				
Account Na	me	Descriptio		Par Value		Book Value		Market Value	

^{*}Excluding Audited Financial Statements of the Issuer

ASSETS AND LIABILITIES OF TRUST ESTATE **ASSETS** Bonds (Principal Balance) Funds and Accounts [list] TOTAL ASSETS LIABILITIES **Outstanding Bond Principal** Outstanding Program Expenses (if any) TOTAL LIABILITIES **EQUITY** Assets Less Liabilities Parity Ratio Form of Accounting Cash Accrual Modified Accrual ITEMS REQUIRED BY SECTIONS 4(a)(ii) – (vii) OF THE CONTINUING DISCLOSURE AGREEMENT OF ISSUER RELATING TO THE CITY OF KYLE. TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT) [Insert a line item for each applicable listing] SECTION 4(a)(viii) COLLECTION AND DELINQUENCY HISTORY OF THE IMPROVEMENT AREA #2 ASSESSMENTS FOR THE PAST FIVE FISCAL YEARS, IN THE FOLLOWING FORMAT: Collection and Delinquent History of Improvement Area #2 Assessments Collected in Improvement Delinquent Delinquent Delinquent Delinquent **Total Improvement** Fiscal Year Area #2 Parcels Amount Percentage Amount Percentage Area #2 Assessments Ending 9/30 Assessment Billed Levied as of 9/1 Collected(1) as of 3/1 as of 3/1 as of 9/1 20__ 20__ 20__ 20__ \$

ITEMS REQUIRED BY SECTIONS 4(a)(ix) – (xii) OF THE CONTINUING DISCLOSURE AGREEMENT OF ISSUER RELATING TO THE CITY OF KYLE, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)

attributable to Prepayments

, 20__. Includes \$_

[Insert a line item for each applicable listing]

Collected as of _

EXHIBIT C

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

<u>Date</u>	Delinquency Clock (Days)	Activity
January 31	Stock (Bujs)	Annual Installments of Improvement Area #2 Assessments are due.
February 1	1	Annual Installments of Improvement Area #2 Assessments Delinquent if not received.
February 15	15	Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.
		Issuer and/or Administrator should be aware of actual and specific delinquencies.
		Issuer and/or Administrator should be aware if Reserve Fund needs to be utilized for debt service payments on March 1. If there is to be a shortfall, the Trustee and Dissemination Agent should be immediately notified in writing.
		Issuer and/or Administrator should also be aware if, based on collections, there will be a shortfall for September payment.
		Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual collections will be fully adequate for debt service in March and September.
		At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Annual Installments of Improvement Area #2 Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. For properties delinquent by more than one year or if the

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Improvement Area #2 Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33 and 34, Texas Tax Code, as amended (the "Code"), and the Hays County Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure.

If there are over 5% delinquencies or if there is inadequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.

Trustee pays bond interest payments to Owners.

Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.

Issuer, or the Trustee, on behalf of the Issuer, to notify Dissemination Agent of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw on the Reserve Fund for debt service.

Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.

Issuer determines whether or not any Annual Installments of **Improvement** Area Assessments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments **Improvement** of Area #2 Assessments.

If any property owner with ownership of property responsible for more than \$10,000 of the Annual Installments of Improvement Area #2 Assessments is delinquent or if a total of delinquencies is over 5%, or if it is expected that Reserve Fund moneys will need to be utilized for either the March or September bond payments, the Disclosure Representative shall work with City Attorney's office, or the appropriate designee, to satisfy payment of all delinquent Annual Installments of Improvement Area #2 Assessments.

March 1 29/30

March 20 48/49

April 15	74/75	Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent of the commencement of preliminary foreclosure activity.
		If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.
May 1	90/91	If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
May 15	104/105	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than June 1 (day 121/122).
June 15	135/136	Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.
July 1	151/152	Foreclosure action to be filed with the court.
		If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the City Manager, Assistant City Manager or the Director of Finance to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day 30 if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Improvement Area #2 Assessments.

APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER



CITY OF KYLE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of October 1, 2024 (this "Disclosure Agreement") is executed and delivered by and among Lennar Homes of Texas Land and Construction, LTD. (the "Developer"), P3Works, LLC (the "Administrator") and BOKF, NA, acting solely in its capacity as dissemination agent (the "Dissemination Agent"), with respect to the "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2024 (Plum Creek North Public Improvement District Improvement Area #2 Project)" (the "Bonds"). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. <u>Purpose of the Disclosure Agreement</u>. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. <u>Definitions</u>. In addition to the definitions set forth above and in the Indenture of Trust dated as of October 1, 2024 relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Administrator" shall mean the Issuer or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the current Administrator.

"Affiliate" shall mean an entity that owns property within the District and is controlled by, controls, or is under common control with the Developer, including any Homebuilder.

"Amenities" shall mean the amenities to be constructed by the Developer within the District, including, but not limited to, (i) the main amenity center, consisting of an adult pool, a kiddie pool or kiddie pool offset, a splash pad or similar water feature, a covered patio and seating area, a conditioned community building, playscapes and outdoor theater and (ii) the secondary major amenity center, consisting of a pool, covered patio and seating area, playscape and outdoor playground area.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

- "Annual Service Plan Update" shall mean the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.
- "Business Day" shall have the meaning assigned to such term in the Indenture.
- "Certification Letter" shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as <u>Exhibit D</u>.
- "Developer" shall mean, Lennar Homes of Texas Land and Construction, LTD., a Texas limited partnership, and each other Person, through assignment, who assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #2 Improvements or the Amenities, and their designated successors and assigns.
- "Developer Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.
- "Disclosure Agreement of Issuer" shall mean the City of Kyle, Texas Special Assessment Revenue Bonds, Series 2024 (Plum Creek North Public Improvement District improvement Area #2 Project) Continuing Disclosure Agreement of Issuer dated as of October 1, 2024 executed and delivered by the Issuer, the Administrator and the Dissemination Agent.
- "Dissemination Agent" shall mean BOKF, NA, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.
- "District" shall mean Plum Creek North Public Improvement District.
- "EMMA" shall mean the Electronic Municipal Market Access System currently available on the internet at http://emma.msrb.org.
- "Homebuilder(s)" shall mean any merchant homebuilder who enters into a Purchase Agreement with the Developer, and the affiliates and/or successors and assigns of such homebuilder under such Purchase Agreement.
- "Improvement Area #2" shall have the meaning assigned to such term in the Indenture
- "Improvement Area #2 Assessments" shall have the meaning assigned to such term in the Indenture.
- "Improvement Area #2 Improvements" shall have the meaning assigned to such term in the Indenture.
- "Issuer" shall mean the City of Kyle, Texas.
- "Listed Events" shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

- "MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.
- "Outstanding" shall have the meaning assigned to such term in the Indenture.
- "Owner" shall mean the registered owner of any Bonds.
- "Parcel" shall have the meaning assigned to such term in the Indenture.
- "Participating Underwriter" shall mean FMSbonds, Inc. and its successors and assigns.
- "Person" shall mean any legal person, including any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government, or any agency or political subdivision thereof.
- "PID Act" means Chapter 372, Texas Local Government Code, as amended.
- "Purchase Agreement" shall mean, with respect to lots or land within Improvement Area #2, any purchase agreement between one or more Homebuilders and the Developer to purchase lots or to purchase land intended for single family residential use, including detached or attached single family homes or townhomes.
- "Quarterly Ending Date" shall mean each March 31, June 30, September 30 and December 31, beginning March 31, 2025.
- "Quarterly Filing Date" shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being February 15, May 15, August 15, November 15.
- "Quarterly Information" shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.
- "Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as <u>Exhibit A</u> hereto.
- "Reporting Party" shall mean, collectively, the Developer and any Significant Homebuilders who have acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.
- "Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.
- "SEC" shall mean the United States Securities and Exchange Commission.
- "Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Significant Homebuilder" shall mean a Homebuilder, including any affiliates of such Homebuilder, that then owns five precent (5%) or more of the single family residential lots within Improvement Area #2.

"Significant Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Quarterly Reports.

- The Developer, with respect to Improvement Area #2 and all real property in (a) Improvement Area #2 (except as provided in the last sentence of this subsection (a)), and any other Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with March 31, 2025, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party's obligations terminate pursuant to Section 6 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property so transferred.
- (b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to the applicable Quarterly Information or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and authorize the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

- The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.
- (d) Each Quarterly Report shall consist of the Quarterly Information listed in <u>Exhibit A</u> attached hereof.

SECTION 4. Event Reporting Obligations.

- (a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:
 - (i) Failure to pay any real property taxes or Improvement Area #2 Assessments levied within Improvement Area #2 on a Parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #2 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;
 - (ii) Material damage to or destruction of any development or improvements within Improvement Area #2, including the Improvement Area #2 Improvements, and the Amenities;
 - (iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of Improvement Area #2 undertaken by the Developer or any of the Developer's Affiliates;

- (iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within Improvement Area #2 owned by the Developer or any of the Developer's Affiliates;
- (v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;
- (vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (vii) The filing of any lawsuit with a claim for damages in excess of \$1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of development of Improvement Area #2, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;
- (viii) Any material change in the legal structure, chief executive officer, or controlling ownership of the Developer; and
- (ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 or 6 herein; and
- (x) Early termination of or material default by such Significant Homebuilder under a Purchase Agreement, if any.
- (b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:
 - (i) Failure to pay any real property taxes or Improvement Area #2 Assessments levied within Improvement Area #2 on a lot or Parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #2 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section 4(b) nor a breach or default of this Disclosure Agreement;
 - (ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due:
 - (iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of such Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (iv) Any material change in the type of legal entity, chief executive officer, or controlling ownership of such Significant Homebuilder;
- (v) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein; and
- (vi) Early termination of or material default by such Significant Homebuilder under a Purchase Agreement, if any.
- (c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Significant Homebuilder.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to

investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsection (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. <u>Assumption of Reporting Obligations of Developer.</u>

The Developer shall cause each Person, unless an affiliate of the Developer, who, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #2 Improvements or Amenities to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement and assumption from each Person, unless an affiliate of the Developer, who assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #2 Improvements or Amenities in substantially the form attached as Exhibit E (the "Developer Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person's delivery of written acknowledgement of assumption of Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the assigned construction of the Improvement Area #2 Improvements or Amenities. Notwithstanding anything to the contrary elsewhere herein, after such assignment, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 6. <u>Assumption of Reporting Obligations by Significant Homebuilders.</u>

If a Homebuilder acquires ownership of real property in Improvement Area #2 resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under Sections 3 and Section 4(b) hereof, with respect to such acquired real property until such party's disclosure obligations terminate pursuant to Section 6 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the disclosure obligations, as described in (i) above.

- (b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (a)(i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F (the "Significant Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(e) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder's delivery of written acknowledgement of assumption of the Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).
- (c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 7. Termination of Reporting Obligations.

- (a) The reporting obligations of the Developer under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer, including its respective affiliates and/or successors and assigns, no longer owns five percent (5%) or more of the single family residential lots within Improvement Area #2, as of each Quarterly Ending Date, or (iii) the issuance of the certificate of occupancy or third-party inspection, as applicable, for the last single family residential lot or Assessed Property within Improvement Area #2 owned by the Developer, including its respective affiliates and/or successors and assigns. Notwithstanding the foregoing, if the Developer is reporting on behalf of a Significant Homebuilder, the Developer's reporting obligations, with respect to the property owned by the Significant Homebuilder, terminates in accordance with subsection (b) below.
- (b) The reporting obligations of a Significant Homebuilder that is a Reporting Party, if any, under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when such Significant Homebuilder, including its respective affiliates and/or successors and assigns, no longer owns five percent (5%) or more of the single family residential lots within Improvement Area #2, as of each Quarterly Ending Date, or (iii) the issuance of the certificate of occupancy or third-party inspection, as applicable, for the last single family residential lot or Assessed Property within Improvement Area #2 owned by such Significant Homebuilder, including its respective affiliates and/or successors and assigns.
- (c) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) or (b), as applicable, of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting

obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

- (d) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) and (b) of this Section 7 and any Termination Notice required by subsection (c) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.
- SECTION 8. <u>Dissemination Agent</u>. The initial Dissemination Agent appointed hereunder shall be BOKF, NA. The Issuer may, from time to time, appoint or engage a successor Dissemination Agent to assist the Reporting Parties in carrying out their obligations under this Disclosure Agreement and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of the Issuer, the Issuer has agreed to provide written notice to each then-existing Reporting Party of any change in the identity of the Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.
- SECTION 9. <u>Amendment; Waiver</u>. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:
 - (a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of any Reporting Party, or the type of business conducted; and
 - (b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).
 - (c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any

amendment or waiver entered into under this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. <u>Additional Information</u>. Nothing in this Disclosure Agreement shall be deemed to prevent any Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, no Reporting Party shall have an obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

SECTION 11. <u>Content of Disclosures</u>. In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 9 of this Disclosure Agreement.

SECTION 12. Default. In the event of a failure of a Reporting Party, Dissemination Agent or Administrator to comply with any provision of this Disclosure Agreement, any Owner or beneficial owner of the Bonds may, and the Trustee (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction in accordance with the terms of the Indenture) shall, take such actions as may be necessary and appropriate to cause the Reporting Party, Dissemination Agent and/or Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer, Dissemination Agent or Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Issuer, and a default under the Disclosure Agreement of Issuer shall not be deemed a default under this Disclosure Agreement. Furthermore, a default under this Disclosure Agreement by any Reporting Party shall not be deemed a default under this Disclosure Agreement by any other Reporting Party, and no Reporting Party shall have any obligation to take any action to mitigate or cure the default of any other Reporting Party.

SECTION 13. <u>Duties, Immunities and Liabilities of Dissemination Agent and</u> Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made by a Reporting Party and/or the Administrator pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be

construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If any Reporting Party or the Administrator does not provide the information required by Section 3(d) hereof in a timely manner as required by Sections 3(a) or (b) hereof or incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Information or Quarterly Report to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

- The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.
- (c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.
- (d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY OTHER REPORTING PARTY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT OR A REPORTING PARTY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC

PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 14. <u>No Personal Liability</u>. No covenant, stipulation, obligation or agreement of a Reporting Party, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Reporting Party, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. <u>Beneficiaries</u>. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. <u>Dissemination Agent Compensation</u>. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #2, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. <u>Administrator Compensation</u>. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area #2, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. <u>Governing Law.</u> This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Reporting Parties, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

If to Developer: Lennar Homes of Texas Land and Construction, LTD

Attn: Ken Blaker, Vice President

13620 N. FM 620, Building B, Suite 150

Austin, TX 78717

E-mail: ken.blaker@lennar.com

If to the Dissemination Agent or

Trustee:

BOKF, NA

1401 McKinney Street, Suite 1000

Houston, Texas 77010

E-mail: rachel.roy@bankoftexas.com

If to Administrator: P3Works, LLC

9284 Huntington Square, Ste 100 North Richland Hills, Texas 76182 E-mail: admin@p3-works.com

If to the Issuer: City of Kyle, Texas

100 W. Center Street Kyle, Texas 78640

E-mail: pmoheet@cityofkyle.com

If to Participating Underwriter: FMSbonds, Inc.

5 Cowboys Way, Suite 300-25

Frisco, Texas 75034

E-mail: tdavenport@fmsbonds.com

SECTION 21. <u>Counterparts</u>. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

(Signature pages follow.)

BOKF, NA	
(as Dissemination Agent)	
By:	
Authorized	Officer

LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD.,

a Texas limited partnership (as Developer)

By:	Lennar Texas Holding Company, a Texas corporation, its General Partner
	By: Name: Title:

P3WORKS, LLC (as Administrator)

By:	
Title:	

EXHIBIT A

CITY OF KYLE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)

DEVELOPER QUARTERLY REPORT [INSERT QUARTERLY ENDING DATE]			
Delivery Date:	, 20		
CUSIP Numbers:	[Insert CUSIP Numbers]		
DISSEMINATION	AGENT		
Name: Address: City: Telephone:	BOKF, NA		
Contact Person:	Attn:		
	I. <u>Unit Mix in l</u>	Improvement Area #2	
Pro	oduct Type	Number of Units	
PLANNED LOTS Of the [] lo 1. Number a. I 2. Number a. I b. I	IN IMPROVEMENT AREA ots in Improvement Area #2: of lots owned by the Develo Number of lots under contrac of lots owned by all Homeb Number of lots owned by [in	oper: [] et but not closed to Homebuilder(s) []	

^{*} Include a line item for each individual Homebuilder.

3.	Number of units owned by homeowners: []					
1. 2. 3.	III. Lot Status in Improvement Area #2 s in Improvement Area #2, status: Planned lots as of the date of issuance of the Bonds: [] If different from (1), Planned lots as of the date of this Quarterly Report: [] Number of Lots developed: [] Expected completion date of all lots in Improvement Area #2 (if incomplete): []					
IV. Home Sales Information in Improvement Area #2						
PLANNED HOMES IN IMPROVEMENT AREA #2: []						
2.	homes planned for Improvement Area #2: How many total building permits were issued during the current quarter? [] a. Number of building permits issued during the current quarter for [insert name of Homebuilder]: []* b. Number of building permits issued during the current quarter for [insert name of Homebuilder]: []*					
3.	How many total homes have closed with homebuyers during the current quarter? [] a. Number of homes closed with homebuyers during the current quarter for [insert name of Homebuilder]: []* b. Number of homes closed with homebuyers during the current quarter for [insert name of Homebuilder]: []*					
4.	How many total homes have closed with homebuyers cumulatively ? [] a. Number of homes closed with homebuyers cumulatively for [insert name of Homebuilder]: []* b. Number of homes closed with homebuyers cumulatively for [insert name of Homebuilder]: []*					

^{**} If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

^{*} Include a line item for each individual Homebuilder.

V. Expenditures Paid from Accounts under Indenture

 Total Budgeted Costs for Improvement Area #2 Improvements: a. Improvement Area #2 Improvements Account \$[] Of the total budgeted costs, the total amount drawn from the Improvements Accounts: a. Improvement Area #2 Improvements Account \$[] 						
VI. Status of Improvements in Improvement Area #2						
1. Actual/Excepted date of completion of the Improvement Area #2 Improvements:						
2. If applicable, explanation of any delay/change in projected completion date since last Quarterly Report was filed:						
VII. <u>Amenities</u>						
TOTAL EXPECTED/ACTUAL COSTS OF AMENITIES***: \$[]						
Of the \$[] [expected/actual] costs of the Amenities: 1. Amount spent as of Quarterly Ending Date: \$[] 2. [Actual/Expected] completion date of Amenities: []						

VIII. Material Changes

Describe any material changes, if applicable:

- 1. <u>Permits and Approvals</u> Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Improvement Area #2 Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
- 2. <u>Mortgage Loans</u> Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Improvement Area #2 Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
- 3. <u>Builder Contracts</u> Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion

^{***} HOA Amenities expected to consist of, among other things, an amenity center, swimming pool, playground, pavilion, trails, ponds, and open space throughout the District.

dates, number of lots, or other terms) with respect to the land subject to the Improvement Area #2 Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

- 4. <u>Ownership</u> Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Improvement Area #2 Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgment pursuant to the Disclosure Agreement?
- 5. <u>Completion Agreement</u> Is the Developer required to provide evidence of available funds, in addition to the amounts on deposit in the Project Fund, to complete the construction of the Improvement Area #2 Improvements pursuant to the terms of a Completion Agreement? If so, identify the available sources of funding and provide the amount of funding needed to complete the Improvement Area #2 Improvements. If the Developer has completed the Improvement Area #2 Improvements, please attach the Completion Agreement Release (as defined in the related Completion Agreement).
- 6. <u>Amendments</u> Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.
- 7. <u>Other</u> Provide any other material information that should be disclosed.

(Remainder of page intentionally left blank)

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO [PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer: Name of Bond Issue:	City of Kyle, Texas Special Assessment Revenue Bonds, Series 2024 (Plum Creek North Public Improvement District Improvement Area #2 Project) (the			
	"Bonds")			
CUSIP Nos.	[insert CUSIP Nos.]			
Date of Delivery:	, 20			
NOTICE IS H	EREBY GIVEN that	,		
	_ (the ["Developer"] ["Significant Homebuilder"]) has not provided	th		
•	[Quarterly Report] for the period ending on [Insert Quarterly End	,		
- *	the Bonds as required by the Continuing Disclosure Agreement			
<u>-</u>	October 1, 2024 by and among Lennar Homes of Texas Land			
	e "Developer"), P3Works, LLC (the "Administrator") and BOKF,			
	gent") [optional: insert reason for delay]. [Developer] [Signific			
- *	tes that the [Quarterly Information][Quarterly Report] will	b		
[provided][filed] by	 •			
Dated:				
	BOKF, NA,			
	on behalf of the [Developer] [Significant			
	Homebuilder]			
	(as Dissemination Agent)			
	By:			
	Title:			

cc: City of Kyle, Texas

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Kyle.		, Texas			
Name of Bond Issue:	Public Impi	Special Assessment Revenue Bonds, Series 2024 (Plum Creek North Public Improvement District Improvement Area #2 Project) (the			
	"Bonds")				
CUSIP Nos. [insert CUS		IP Nos.]			
Date of Delivery:		, 20			
FMSbonds, Inc.		Lennar Homes of Texas Land and Construction, LTD.			
5 Cowboys Way, Suite 3	300-25	13620 N. FM 620, Building B, Suite 150			
Frisco, Texas 75034		Austin, TX 78717			
BOKF, NA		[Insert Significant Homebuilder			
1401 McKinney Street,	Suite 1000	Contact Information]			
Houston, Texas 77010					
Bonds, thereby, termina Agreement of Develope	ting such party or dated as of , LTD. (the "	rly Information][the Quarterly Report] with respect to the y's reporting obligations under the Continuing Disclosure October 1, 2024 by and among Lennar Homes of Texas Developer"), P3Works, LLC (the "Administrator") and ").			
Dated:					
		P3Works, LLC, on behalf of the [Developer] [Significant Homebuilder] (as Administrator)			
		By:			
		Title:			

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer: Name of Bond Issue:	City of Kyle, Texas Special Assessment Revenue Bonds, Series 2024 (Plum Creek North			
CUSIP Nos. Quarterly Ending Date:	Public Improvement District Improvement Area #2 Project) [insert CUSIP Nos.]			
Quarterly Ending Date.	, 20	_		
Re: Quarterly Report for I	Plum Creek North Public	c Improvement District		
To whom it may concern:				
2024, by and among Len P3Works, LLC (the "Adronstitutes the certificate, as herein submitted by the A constitutes the [portion [Significant Homebuilder Significant Homebuilder on [Insert Quarterly Endidate].	nar Homes of Texas La ministrator") and BOKF e stating that the Qua a "Significant Homel Administrator, on behalf of the Quarterly Report. Any and all Quarter pl. Any and all Quarter pl. contained in this Quarter ang Date, to the best of	greement of Developer dated as of October 1, and and Construction, LTD. (the "Developer"), F, NA (the "Dissemination Agent"), this letter arterly Information, provided by [Developer] builder"], contained in this Quarterly Report of the [Developer] [Significant Homebuilder], ort required to be furnished by [Developer] and the required to be furnished by [Developer] arterly Report for the three month period ending my knowledge, is true and correct, as of [insert if you have and questions or comments.		
	AND	NAR HOMES OF TEXAS LAND CONSTRUCTION, LTD., as limited partnership		
	By:	Lennar Texas Holding Company, a Texas corporation, its General Partner		
		By: Name: Title:		
	OR			
	(as S	NIFICANT HOMEBUILDER ignificant Homebuilder)		

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS

[DATE]

BOKF, NA P3Works, LLC 3901 S. Lamar Blvd., Suite 440 1401 McKinney Street, Suite 1000 Houston, Texas 77010 Austin, Texas 78704 Re: Plum Creek North Public Improvement District Improvement Area #2 Project – Continuing **Disclosure Obligation** As of _____, 20__, you own ___ single family residential lots within Improvement Area #2 of the Plum Creek North Public Improvement District (the "District"), which is equal to approximately % of the single family residential lots within Improvement Area #2 of the District. Pursuant to Section 2 of the Continuing Disclosure Agreement of the Developer (the "Disclosure Agreement") dated as of October 1, 2024, by and among, Lennar Homes of Texas Land and Construction, LTD. (the "Developer"), P3Works, LLC (the "Administrator") and BOKF, NA (the "Dissemination Agent"), with respect to the "Special Assessment Revenue Bonds, Series 2024 (Plum Creek North Public Improvement District Improvement Area #2 Project)" any entity that owns five percent (5%) or more of the single family residential lots within Improvement Area #2 is defined as a Significant Homebuilder. As a Significant Homebuilder, pursuant to Section 5 of the Disclosure Agreement, you acknowledge and assume the reporting obligations under Sections 3(d)(iv), 3(d)(vi) and 4(b) of the Disclosure Agreement for the property which is owned as detailed in the Disclosure Agreement, which is included herewith. Sincerely, LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., a Texas limited partnership Lennar Texas Holding Company, a Texas By: corporation, its General Partner By: Name: _____ Acknowledged by: [INSERT SIGNIFICANT HOMEBUILDER NAME] Title: _____ Address: Phone Number: _____



APPENDIX F

FINANCING AND REIMBURSEMENT AGREEMENT, AS AMENDED



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

PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT FINANCING AND REIMBURSEMENT AGREEMENT

This Plum Creek North Public Improvement District Financing and Reimbursement Agreement (this "Agreement"), dated as of November 16, 2021 (the "Effective Date"), is entered into between Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (including any Designated Successors and Assigns, the "Owner"), and the City of Kyle, Texas (the "City"), acting by and through each's duly authorized representative. The Owner and the City are sometimes collectively referenced in this Agreement as the "Parties", or, each individually, as the "Party". Capitalized terms not defined herein shall have the meanings ascribed thereto in Exhibit "A", attached hereto.

Recitals:

WHEREAS, Owner owns a total of approximately 389.1 acres of land located within the City (the "**Property**"), which Property is more particularly described in <u>Exhibit "B"</u>, attached hereto;

WHEREAS, the City Council approved that certain 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 (as modified by addendums dated March 20, 2003, September 7, 2004, August 5, 2014, October 17, 2017, and April 16, 2019 the "**Development Agreement**") to which Owner is the successor in interest thereunder;

WHEREAS, the Property is subject to Chapter 53 of the City of Kyle Code of Ordinances, Exhibit A. Plum Creek Planned Unit Development, approved in Ordinance No. 311 (as the same may be amended from time to time, the "**PUD**");

WHEREAS, it is intended that the Property will be developed as a single family residential development by Owner, its affiliates and/or its Designated Successors and Assigns (the "**Project**");

WHEREAS, the City Council authorized the formation of the Plum Creek North Public Improvement District pursuant to Resolution No. 1139 on April 16, 2019 (the "**District**") in accordance with the PID Act;

WHEREAS, pursuant to the terms of this Agreement, and in reliance upon the Owner's agreements made in the Development Agreement and addendums thereto concerning Project development, the City has created the District and has determined to allow certain public improvements within the Property that are necessary and incidental to Project development (such improvements, as further identified in the Service and Assessment Plan, being the "Authorized Improvements") to be financed using the proceeds of bonds to be secured by assessments (being the "Assessments") to be levied upon real property within the District (being the "Assessed Property");

WHEREAS, the Owner proposes to construct, over time, certain Authorized Improvements to serve the Project (or portions thereof) in accordance with the terms and provisions of this Agreement;

WHEREAS, on the date hereof, the City Council has approved an ordinance adopting the Service and Assessment Plan that provides for financing of the costs of the Authorized Improvements, in whole or in part, by and from Assessments levied against Assessed Property within the District;

WHEREAS, from the proceeds of the PID Bonds, the City will, upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement, construct, finance, and/or acquire those certain Authorized Improvements provided for in this Agreement and the Owner will be paid or repaid or reimbursed for the costs of acquisition, construction, installation and improvement of the Authorized Improvements (acquired, constructed or installed in Segments) that are completed from time to time and operative, subject to the terms and limitations set forth herein;

WHEREAS, the City has determined that it is in the best interests of it and its residents to contract with the Owner for the construction, financing, and/or acquisition of certain costs of the Authorized Improvements, which the City hereby finds and determines will result in the efficient and effective implementation of the Service and Assessment Plan;

WHEREAS, the City has determined that it is in the best interests of it and its residents to participate in a portion of the costs of the Authorized Improvements; and

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I. SCOPE OF AGREEMENT; RECITALS

Section 1.01. Scope

This Agreement establishes provisions for the apportionment, levying, and collection of Assessments on the Property (Article II), the construction of Authorized Improvements to be acquired by the City (Article III), funding of Authorized Improvements (Article IV), the issuance of bonds for the financing of the Authorized Improvements (Article V), representation and warranties (Article VI), default and remedies (Article VII), and general provisions (Article VIII).

Section 1.02. Recitals

The Recitals set forth above are true and correct and are incorporated herein and made a part hereof for all purposes.

ARTICLE II. APPORTIONMENT, LEVY AND COLLECTION OF ASSESSMENTS

Section 2.01. Preliminary Matters

- (a) On April 16, 2019, the City authorized the formation of the District by Resolution No. 1139. The District includes all of the Property.
- The Property is intended to be developed in phases, with the District being divided, for development planning purposes, into Improvement Area #1 (as shown on Exhibit "B-1" attached hereto), and the Major Improvement Area, which is comprised of Improvement Area #2 (as shown on Exhibit "B-2" attached hereto) and Improvement Area #3 (as shown on Exhibit "B-3" attached hereto) (Improvement Area #1, Improvement Area #2, and Improvement Area #3 may each be referred to as an "Improvement Area"). All Authorized Improvements are intended to benefit one or more specific Improvement Areas or the entire District. It is intended that the Assessments for the Major Improvement Area and Improvement Area #1 will be levied concurrently herewith. Thereafter, it is expected that PID Bonds for both the Major Improvement Area (the "Major Improvement Area Bonds") and Improvement Area #1 (the "Improvement Area #1 Bonds") will be issued. The Major Improvement Area Bonds will finance the Major Improvement Area's proportionate share of Actual Costs attributable to the construction of, acquisition of or reimbursement for the Major Improvements (the "Major Improvement Area **Projects**"). The Improvement Area #1 Bonds will finance Improvement Area #1's proportionate share of Actual Costs attributable to the construction of, acquisition of or reimbursement for the Major Improvements and the Actual Costs attributable to the construction of, acquisition of, or reimbursement for the Improvement Area #1 Improvements (the "Improvement Area #1 Projects"). The proportionate share of Actual Costs of Authorized Improvements will be allocated to each Improvement Area based on the benefit provided by the Authorized Improvements to that Improvement Area (as set forth in the Service and Assessment Plan) so that each Improvement Area's allocated Actual Costs will be funded by the PID Bonds issued for and secured by the Assessments on the particular Improvement Area. It is anticipated that PID Bonds for Improvement Area #2 and Improvement Area #3 (Improvement Area #2 and Improvement Area #3 together the "Future Improvement Areas") will be issued in the future for the purposes of financing Actual Costs for each the construction of, acquisition of, or reimbursement for that Improvement Area's respective Authorized Improvements.
- (c) Parity Bonds may be issued to pay for or reimburse Owner for any Actual Costs for Authorized Improvements benefiting one of the Future Improvement Areas that remain unpaid or unreimbursed after issuance of the initial Future Improvement Area Bonds secured by Assessments levied on an applicable Future Improvement Area, subject to any applicable additional bonds test contained in the applicable Indenture.
- (d) On the Effective Date, the City Council has also considered and approved the Service and Assessment Plan for the Property. Concurrently herewith, the City intends to levy Assessments on all benefited parcels in the District. Thereafter, the Service and Assessment Plan will be updated and amended by the City or its Administrator at least once per year, and submitted for the City Council's review and approval. Notwithstanding the above, it is hereby understood and acknowledged by the Parties that the Service and Assessment Plan may need to be amended over time if there are any changes to the Authorized Improvements or property within the District,

in accordance with the terms set forth in this Agreement. Nevertheless, the basic terms and methodology described in the Service and Assessment Plan will generally apply to each series of PID Bonds.

- (e) Assessments on any portion of the Property will bear a direct proportional relationship to and be less than or equal to the special benefit of the Authorized Improvements accruing to such portion of the Property.
- (f) Assessments on any portion of the Property may be adjusted in connection with PID Bond issues or otherwise so long as the Assessments are determined in accordance with the Service and Assessment Plan and the PID Act.
 - (g) The Property may also be subject to an Owner's Association assessment.
- (h) Promptly following submission to the City of the initial or an updated Service and Assessment Plan (or any subsequent amendment or supplement to the Service and Assessment Plan) acceptable in form and substance to the City and to the Owner with respect to the matters therein that require approval by the Owner as provided in this Agreement, the City Council shall consider, if applicable, an Assessment Ordinance relating to the applicable plan or amendment or supplement. If an Assessment Ordinance is adopted, the City shall use reasonable, good faith efforts to expeditiously initiate and approve all necessary documents and orders required to effectuate the Service and Assessment Plan and Assessment Ordinance.

Section 2.02. Apportionment and Levy of Assessments

The City will levy Assessments on the Property in accordance with the terms of this Agreement and with the Service and Assessment Plan at such time as an Assessment Ordinance is approved by the City Council. The City's apportionment and levy of Assessments will be made in accordance with the PID Act.

Section 2.03. Collection of Assessments

- (a) Subject to the terms and conditions of this Agreement, the City covenants and agrees that it shall, as authorized by the PID Act and other applicable law, continuously collect or cause to be collected Assessments levied pursuant to an Assessment Ordinance in accordance with the Service and Assessment Plan during the term of this Agreement in the manner and to the maximum extent permitted by applicable law. The City covenants and agrees that to the extent permitted by applicable law, it will not permit a reduction, abatement, or exemption in the Assessments due on any portion of the Property until (i) the PID Bonds related to that particular portion of the Property are no longer outstanding, whether as a result of payment in full, defeasance, or otherwise, or (ii) the Owner has been reimbursed for the unreimbursed Actual Costs eligible to be paid from the Assessment Revenues in accordance with the applicable Acquisition and Reimbursement Agreement. The City shall use best efforts to collect the Assessments consistent with the City's policies and standard practices applicable to the collection of City taxes and assessments.
- (b) It is hereby acknowledged that Assessments can be used, to the extent any such Assessments are remaining after payments are made on the PID Bonds, to pay or reimburse Owner

for any Actual Costs not paid or reimbursed under Section 4.02, Section 4.03, Section 4.04, or Section 4.05 of this Agreement. Any reimbursement obligation to Owner under an Acquisition and Reimbursement Agreement or as provided above will be subordinate to payment of the applicable PID Bonds.

- (c) Notwithstanding anything to the contrary contained herein or in the Service and Assessment Plan, once PID Bonds have been issued for an Improvement Area, the Assessment Revenues collected annually from the Property within such Improvement Area will be deposited in the applicable Pledged Revenue Fund and thereafter transferred in the priority as set forth in the applicable Indenture.
- (d) Further notwithstanding anything to the contrary contained herein, the City covenants and agrees to use best efforts to contract with the Hays County Tax Assessor for the collection of the Assessments such that the Assessments will be included on the ad valorem tax bill(s) for the Property and will be collected as part of and in the same manner as ad valorem taxes.

Section 2.04. Approval and Recordation of Assessments through Landowner Agreement

Concurrently with the levy of the Assessments for any portion of the Property, each Landowner shall execute a "Landowner Agreement" (herein so called) in which the Landowner shall (i) approve and accept the apportionment of the Assessments in the Service and Assessment Plan and the levy of the Assessments by the City and (ii) approve and accept the terms of the Buyer Disclosure Program. The Landowner Agreement further shall (a) evidence the Landowner's intent that the Assessments be covenants running with the land that (i) will bind any and all current and successor owners of the Property to the Assessments, including applicable interest thereon, as and when due and payable and (ii) provide that subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Assessments; and (b) provide that the liens created by the levy of the Assessments are a first and prior lien on the Property, subject only to liens for ad valorem taxes of the State, County, City, or school district.

Section 2.05 Assignment of Right to Payment of Unreimbursed Actual Costs.

Owner's right, title and interest into the payments of unreimbursed Actual Costs shall be the sole and exclusive property of Owner (or its Transferee) and no other third party shall have any claim or right to such funds unless Owner transfers its rights to its unreimbursed Actual Costs to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Owner has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with notice to) the City, all or any portion of Owner's right, title, or interest under this Agreement to receive payment of its unreimbursed Actual Costs, including either Bond Proceeds or Assessment Revenues (a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"). Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including the name and address of the Transferee, is provided to the City. The City may rely conclusively on any written notice of a Transfere provided by Owner without any obligation to investigate or confirm the Transfer. A Transferee shall be responsible for all continuing disclosure requirements and obligations as agreed to by the Owner in the Continuing Disclosure Agreement.

Section 2.06. Obligations Secured by Pledged Revenues

THE PID BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY SECURED SOLELY BY ASSESSMENT REVENUES (AS PROVIDED IN THE INDENTURE) AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE PID BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT SECURED EXCEPT AS PROVIDED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE ASSESSMENT REVENUES AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF THE BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE ASSESSMENT REVENUES.

ARTICLE III. CONSTRUCTION AND ACQUISITION

Section 3.01. Acquisition of Authorized Improvements

The Owner will dedicate the Authorized Improvements to the City or Owner's Association upon completion of the Authorized Improvements, and the City will accept dedication of such Authorized Improvements after confirming that the Authorized Improvements (or such Segment thereof) have been completed in accordance with this Agreement and the Regulatory Requirements.

Section 3.02. Designation of Construction Manager, Construction Engineers

- (a) The City hereby designates the Owner, or its assignees, as the Construction Manager with full responsibility for the design, the designation of easement locations, facilities site designations and acquisitions, supervision of construction, and the bidding and letting of construction contracts for the construction of the Authorized Improvements in accordance with the provisions of this Article III and in accordance with any requirements of the City and, as applicable, City approved plans.
- (b) Except as otherwise provided herein, inspection of the construction of any Authorized Improvement being conveyed to the City will be by the City Construction Representative or its designee. Any City inspection of an Authorized Improvement being conveyed to the City will be in accordance with any requirements of the City.
- (c) The Owner shall be entitled to a separate Construction Management Fee for the construction of each Segment, unless Owner contracts with a third party to act as the Construction Manager with respect to construction of the Authorized Improvements. The Construction Management Fee is part of Actual Costs and will be paid as part of the Actual Costs.

- (d) The City shall cooperate with the Owner in connection with its services as Construction Manager.
- (e) The Owner shall designate the consulting engineers for the Authorized Improvements for the compensation specified by the Owner.

Section 3.03. Designation of Construction Manager Subcontractor

The City acknowledges and agrees that Owner may subcontract out all or some of the duties of Construction Manager to a third party. Owner may designate an individual, company, or partnership or other entity as a subcontractor for construction management services for one or more Authorized Improvements or distinct Segments thereof; provided, however, that such designee has the technical capacity, experience, and expertise to perform such construction management duties or obligations.

Section 3.04. Maintenance of Project, Warranties

Unless otherwise provided for, the Owner (or the Owner's Association, as applicable) shall maintain each Authorized Improvement (or Segment thereof) in good and safe condition until such Authorized Improvement (or Segment thereof) is accepted by the City. The City's acceptance of Authorized Improvements shall be in accordance with the City's standard rules and procedures for the type of improvements being constructed, and the City shall not be obligated to accept an Authorized Improvement (or Segment thereof) unless the Owner has satisfied the applicable requirements of the Plum Creek Subdivision Ordinance Regulations in the City of Kyle Code of Ordinances. Prior to such acceptance, the Owner shall be responsible for performing any required maintenance on such Authorized Improvement. On or before the acceptance by the City of an Authorized Improvement (or Segment thereof), the Owner shall assign to the City all of the Owner's rights in any warranties, guarantees, maintenance obligations, or other evidences of contingent obligations of third persons with respect to such Authorized Improvement (or Segment thereof).

Section 3.05. Sales and Use Tax Exemptions

- (a) The parties agree that, as municipally and publicly owned and acquired properties, all costs of materials, other properties and services used in constructing the Authorized Improvements to be acquired by the City are exempt under the Texas Tax Code from sales and use taxes levied by the State of Texas, or by any county, city, special district, or other political subdivision of the State, as set forth in Texas Tax Code Section 151.309.
- (b) The City will provide such certifications to the Owner and/or to suppliers and contractors as may be required to assure the exemptions claimed herein.
- (c) The City and the Owner shall cooperate in structuring the construction contracts for the Authorized Improvements to comply with requirements (including those set forth in Texas Tax Code Section 151.309) for exemption from sales and use taxes.

Section 3.06. Exemption from Public Bidding

It is agreed that the construction of Authorized Improvements will be exempt from any public bidding or other purchasing and procurement policies pursuant to Texas Local Government Code Section 252.022(a)(9), which states that a project is exempt from such policies if "paving drainage, street widening, and other Authorized Improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements."

ARTICLE IV. PAYMENT FOR AUTHORIZED IMPROVEMENTS

Section 4.01. Overall Requirements

- (a) The City will, upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement and the Development Agreement, pay or reimburse, as applicable, the Owner for the Actual Costs of the Authorized Improvements as provided further herein.
- (b) Any payment obligation of the City hereunder shall be payable solely from Assessment Revenues or, if PID Bonds are issued, the proceeds of such PID Bonds. Unless approved by the City, no other funds, revenues, taxes, or income of any kind other than Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds shall be used to pay the City's obligations hereunder. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or constitute a debt or other obligation of the City payable from any source other than Assessments Revenues or, if PID Bonds are issued, the proceeds of such bonds.
- (c) The Parties anticipate that the Actual Costs to construct the Authorized Improvements will be greater than the Assessment Revenues or, if PID Bonds are issued, the net proceeds of such bonds available for Authorized Improvements. The Owner shall bear one hundred percent (100%) of the Actual Costs of constructing the Authorized Improvements not paid from the proceeds of the PID Bonds or Assessment Revenues.
- (d) Upon completion of an Authorized Improvement (or Segment thereof), the Owner shall convey, and the City or Owner's Association, as applicable, shall acquire, as more particularly described in Section 3.01, the given Authorized Improvement for the Actual Costs, after such Authorized Improvement (or Segment thereof) is completed and has been accepted by the City, or Owner's Association, as applicable. The City hereby acknowledges and agrees that (i) the Authorized Improvements will be dedicated, conveyed, leased or otherwise provided to or for the benefit of the City or an Owner's Association, and (ii) that any Authorized Improvements conveyed or dedicated to an Owner's Association are provided "for the benefit of" the City in accordance with Section 372.023 (a) of the PID Act and such Owner's Association will be an entity authorized and approved by the City Council and authorized by the City to own, operate and maintain such Authorized Improvements for the City in accordance with Section 372.023(a)(3) of the PID Act. Without limiting the generality of any of the foregoing, with respect to any Authorized Improvements that are dedicated, conveyed, leased or otherwise provided to an Owner's Association as provided herein, the applicable Owner's Association shall execute any necessary

easements to the public with respect thereto in order to evidence that although such Authorized Improvements are owned and maintained by such Owner's Association, the Authorized Improvements are provided for the use and benefit of the public.

- (e) Upon acceptance of an Authorized Improvement, and subject to any applicable maintenance-bond period, the City or Owner's Association, as applicable, shall be responsible for all operation and maintenance of such Authorized Improvements.
- (f) The City shall not be obligated to make any payment to the Owner hereunder until the City has received the sum of two million dollars (\$2,000,000.00) (the "Developer Contribution") as provided for in Section 3(a)(i) of that certain Addendum Number Five to the Development Agreement. The City shall further not be obligated to make any payment to Owner from the proceeds of the bonds for the Future Improvement Areas until the City has received the sum of six hundred thousand dollars (\$600,000.00) as provided for in Section 3(a)(ii) of that certain Addendum Number Five to the Development Agreement. The Developer Contribution shall not be paid from the proceeds of any PID Bonds.

Section 4.02. Payments for Authorized Improvements Prior to the Issuance of PID Bonds

- (a) Upon the approval of an Assessment Ordinance and prior to the issuance of PID Bonds, the City shall bill, collect, and immediately deposit the Assessment Revenues collected from the Assessed Property into the applicable Improvement Area Operating Account (excluding Annual Collection Costs and Delinquent Collection Costs). Funds in the applicable Improvement Area Operating Accounts shall only be used to pay Actual Costs of the Authorized Improvements in accordance with this Agreement. Once PID Bonds are issued, the applicable Indenture shall control in the event of any conflicts with this Agreement.
- (b) The general process to receive funds from the applicable Improvement Area Operating Account to pay the Actual Costs of the Authorized Improvements is as follows:
- (1) the Owner shall deliver to the City Construction Representative and the City Engineer the following:
 - (A) a Certification for Payment substantially in the form attached hereto as <u>Exhibit "C"</u> executed by the Construction Manager and the Project Engineer evidencing the Actual Costs;
 - (B) evidence of the acceptance by the City of those Authorized Improvements to be funded (for Completed Authorized Improvements only);
 - (C) waivers of liens for the work on the applicable Authorized Improvements through the previous Certification for Payment, receipts for payment and verification in form acceptable that any subcontractors have been paid; and
 - (D) an assignment of the warranties and guaranties in form reasonably acceptable to the City.
- (2) After the Certification for Payment is submitted to the City Construction Representative, the City shall conduct a review to confirm those Authorized Improvements to be

funded by the Assessment Revenues on deposit in the applicable Improvement Area Operating Account were constructed in accordance with the plans therefor (for Completed Authorized Improvements only) and to verify the Actual Costs of Authorized Improvements specified in such Certification for Payment. The City agrees to conduct such review in an expeditious manner (not to exceed thirty (30) calendar days after receipt of the Certification for Payment) after the Certification for Payment is submitted to the City Construction Representative and the Owner agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. Upon confirmation by the City that Authorized Improvements to be funded by the Assessment Revenues on deposit in the applicable Improvement Area Operating Account have been constructed in accordance with the plans therefor and this Agreement (for Completed Authorized Improvements only), and the verification and approval of the Actual Costs of those Authorized Improvements, the City shall within ten (10) business days thereafter accept those Authorized Improvements not previously accepted by the City and the City Construction Representative shall sign the Certification for Payment and forward the same to the City Manager. The City Manager shall then have up to ten (10) business days to reimburse the Owner.

- (c) (1) With respect to Future Improvement Areas, the City and Owner may enter into Acquisition and Reimbursement Agreement(s), which will provide that any Assessment Revenues collected by the City, in connection with Authorized Improvements that only benefit such Future Improvement Area, will be used to reimburse the Owner for any Actual Costs attributable to such Authorized Improvements. The terms of an Acquisition and Reimbursement Agreement shall control over any conflicting terms in this Section 4.02.
- (2) Pursuant to the terms of the applicable Acquisition and Reimbursement Agreement, Owner shall convey, and the City or Owner's Association, as applicable, shall acquire, the given Authorized Improvement or Segment thereof, after such Authorized Improvement is completed and has been accepted by the City or Owner's Association, as applicable.
- (d) The Owner shall be entitled to receive any unpaid amounts under a Certification for Payment approved under subsection (b) above (the "Reimbursement Obligation Balance"), plus simple interest on the Reimbursement Obligation Balance at the rate provided for (i) in the applicable Acquisition and Reimbursement Agreement for a Future Improvement Area, or (ii) at an interest rate for Improvement Area #1 and the Major Improvement Area equal to ____% [TO BE FILLED IN AT THE TIME OF LEVY], which shall accrue from the date the Reimbursement Obligation Balance is due and payable, which shall be the date the Certification for Payment is approved; provided, however, that the interest rate under this subsection (c) shall not exceed the maximum amount permissible under the PID Act; and provided further, however, this subsection shall only apply prior to issuance of PID Bonds that are issued to finance the applicable Authorized Improvements at which time the interest rate shall be the same rate as the PID Bonds.
- (e) In addition to the submitted items required in 4.02(b) above, in order to obtain the final progress payment for an Authorized Improvement funded by the Assessment Revenues pursuant to this Section 4.02, the Owner shall have provided to the City an assignment of the

warranties and guaranties, if applicable, and a two-year maintenance bond for such Authorized Improvement.

Section 4.03. Payments for Authorized Improvements Upon the Issuance of PID Bonds

- (a) Upon receipt of a Bond Issuance Request, the City will consider the issuance of the PID Bonds, subject to meeting the requirements and conditions stated in the Development Agreement, Section 5.01 hereof, and State law, to reimburse the Owner for Actual Costs of those Authorized Improvements that are complete at the time of bond issue and to be completed by progress payments. The City will use diligent, reasonable and good faith efforts, subject to meeting the requirements and conditions stated herein and State law, to issue PID Bonds within four (4) to six (6) months after receiving a Bond Issuance Request from Owner.
- (b) Once PID Bonds are issued pursuant to Article V hereof, the City shall bill, collect, and deposit into the Pledged Revenue Fund all Assessment Revenues constituting "pledged revenues" as defined in the Indenture. The City shall also deposit the proceeds of the PID Bonds and any other funds authorized by the applicable Indenture into the Project Fund. Funds in the Project Fund shall only be used to pay Actual Costs of the Authorized Improvements in accordance with the Indenture. When PID Bonds are issued, the proceeds of the PID Bonds shall be used to pay or reimburse the Owner for Actual Costs incurred in constructing the Authorized Improvements that are or will be dedicated and transferred to and accepted by the City. The Owner is responsible for Actual Costs of Authorized Improvements not paid from proceeds of the PID Bonds or from the Pledged Revenue Fund, and any cost overruns (after applying cost savings). The lack of proceeds of the PID Bonds or the availability of other funds in the Pledged Revenue Fund or the Project Fund shall not diminish the obligation of the Owner to pay the Actual Costs of the Authorized Improvements.
- (c) At least thirty (30) calendar days prior to the time of the closing of the PID Bonds, Owner may submit a Closing Disbursement Request (including any supporting documentation requested by the City) substantially in the form attached hereto in <a href="Exhibit" "D" executed by the Construction Manager and the Project Engineer to the City Construction Representative to be reimbursed for those Owner Expended Funds accrued to date of such Closing Disbursement Request and not previously reimbursed. The City shall conduct a review to verify the Owner Expended Funds specified in such Closing Disbursement Request. Prior to disbursement of proceeds, City Construction Representative will sign the Closing Disbursement Request and deliver said Closing Disbursement Request to the Trustee. At the closing of the PID Bonds, Owner shall be reimbursed an amount equal to the applicable Owner Expended Funds.
- (d) Any Authorized Improvements that have not been completed by Owner by the time the PID Bonds are issued, will be payable periodically as construction progresses. The procedures for such progress payments are contained in this Section 4.03 and the Indenture. Such payments shall be made by Trustee no more frequently than monthly and promptly after Trustee's receipt of the completed Certification for Payment from the City Construction Representative. If the City disapproves any Certification for Payment, the City shall provide a written explanation of the reasons for such disapproval so that if the Certification for Payment is revised in accordance with

City's comments, the Certification for Payment can be approved. Notwithstanding anything to the contrary contained herein, if there are not enough funds in the segregated account to fund the remaining design and construction Actual Costs of a particular Authorized Improvement after taking into consideration any contingencies, the City Construction Representative shall not be obligated to authorize payments of a Certification for Payment for that Authorized Improvement until such time as Owner provides evidence satisfactory to the City Construction Representative that Owner has or will provide funds in an amount sufficient to fully fund the remaining design and construction Actual Costs of that Authorized Improvement. Furthermore, notwithstanding anything contained herein to the contrary, in the event a subcontractor supplying labor or materials for the Authorized Improvements claims that the subcontractor has not been paid for such labor or materials, the City Construction Representative shall not be obligated to authorize payment of a Certification for Payment until such claim is resolved.

- (e) The general process for funding of Authorized Improvements from funds on deposit in the Project Fund is as follows:
- (1) the Owner shall deliver to the City Construction Representative and the City Engineer the following:
 - (A) a Certification for Payment substantially in the form attached hereto as <u>Exhibit "C"</u> executed by the Construction Manager and the Project Engineer evidencing the Actual Costs:
 - (B) evidence of the acceptance by the City of those Authorized Improvements to be funded (for Completed Authorized Improvements only);
 - (C) waivers of liens for the work on the applicable Authorized Improvements through the previous Certification for Payment, receipts for payment and verification in form acceptable that any subcontractors have been paid; and
 - (D) an assignment of the warranties and guaranties in form reasonably acceptable to the City.
- After the Certification for Payment is submitted to the City Construction Representative, the City shall conduct a review to confirm those Authorized Improvements to be funded by proceeds of the PID Bonds were constructed in accordance with the plans therefor (for Completed Authorized Improvements only) and to verify the Actual Costs of Authorized Improvements specified in such Certification for Payment. The City agrees to conduct such review in an expeditious manner (not to exceed thirty (30) calendar days) after the Certification for Payment is submitted to the City and the Owner agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. Upon confirmation by the City that Authorized Improvements to be funded by the PID Bonds have been constructed in accordance with the plans therefor and this Agreement (for Completed Authorized Improvements only), and verification and approval of the Actual Costs of those Authorized Improvements, the City shall within five (5) calendar days thereafter accept those Authorized Improvements not previously accepted by the City and the City Construction Representative shall sign the Certification for Payment and forward the same to the City Manager. The City Manager shall then have up to ten (10) business days to forward the executed Certification for Payment to the Trustee for payment.

(f) In addition to the submitted items required in 4.03(e) above, in order to obtain the final progress payment for an Authorized Improvement funded by the PID Bonds pursuant to this Section 4.03, the Owner shall have provided to the City an assignment of the warranties and guaranties, if applicable, and a two-year maintenance bond for such Authorized Improvement.

Section 4.04. –Intentionally Deleted-

Section 4.05. Parity Bonds – Future Improvement Areas

- (a) Any Actual Costs for Authorized Improvements for a given Future Improvement Area not paid or reimbursed from the proceeds of the initial series of Future Improvement Area Bonds or the proceeds from an Acquisition and Reimbursement Agreement may be paid or reimbursed from the proceeds of Parity Bonds for that Future Improvement Area. It is contemplated that Parity Bonds may be issued after issuance of the initial series of PID Bonds for a Future Improvement Area.
- (b) The purpose of a Parity Bond issuance for a Future Improvement Area would be to fund the Actual Costs of Future Improvement Area Improvements that were completed at the time the initial Future Improvement Area Bonds secured by Assessments levied on such Future Improvement Area were issued but that were not fully reimbursed by said initial Future Improvement Area Bonds or any applicable Acquisition and Reimbursement Agreement.
- on a specific Future Improvement Area. If the Parity Bonds secured by Assessments levied on a specific Future Improvement Area are sufficient to fully reimburse Owner for the unreimbursed Actual Costs for that Future Improvement Area, then Owner's right to receive any portion of the Assessments under an Acquisition and Reimbursement Agreement or otherwise for such purposes shall automatically terminate. However, if the net proceeds of Parity Bonds are not sufficient to reimburse Owner for the unreimbursed Actual Costs eligible to be paid from Assessments for a given Future Improvement Area, or if the amount to be funded by such Parity Bonds is insufficient to justify issuance in the City's reasonable discretion, then Owner shall continue to receive the Assessments for that Future Improvement Area to the extent under an Acquisition and Reimbursement Agreement or otherwise, and only to the extent, those funds remain available therefor after debt service is paid on the applicable PID Bonds until the date the Owner is fully repaid for the unreimbursed Actual Costs eligible to be paid from Assessments.

ARTICLE V. PID BONDS

Section 5.01. Issuance of PID Bonds

(a) Subject to the terms and conditions set forth in this Section V, the City intends to pay for the Authorized Improvements by issuing PID Bonds in one or more series. The City agrees to use diligent, reasonable and good faith efforts, subject to meeting the requirements and conditions stated herein and State law, to issue, within four to six months after receiving from

Owner a Bond Issuance Request, the applicable PID Bonds, provided that Owner can reasonably demonstrate to the City and its financial advisors (i) that there is sufficient security for such PID Bonds, based upon the bond market conditions existing at the time of such proposed sale, (ii) that the Owner is current on all taxes, assessments, fees and obligations to the City, and (iii) by delivery to the City a certification or other evidence from an independent appraiser acceptable to the City confirming that the special benefits conferred on the properties being assessed for the Authorized Improvements increase the value of the Property.

- (b) The aggregate principal amount of PID Bonds required to be issued hereunder shall not exceed an amount sufficient to fund: (i) the Actual Costs of the Authorized Improvements, (ii) required reserves and capitalized interest of not more than 12 months after the completion of construction of the applicable Authorized 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 (iii) Bond Issuance Costs. 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.
- (c) The final maturity for each series of PID Bonds shall occur no later than 20 years from the issuance of said PID Bonds.
- (d) The City shall not levy Assessments on any given portion of the Property if that levy 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. Assessments on any given portion of the Property may be adjusted by the City in connection with subsequent PID Bond issues, as long as the Maximum Equivalent Tax Rate, as described in the foregoing sentence, is not exceeded, and the Assessments are determined in accordance with the Service and Assessment Plan. Assessments on any portion of the Property shall bear a direct proportionate relationship to the special benefit of the Authorized Improvements to that portion of the Property. Notwithstanding anything seemingly to the contrary herein, in the event of any conflict between this Agreement and the Service and Assessment Plan with respect to the calculation of the Maximum Assessment, the Service and Assessment Plan shall control.
- (e) The minimum appraised value to lien ratio at the issuance date of each series of PID Bonds shall be 3 to 1.
- (f) In addition to any other requirements of this Agreement, including but not limited to City Council approval, PID Bonds are not required to be issued under this Article V unless (i) the statutory requirements set forth in Chapter 372 of the Texas Local Government Code have been satisfied; (ii) the City receives at the time of issuance of such PID Bonds an opinion of counsel selected by the City stating in effect that the PID Bonds are legal and valid obligations under State law and that all preconditions to their issuance under State law have been satisfied; and (iii) the Attorney General has issued an opinion approving issuance of the bonds as required by the PID Act.
 - (g) The City will deliver a certificate relating to any PID Bonds authorized by the City

Council (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the "Tax Certificate") containing covenants and agreements designed to satisfy the requirements of Sections 103 and 141 through 150, inclusive, of the Tax Code and the income tax regulations issued thereunder relating to the use of the proceeds of the PID Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of Section 148 of the Tax Code (collectively, "Bond Proceeds").

- (h) If the Owner is requesting Parity Bonds for a Future Improvement Area, the Owner must demonstrate that any applicable additional bonds test can be satisfied.
 - (i) The foregoing requirements apply to each series of PID Bonds issued.

Section 5.02. Project Fund

The City hereby covenants and agrees that when PID Bonds are issued, the Indenture will establish a Project Fund as a separate fund to be held by the Trustee under the Indenture. The portion of the proceeds of the PID Bonds issued to pay Actual Costs of Authorized Improvements and Bond Issuance Costs shall be deposited upon issuance into separate accounts within the Project Fund.

Section 5.03. Denomination, Maturity, Interest, and Security for Bonds

- (a) Each series of PID Bonds is subject to authorization by the City Council. If authorized, the PID Bonds shall be issued in the denominations, shall mature and be prepaid, shall bear interest, and shall be secured by and payable solely from the PID Bond Security, all to be as described and provided in the PID Bond Ordinance or Indenture, as applicable.
- (b) The final and adopted versions of each PID Bond Ordinance and Indenture (and all documents incorporated or approved therein) shall contain provisions relating to the withdrawal, application, and uses of the proceeds of the PID Bonds when and as issued and delivered and otherwise contain such terms and provisions as are mutually approved by the City and the Owner.

Section 5.04. Sale of PID Bonds

The PID Bonds, when issued by the City, shall be marketed and sold through a negotiated, competitive, or privately placed sale to an approved third party or parties with the cooperation and assistance of the Owner in all respects with respect to the preparation of marketing documents, such as preliminary and final official statements or in such other marketing and/or sales method mutually agreed upon by the City and the Owner.

Section 5.05. Phased Issuance of Debt

As previously stated, the proposed bond issuance program is anticipated to entail a minimum of one bond financing that will finance the Authorized Improvements required for the development of the Project.

Section 5.06 Special Obligations

THE PID BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY SECURED SOLELY BY PLEDGED REVENUES (AS DEFINED IN THE INDENTURE) AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE PID BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT SECURED EXCEPT AS PROVIDED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF THE BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES. NONE OF THE CITY OR ANY OF ITS ELECTED OR APPOINTED OFFICIALS OR ANY OF ITS OFFICERS, EMPLOYEES, CONSULTANTS OR REPRESENTATIVES SHALL INCUR ANY LIABILITY HEREUNDER TO THE OWNER OR ANY OTHER PARTY IN THEIR INDIVIDUAL CAPACITIES BY REASON OF THIS AGREEMENT OR THEIR ACTS OR OMISSIONS UNDER THIS AGREEMENT.

ARTICLE VI. REPRESENTATIONS, WARRANTIES, AND INDEMNIFICATION

Section 6.01. Representations and Warranties of City

The City makes the following covenant, representation and warranty for the benefit of the Owner:

The City is a political subdivision of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State, and has full legal right, power and authority under the PID Act and other applicable law (i) to enter into, execute and deliver this Agreement, (ii) to adopt the Assessment Ordinance, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

Section 6.02. Covenants, Representation, and Warranties of Owner

The Owner makes the following representations, warranties and covenants for the benefit of the City:

- (a) Owner represents and warrants that it is a limited partnership duly organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, has the authority to conduct business in Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.
- (b) The Owner represents and warrants that the Owner has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Owner.

- (c) The Owner represents and warrants that this Agreement is valid and enforceable obligation of the Owner and is enforceable against the Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.
- (d) The Owner covenants that once it commences construction of a Segment it will use its reasonable and diligent efforts to do all things which may be lawfully required of it in order to cause such Segment of the Authorized Improvements to be completed in accordance with this Agreement.
- (e) The Owner represents and warrants that (i) it will not request payment from the City for the acquisition of any Authorized Improvements that are not part of the Project, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to Certifications for Payment.
- (f) For a period of two (2) years after the final Acceptance Date of each applicable Authorized Improvement, the Owner covenants to maintain proper books of record and account for the Authorized Improvements and all costs related thereto. The Owner covenants that such accounting books will be maintained in accordance with sound accounting practices, and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 72 hours' notice.
- (g) The Owner agrees to provide the information required pursuant to the Continuing Disclosure Agreement executed by the Owner in connection with the PID Bonds.
- (h) The Owner covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Owner further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the PID Bonds and will be, to the best of the knowledge of the officers of the Owner providing such facts and estimates, true, correct and complete as of that date, and (ii) the Owner will make reasonable inquires to ensure such truth, correctness and completeness. The Owner covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

Section 6.03. Intentionally Deleted.

Section 6.04 Indemnification and Hold Harmless by Owner

THE OWNER COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS CITY (AND THEIR ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS, AND REPRESENTATIVES), INDIVIDUALLY AND COLLECTIVELY, FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE BROUGHT BY ANY THIRD PARTY AND RELATING TO DEVELOPER'S ACTIONS ON THE PROJECT, INCLUDING BUT NOT LIMITED TO,

PERSONAL INJURY OR DEATH AND PROPERTY DAMAGE, MADE UPON CITY OR DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO OWNER OR OWNER'S TENANTS' NEGLIGENCE, WILLFUL MISCONDUCT OR CRIMINAL CONDUCT IN ITS ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY SUCH ACTS OR OMISSIONS OF OWNER OR OWNER'S TENANTS, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT OR SUBCONSULTANTS OF OWNER OR OWNERS TENANTS, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES WHILE IN THE EXERCISE OR PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS AGREEMENT, ALL WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY, UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE CITY AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. OWNER SHALL PROMPTLY ADVISE CITY IN WRITING OF ANY CLAIM OR DEMAND AGAINST CITY, RELATED TO OR ARISING OUT OF OWNER OR OWNER'S TENANTS' ACTIVITIES UNDER THIS AGREEMENT AND SHALL SEE OT THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT DEVELOPER'S COST TO THE EXTENT REQUIRED UNDER THE INDEMNITY IN THIS PARAGRAPH. CITY SHALL HAVE THE RIGHT, AT THEIR OPTION AND AT THEIR OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING DEVELOPER OF ANY OF ITS OBLIGATIONS UNDER THIS PARAGRAPH.

IT IS THE EXPRESS INTENT OF THIS SECTION THAT THE INDEMNITY PROVIDED TO THE CITY AND THE OWNER SHALL SURVIVE THE TERMINATION AND OR EXPIRATION OF THIS AGREEMENT AND SHALL BE BROADLY INTERPRETED AT ALL TIMES TO PROVIDE THE MAXIMUM INDEMNIFICATION OF THE CITY AND / OR THEIR OFFICERS, EMPLOYEES AND ELECTED OFFICIALS PERMITTED BY LAW.

ARTICLE VII. DEFAULT AND REMEDIES

- (a) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.
- (b) Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within 30 days of the receipt of such notice (or 5 days in the case of a monetary default), subject, however, in the case of nonmonetary default, to the terms and provisions of subparagraph (c) in this Article VII. Upon a breach of this Agreement, the non-defaulting Party in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained (and/or an action for mandamus as and if appropriate). Except as

otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Article VII or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other Party. Notwithstanding any provision contained herein to the contrary, the Owner shall not be required to construct any portion of the Authorized Improvements (or take any other action related to or in furtherance of same) while the City is in default under this Agreement.

Notwithstanding any provision in this Agreement to the contrary, if the (c) performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, widespread pestilence, fire or other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or tornadoes, labor action, strikes, changes in the law affecting the obligations of the Parties hereunder, or similar acts), the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing Force Majeure events shall deliver written notice of the commencement of any such delay resulting from such Force Majeure event not later than seven (7) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a "Force Majeure" event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Article.

ARTICLE VIII. GENERAL PROVISIONS

Section 8.01. Notices

Any notice, communication, or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent, and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to City: City of Kyle

Attn: City Manager 100 W. Center Street Kyle, Texas 78640

With a copy to: The Knight Law Firm, LLP

Attn: Paige Saenz/Veronica Rivera 223 West Anderson Lane, Suite A-105 Austin, Texas 78752

If to Owner: Lennar Homes of Texas Land and Construction, Ltd.

Attn: Chase Kohlhoff

12401 Research Blvd, Building 1 Ste. 300

Austin, Texas 78759

Email: Chase.Kohlhoff@Lennar.com

With a copy to: Metcalfe Wolff Stuart & Williams, LLP

Attn: Steve Metcalfe 221 W. 6th, Suite 1300 Austin, Texas 78701

Section 8.02. Fee Arrangement /Administration of District

- (a) The Owner agrees that it will pay all of the City's reasonable costs and expenses (including the City's third party advisors and consultants) related to the creation and administration of the District, as well as costs and expenses relating to the development and review of the Service and Assessment Plan (including legal fees and financial advisory fees) ("City PID Costs"). Prior to closing of the applicable PID Bonds, the City shall (i) submit to the Owner and the Trustee invoices and other supporting documentation evidencing the City PID Costs and (ii) direct the Trustee to pay these fees, as applicable, to the City or on behalf of the City from proceeds of the applicable PID Bonds. In addition to any City PID Costs pursuant to the preceding sentences, all fees of legal counsel related to the issuance of the applicable PID Bonds, including fees for the review of the District creation and District administration documentation, the preparation of customary bond documents and the obtaining of Attorney General approval for the applicable PID Bonds incurred by the Owner or otherwise, will be paid at closing from proceeds of the applicable PID Bonds.
- (b) The City has entered into a separate agreement with the Administrator to administer the District after closing. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts set forth in the Service and Assessment Plan.
- (c) It is hereby acknowledged and agreed that fees for the City's Bond Counsel, Trustee, Trustee's Counsel, Financial Advisor, the Underwriter, and Underwriter's Counsel will be paid at the time of closing of the PID Bonds.

Section 8.03. Assignment

(a) Owner may, in its sole and absolute discretion, transfer or assign its rights or obligations under this Agreement with respect to all or part of the Project from time to time to an Affiliate without the consent of the City. Prior to the issuance of the initial PID Bonds, however, Owner shall not transfer or assign its rights or obligations under this Agreement with respect to all or part of the Project to a non-affiliated entity without the prior consent of the City, not to be unreasonably withheld conditioned or delayed. After the issuance of the initial PID Bonds, the Owner may transfer or assign its rights or obligations under this Agreement to any party without the City's consent. Owner shall provide the City thirty (30) days prior written notice of any such

assignment. Upon such assignment or partial assignment, Owner shall be fully released from any and all future obligations under this Agreement and shall have no liability for such obligations with respect to this Agreement for the part of the Project so assigned.

- (b) The City hereby acknowledges and agrees that Owner shall have the right to make a collateral assignment of any reimbursements and/or proceeds under this Agreement to any lender on the Project and the City shall execute any documentation reasonably requested by such lender evidencing such fact.
- (c) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a sale or assignment to a Designated Successor or Assign unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to a Designated Successor or Assign.
- (d) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a Transfer unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is deemed to be a Transfer.

Section 8.04. Construction of Certain Terms

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

- (a) Words importing a gender do not exclude any other gender.
- (b) Words importing the singular include the plural and vice versa.
- (c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.
- (d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.
- (e) A reference to any Party includes, with respect to Owner, its Designated Successors and Assigns, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually.
- (f) All references in this Agreement to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to "Exhibits" are to the designated Exhibits to this Agreement.
- (g) The words "herein," "hereof," "hereto," "hereby," "hereunder," and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.

- (h) The words "including" and "includes," and words of similar import, are deemed to be followed by the phrase "without limitation."
- (i) Unless the context otherwise requires, a reference to the "Property," the "Authorized Improvements," or the "District" is deemed to be followed by the phrase "or a portion thereof."
- (j) Every "request," "order," "demand," "direction," "application," "appointment," "notice," "statement," "certificate," "consent," "approval, " "waiver," "identification," or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.
- (k) The Parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Agreement.

Section 8.05. Table of Contents; Titles and Headings

The titles of the articles and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 8.06. Amendments

This Agreement may be amended, modified, revised or changed by written instrument executed by the Parties and approved by the City Council.

Section 8.07. Time

In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 8.08. Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

Section 8.09. Entire Agreement

This Agreement contains the entire agreement of the Parties.

Section 8.10. Severability; Waiver

If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected

and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 8.11. Owner as Independent Contractor

In performing under this Agreement, it is mutually understood that the Owner is acting as an independent contractor, and not an agent of the City.

Section 8.12. Supplemental Agreements

Other agreements and details concerning the obligations of the Parties under and with respect to this Agreement are/or will be included in the Service and Assessment Plan, the Assessment Ordinance, PID Bond Ordinance and/or Indenture. The Owner will provide any continuing disclosures required under the Indenture and will execute a separate agreement outlining Owner's continuing disclosure obligations, if required.

Section 8.13. City's Acceptance of Authorized Improvements

The City hereby agrees that it will not unreasonably withhold the final acceptance of any of the Authorized Improvements and will work with the Owner in good faith to expedite review and acceptance of such Authorized Improvements.

Section 8.14. Boycotts and Foreign Business Engagements

- (a) The Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Owner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.
- (b) The Owner represents that neither it nor any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Owner and any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Owner understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

Section 8.15. Verification Regarding Discrimination Against Firearm Entity or Trade Association

To the extent this Agreement constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, the Owner hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

- (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19). The Owner understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

Section 8.16. Verification Regarding Energy Company Boycotts

To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the Owner hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section

809.001, Texas Government Code. The Owner understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

Section 8.17. Form 1295

Section 2252.908 of the Texas Government Code requires that for certain types of contracts, you must fill out a conflict of interest form ("Disclosure of Interested Parties") at the time you submit your signed contract to the City. For further information please go to the Texas Ethics Commission website via the following link. https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm. The City acknowledges that Owner is not obligated to file a Disclosure of Interested Parties because Owner is publicly traded, and the City will not request any such filing from Owner.

Section 8.18. Exhibits

The following exhibits are attached to and incorporated into this Agreement for all purposes:

Exhibit A - Definitions

Exhibit B - Property Description

Exhibit B-1 - Improvement Area #1

Exhibit B-2 - Improvement Area #2

Exhibit B-3 - Improvement Area #3

Exhibit C - Forms of Certification for Payment

Exhibit D - Closing Disbursement Request

Exhibit E - Buyer Disclosure Program

Exhibit E-1 Notice of Obligation to Pay

CITY:

CITY OF KYLE, TEXAS

By:

Travis Mitchell
Mayor

Name:

OWNER:

Lennar Homes of Texas Land and Construction, Ltd.

a Texas limited partnership

By: Lennar Texas Holding

Company

a Texas corporation Its: General Partner

By:___

Title: AUTHORIZED

EXHIBIT "A" DEFINITIONS

Unless the context requires otherwise, and in addition to the terms defined above, each of the following terms and phrases used in this Agreement has the meaning ascribed thereto below:

"Acceptance Date" means, with respect to an Authorized Improvement or Segment, the date that the Actual Cost thereof is paid to the Owner pursuant to the terms hereof.

"Acquisition and Reimbursement Agreement" means (whether one or more) an agreement that provides for construction and dedication of an Authorized Improvement, or Segment thereof, to the City prior to the Owner being paid out of the proceeds of the respective PID Bonds, whereby all or a portion of the Actual Costs will be paid to Owner initially from Assessment Revenues (and ultimately from PID Bonds) to reimburse the Owner for Actual Costs paid by the Owner that are eligible to be paid with proceeds of a series of PID Bond. The form of Acquisition and Reimbursement Agreement shall be reasonably acceptable to both City and Owner.

"Actual Cost(s)" 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.

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

"Affiliate" means an entity which is controlled by, controls, or is under common control with Owner.

"Agreement" has the meaning given in the recitals to this Agreement.

"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 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" shall have the meaning given in the Service and Assessment Plan.
- "Assessed Property" shall have the meaning given in the recitals to this Agreement.
- "Assessment(s)" shall have the meaning given in the recitals to this Agreement.
- "Assessment Ordinance" means each ordinance, resolution or order adopted by the City Council levying the Assessments on the Property, as required by Article II of this Agreement.
- "Assessment Revenues" means money collected by or on behalf of the City from any one or more of the following: (i) an Assessment levied against an assessed parcel, or Annual Installment payment thereof, including any interest on such Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs (as defined in the applicable Indenture), and (iv) Foreclosure Proceeds (as defined in the applicable Indenture).
 - "Attorney General" means the Texas Attorney General's Office.
- "Authorized Improvements" means the improvements authorized by Section 372.003 of the PID Act, as further described in the Service and Assessment Plan.
 - "Bond Counsel" means Bickerstaff Heath Delgado Acosta LLP.
- "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.
- "Bond Issuance Request" means written request made by Owner to the City in good faith as evidenced by Owner's expenditure of necessary amounts for market studies, financial analysis, legal counsel, and other professional services and due diligence necessary to support the request.
 - "Bond Proceeds" shall have the meaning given to them in Section 5.01(g) hereof.
- "Buyer Disclosure Program" means the disclosure program, administered by the Administrator as set forth in a document in substantially the same form as Exhibit "E" attached

hereto, that establishes a mechanism to disclose to each End User the terms and conditions under which their lot is burdened by the District.

- "Certification for Payment" means the certificate (whether one or more) in substantially the same form as Exhibit "C" attached hereto.
 - "City" means the City of Kyle, Texas.
- "City Construction Representative" means the City Engineer or such other person selected by the City to oversee the construction of the Authorized Improvements on behalf of the City.
 - "City Council" means the City Council of the City of Kyle, Texas.
 - "City Manager" means the City Manager of the City of Kyle, Texas.
 - "City PID Costs" shall have the meaning given in Section 8.02(a) of this Agreement.
- "Closing Disbursement Request" means the request (whether one or more) in substantially the same form as Exhibit "D" attached hereto.
- "Completed Authorized Improvements" means any Authorized Improvement that has been 100% completed, dedicated and conveyed by the Owner and accepted by the City.
- "Construction Manager" means initially the Owner, and thereafter subject to change in accordance with Article III of this Agreement. The City acknowledges and agrees that (i) the Owner may subcontract out the duties of Construction Manager to a third party and (ii) Owner's hiring of an initial subcontractor to serve as the Construction Manager shall not be deemed a change in the Construction Manager pursuant to the terms and conditions of Article III of this Agreement.
- "Construction Management Fee" means 4% of the costs incurred by or on behalf of Owner for the construction of each Segment. The Construction Management Fee is part of the Actual Costs.
- "Continuing Disclosure Agreement" shall mean any continuing disclosure agreement entered into by the Owner and a dissemination agent relating to the sale of the PID Bonds.
 - "County" means Hays County, Texas.
- "**Debt**" means any bond, note, or other evidence of indebtedness incurred, entered into, or issued by the City related exclusively to the District.
- "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 Service and Assessment Plan, including costs and expenses to foreclose liens.

- "Designated Successors and Assigns" shall mean (i) an entity to which Owner assigns (in writing) its rights and obligations contained in this Agreement pursuant to Section 8.03 related to all or a portion of the Property, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Owner's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Owner.
 - "Development Agreement" has the meaning given in the recitals of this Agreement.
 - "District" has the meaning given in the recitals to this Agreement.
 - "End User" means any tenant, user, or owner of a fully developed and improved lot.
 - "Effective Date" has the meaning given in the recitals to this Agreement.
- "Force Majeure" shall mean delays due to strikes, acts of God, inability to obtain labor or materials, litigation, enemy action, pandemic, civil commotion, fire, rain or windstorm, governmental action or inaction, or similar causes, provided such similar causes are beyond the reasonable control of the party whose obligations are affected by such acts.
 - "Future Improvement Area" means Improvement Area #2 and Improvement Area #3.
- "Future Improvement Area Bonds" means one or more series of PID Bonds issued for the Future Improvement Areas.
- "Future Improvement Area Improvements" means the Authorized Improvements allocable to a given Future Improvement Area.
 - "Improvement Area" has the meaning given in Section 2.01(b) of this Agreement.
- "Improvement Area Operating Account" shall mean a designated account separate from the City's other accounts for the purposes of collection of Assessments prior to issuance of PID Bonds.
- "Improvement Area #1" means the portion of the Property designated as such and depicted on Exhibit "B-1" attached hereto.
- "Improvement Area #1 Bonds" has the meaning given in Section 2.01(b) of this Agreement.
- "Improvement Area #1 Improvements" means the Authorized Improvements that benefit Improvement Area #1.
- "Improvement Area #1 Projects" has the meaning given in Section 2.01(b) of this Agreement.
- "Improvement Area #2" means the portion of the Property designated as such and depicted on Exhibit "B-2" attached hereto.

- "Improvement Area #3" means the portion of the Property designated as such and depicted on Exhibit "B-3" attached hereto.
- "Indenture" means the applicable Indenture of Trust between the City and a trustee relating to the issuance of a series of PID Bonds for financing costs of Authorized Improvements, as it may be amended from time to time.
- "Interest" shall mean the interest rate charged for the PID Bonds or such other interest rate as may be required by applicable law.
 - "Landowner" shall mean the owner(s) of the Property.
- "Lot" means (i) for any portion of the Property 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 (ii) for any portion of the Property 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.
- "Major Improvement Area" means the portion of the Property designated as such and depicted on Exhibits "B-2" and "B-3" attached hereto.
- "Major Improvements" means the Authorized Improvements that benefit the entire District.
- "Major Improvement Area PID Bonds" has the meaning given in Section 2.01(b) of this Agreement.
- "Major Improvement Area Projects" has the meaning given in Section 2.01(b) of this Agreement.
- "Maximum Assessment" shall have the meaning given in the Service and Assessment Plan.
- "Maximum Equivalent Tax Rate" means, for each lot classification identified in the Service and Assessment Plan, \$0.44 per \$100 of estimated buildout value. The estimated buildout value for a lot classification 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, information provided by the Owner, or any other information that may help determine buildout value.
 - "Owner" has the meaning given in the recitals to this Agreement.
- "Owner's Association" means a homeowner's association or property owner's association.
- "Owner Expended Funds" means the funds expended by the Owner to date to pay Actual Costs of the Authorized Improvements that have not been previously reimbursed by the City.

- **"Party"** means the Owner or the City, as parties to this Agreement, and "Parties" means collectively, the Owner and the City.
- **"Parity Bonds"** means any PID Bonds issued subsequent to Future Improvement Area Bonds and secured on a parity basis therewith.
 - "PID Act" means Chapter 372, Local Government Code.
- "PID Bonds" means the special assessment revenue bonds to be issued by the City, in one or more series, to finance the Authorized Improvements that confer special benefit on the land within the District, which may include funds for any required reserves and amounts necessary to pay the Bond Issuance Costs, and to be secured by the revenues and funds pledged under an Indenture, consisting primarily of the Assessments, pursuant to the authority granted in the PID Act, and as described by this Agreement for the purposes of (i) financing the costs of Authorized Improvements and related costs and (ii) reimbursing the Owner for Actual Costs paid prior to the issuance of the PID Bonds. This term is used to collectively refer to the Major Improvement Area PID Bonds, the Improvement Area #1 PID Bonds, any Future Improvement Area Bonds and any Parity Bonds throughout this Agreement.
- "PID Bond Ordinance" means and refers to the order(s) or ordinances of the City Council that will authorize and approve the issuance and sale of the PID Bonds and provide for their security and payment, either under the terms of the bond order or a trust indenture related to the PID Bonds.
- **"PID Bond Security"** means the funds that are to be pledged in or pursuant to the PID Bond Ordinance or the Indenture to the payment of the debt service requirements on the PID Bonds, consisting of the Assessments, including earnings and income derived from the investment or deposit of Assessments in the special funds or accounts created and established for the payment and security of the PID Bonds, unless such earnings are required to be deposited into a rebate fund for payment to the federal government.
- "Pledged Revenue Fund" means the separate and unique fund established by the City under such name pursuant to the Indenture wherein the Assessment Revenues are deposited.
- "Prepayment" means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment that 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 Assessment.
 - "Project" has the meaning given in the recitals to this Agreement.
- "Project Engineer" means the civil engineer or firm of civil engineers selected by the Owner to perform the duties set forth herein, which is currently ______. Owner reserves the right to replace the Project Engineer at any time in Owner's sole discretion.
- "**Project Fund**" means the separate and unique fund established by the City under such name pursuant to the Indenture as described in Section 5.02 hereof.

- "Property" has the meaning given in the recitals to this Agreement.
- "PUD" has the meaning given in the recitals to this Agreement.
- "Regulatory Requirements" means the requirements and provisions of the City over the Authorized Improvements, as adjusted by the PUD and Development Agreement.
- "Reimbursement Obligation Balance" has the meaning given in Section 4.02(c) of this Agreement.
 - "SAP Consultant" means Development Planning & Financing Group, Inc.
- "Segment" or "Segments" means the discrete portions of the Authorized Improvements identified as such.
- "Service and Assessment Plan" means the Plum Creek North Public Improvement District Service and Assessment Plan, to be initially adopted by the City Council in the initial Assessment Ordinance for the purpose of assessing allocated costs against property located within the boundaries of the District having terms, provisions and findings approved and agreed to by the Owner, as required by Article II of this Agreement.
 - "State" means the State of Texas.
 - "Tax Certificate" shall have the meaning given in Section 5.01(g)) hereof.
- "**Tax Code**" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.
 - "Transfer" shall have the meaning given in Section 2.05 hereof.
 - "Transferee" shall have the meaning given in Section 2.05 hereof.
- "Trustee" means the trustee under the Indenture, and any successor thereto permitted under such Indenture and any other Trustee under a future Indenture.
 - "Underwriter" means FMSbonds, Inc., or its successor.

Exhibit "B"

PROPERTY DESCRIPTION FOR PROJECT

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FIELD NOTES DESCRIPTION

DESCRIPTION OF 329.46 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 329.46 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 1.471 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:

- 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 erc 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:

- 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° 48' 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,
- 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
- 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

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for a point of tangency in the east line of sald 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:

- 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,
- 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,
- 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.
- 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,
- 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,
- wilh 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,
- 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.
- 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 fron rod found at a reentrant 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-Lehlgh 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-Lehlgh 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-Lehlgh 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 616.32 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

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1871, Page 236, Official Public Records of Hays County, Texas bears N 88° 09' 34" E, a distance of 500.07 feet, and from sald 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 teaving 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 eleven (11) courses and distances:

- 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,
- 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,
- 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.
- S 82° 22' 26" W, a distance of 1011.23 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for an angle point,
- S 73° 20′ 14" W, a distance of 713.33 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for a re-entrant corner,
- 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,
- 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,
- 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,
- 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,
- 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
- 11. S 00° 29' 00° E, a distance of 715.18 feet to a 1/2-inch fron 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 fine 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:

 S 87° 19' 58" W, a distance of 283,45 feet to a 1/2-inch iron rod with a plastic cap stamped "LAt" previously set for an angle point,

Bowman Consulting | 3101 Bee Cave Road, Sulte 100 | Austin, TX 78746 | P: 512.327 1180 TBPE Firm No. 14309 | TBPLS Firm No. 101206-00

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- 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,
- 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,
- 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 329.46 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, South Central Zone, NAD83, Grid.

BOWMAN WORD FILE: FN1626R2(en)

H:\Survey_FieldNotes\FN-1600s\FN1626R2(en).doc

THE STATE OF TEXAS

S

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 A.D. OF

Bowman Consulting Group, Ltd

Austin, Texas 78746

John of manhary

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

51.48-Ac. M.M. McCarver Sur. No. 4, A-10, Hays County, Texas

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 883.99 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 199, 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 983.99 acre tract and for the west corner of a certain tract of land described in a deed to Texas-Lehigh Ceiment Company of record in Volume 809, Page 843, Real Property Records of Hays County, Toxas, from which a 1/2-inch iron rod found bears N 88*07*40* E, a distance of 0.90 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 983.99 acre tract and a south line of the said Texas-Lehigh Coment Company tract, a distance of 551.74 feet to a 1/2-inch iron rad with a plastic cap stamped "BCG" set for the northwest corner and POINT OF BEGINNING of the tract described herein;

THENCE N 86*07'40" E, continuing with 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, 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 northesty 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, for the northeast corner of the tract described herein;

THENCE S 01*46'28" E, with the cost line of the said 983.99 acre tract and the west line of the said Texas-Lehigh Cernant Company tract, with the east line of the tract described herein, a distance of 669.97 feet to a 1/2-inch inch rot of found at a re-entrant corner in the east line of the said 983.99 acre tract being the southwest corner of the said Texas-Lehigh Cernant 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. 1628, being a certain called 28.91 acre tract described in a deed to the City of Kyle, Texas, of record in Volume 1871, Page 238, Official Public Records of Hays County, Texas bears N 88'09'34" E, a distance of 1016.39 foet, 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 983,99 acre tract, with the east, south, and west lines of the tract described herein, the following five (5) courses and distances:

- S 01*48'26" E, a distance of 822,01 feet to a 1/2-inch iron rod with a plastic cap stamped "BCG" set for the southeast corner of the tract described herein,
- S 88*07/40" W, a distance of 1618,63 feet to a 1/2-Inch from rod with a plastic cap stamped "BCG" set for the southwest corner of the tract described herein.
- 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,
- With the arc of a curve to the right, having a radius of 696.92 feet, an arc distance of 209.41 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
- N 41*39'39" E, a distance of 685.35 feet to the POINT OF BEGINNING and containing 51.48 acres
 of land, more or less.

Bowman Consulting | 3101 Bee Cave Road, Sulle 100 | Austin, TX 78746 | P; 512,327.1180 TBPE Firm No. 14308 | TBPLS Firm No. 101206-00

51,48-Ao. M.M. McCerver Sur, No. 4, A-10, Hays County, Texas

Job No. 6549-01-001 FN1627(en) Page 2 of 2

BEARING BASIS: Texas Coordinate System, South Central Zone, NAD83, Grid.

מש מש מש

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF TRAVIS

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 better 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 4 day of July 2014 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 "B-1" IMPROVEMENT AREA #1

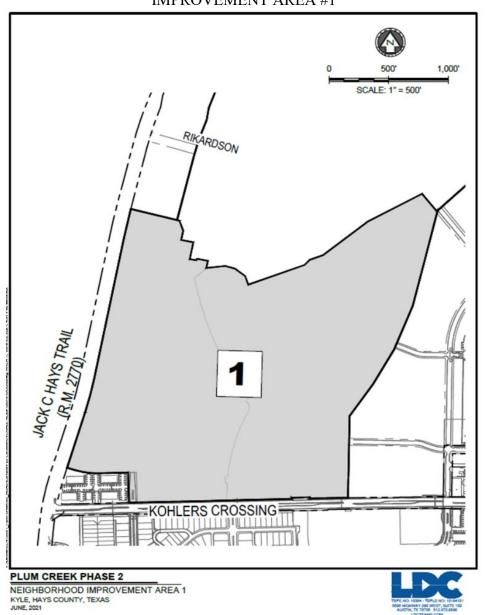


Exhibit "B-2"

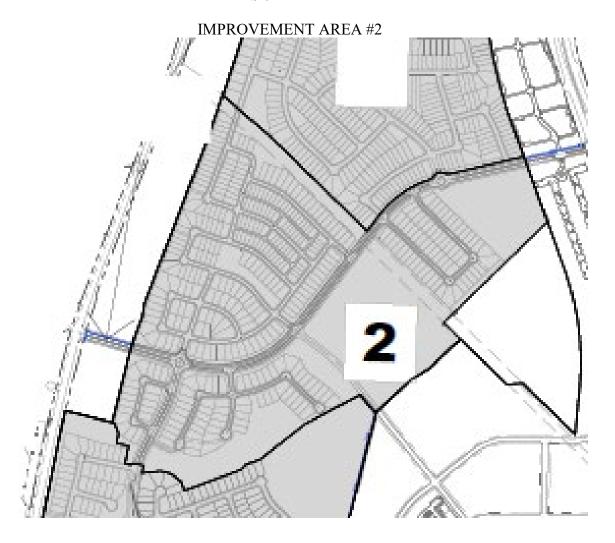


Exhibit "B-3"

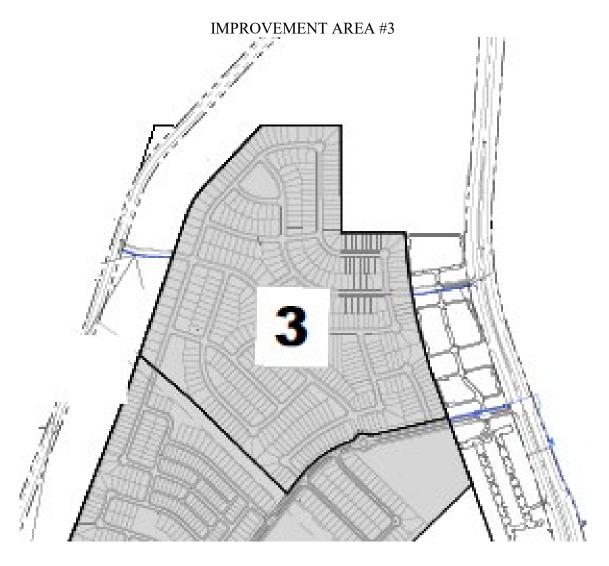


Exhibit "C"

FORM OF CERTIFICATION FOR PAYMENT [IMPROVEMENT AREA #____][MAJOR IMPROVEMENT AREA] (Design – Plum Creek North)

("C	Construction N	Manager")
hereby requests payment for the percentage of design costs complet	ed (the "Desig	gn Costs")
described in Attachment A attached hereto. Capitalized undefined terms	s shall have the	meanings
ascribed thereto in the Plum Creek North Public Improvement	District Finan	ncing and
Reimbursement Agreement between Lennar Homes of Texas Land and C	onstruction, Ltd	d., a Texas
limited partnership, and the City of Kyle (the "City"), dated as of	(the	e "Finance
Agreement"). In connection with this Certification for Payment, the u	ndersigned, in	his or her
capacity as the of Construction Manager, to his or her know	vledge, hereby	represents
and warrants to the City as follows:		

- 1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.
- 2. The design work described in <u>Attachment A</u> has been completed in the percentages stated therein.
- 3. The true and correct Design Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.
- 4. Attached hereto as <u>Attachment B</u> is a true and correct copy of a bills-paid affidavit evidencing that any contractor or subcontractor having performed design work described in <u>Attachment A</u> has been paid in full for all work completed through the previous Certification for Payment.
- 5. Attached hereto as <u>Attachment C</u> are invoices, receipts, worksheets, and other evidence of costs which are in sufficient detail to allow the City to verify the Design Costs for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO

FORM OF CERTIFICATION FOR PAYMENT

Date :	[Construction Manager Signature Block to be
	added]

APPROVAL BY THE CITY

The Design described in Attachment A has been reviewed, verified, and approved by the	ıe
City Construction Representative. Payment of the Design Costs is hereby approved.	

Date:	CITY OF KYLE, TEXAS
	By:

ATTACHMENT A TO CERTIFICATION OF PAYMENT (DESIGN)

ATTACHMENT B TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – bills paid affidavit]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – receipts]

FORM OF CERTIFICATION FOR PAYMENT [IMPROVEMENT AREA #____][MAJOR IMPROVEMENT AREA] (Construction – Plum Creek North)

("Construction Manager")		
hereby requests payment of the Actual Cost of the work described in Attachment A attached hereto		
(the "Draw Actual Costs"). Capitalized undefined terms shall have the meanings ascribed thereto		
in the Plum Creek North Public Improvement District Financing and Reimbursement Agreement		
between Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, and		
the City of Kyle (the "City") dated as of In connection with this Certification		
for Payment, the undersigned, in his or her capacity as the of Construction		
Manager, to his or her knowledge, hereby represents and warrants to the City as follows:		
1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.		
2. The true and correct Draw Actual Costs for which payment is requested is set forth		
in Attachment A and payment for such requested amounts and purposes has not been subject to		
any previously submitted request for payment.		
3. Attached hereto as <u>Attachment B</u> is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work on a Segment described in Attachment A has been paid in full for all work completed through the previous Certification		

4. Attached hereto as <u>Attachment C</u> are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Draw Actual Costs of each Segment for which payment is requested.

for Payment.

[Signature Page Follows]

SIGNATURE PAGE TO FORM OF CERTIFICATION FOR PAYMENT

Date :	[Construction Manager Signature Block to
	Be inserted]

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for P certifying that the representations made by Construction Mana and correct in all material respects.	
and correct in an material respects.	
<u> </u>	
P	roject Engineer

APPROVAL BY THE CITY

The Draw Actual Costs of each Segment described in Attachment A has been reviewed,
verified and approved by the City Construction Representative of the City. Payment of the Draw
Actual Costs of each such Segment is hereby approved.

Date:	
	CITY OF KYLE, TEXAS
	By:

ATTACHMENT A TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

ATTACHMENT B TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[bills paid affidavit – attached]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[receipts – attached]

Exhibit "D"

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is a lawfully authorized representative for Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, (the "Owner") and requests payment from the [] Costs of Issuance Account of the Project Fund (as defined in the Plum Creek North Public
Improvement District Financing Agreement between Owner and the City of Kyle, Texas (the "City")) from (the "Trustee") in the amount of
"City")) from (the " <u>Trustee</u> ") in the amount of (s) to be transferred from the
Costs of Issuance Account of the Project Fund] upon the delivery of the [Bonds] for costs incurred in the establishment, administration, and operation of the Plum Creek North Public Improvement District (the "District"), as follows.
In connection to the above referenced payment, the Owner represents and warrants to the City as follows:
1. The undersigned is a duly authorized officer of the Owner, is qualified to execute this Closing Disbursement Request on behalf of the Owner, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below itemized costs is a true and accurate representation of the Actual Costs incurred by Owner with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan. The itemized costs are as follows:
[insert itemized list of costs here]
TOTAL REQUESTED: \$
4. The Owner is in compliance with the terms and provisions of the Plum Creek North Public Improvement District Financing and Reimbursement Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture and [the Acquisition and Reimbursement Agreement for] for the payment hereby requested have been satisfied.
6. The Owner agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete its review.

Payments requested hereunder shall be made as directed below:

[Information regarding Payee, amount, and deposit instructions]

I hereby declare that the above representations and warranties are true and correct.

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disb	oursement Request. After reviewing the Closing	
Disbursement Request, the City approves the Clos	ing Disbursement Request and shall include said	
payments in the City Certificate submitted to the Trustee directing payments to be made from the		
[] Costs of Issuance Account upon delivery	of the Bonds.	
CIT	Y OF KYLE, TEXAS	
Dyra		
By:		
Nam		
Title	C	

Exhibit "E"

BUYER DISCLOSURE PROGRAM

- 1. A person who proposes to sell or otherwise convey real property that is located in a public improvement district shall first give to the purchaser of the property the written notice titled "Notice of Obligation to Pay Public Improvement District Assessment to the City of Kyle, Texas", the form of which is attached hereto as Exhibit "E-1", as may be modified by Section 5.014 of the Texas Property Code. In the event state law conflicts with the form of notice provided herein, state law shall control.
- 2. A Builder¹ for an Assessed Property shall provide evidence of compliance with 1 above, signed by the purchaser or recipient as required by state law, to the City upon receipt of written request by the City which sets forth the City's mailing address and other contact information.
- 3. A Builder for an Assessed Property shall prominently display signage provided by the Owner or the PID Administrator in the Builder's model homes, if any, located within the Property.
- 4. If prepared and provided by the City and approved by Owner (such approval not to be unreasonably withheld), a Builder of residential homes for an Assessed Property shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
- 5. A Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective purchaser or recipient of an Assessed Property.
- 6. The Owner must post signage along the main entry/exits located at the boundaries of the District that identifies the area as a public improvement district. All signage shall be clearly visible to all motorists entering and exiting the District.

¹ Builder" means a commercial builder who is in the business of constructing and/or selling property to any enduser.

Exhibit "E-1"

PLUM CREEK NORTH PID – LOT TYPE [___]: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 ¹ RE	TURN TO:
NOTICE OF OBLIGA	TION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CO	CITY OF KYLE, TEXAS NCERNING THE FOLLOWING PROPERTY
CO	NCERNING THE FOLLOWING PROPERTY
	STREET ADDRESS
LOT T	YPE PRINCIPAL ASSESSMENT: \$

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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 the effective date of a binding contract for the purchase above.				
DATE:	DATE:			
SIGNATURE OF SELLER	SIGNATURE OF SELLER] ²			

 $^{^2}$ To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

undersigned purchaser acknowledged the recrequired by Section 5.0143, Texas Property C	ceipt of this notice including the current information Code, as amended.
DATE:	DATE:
SIGNATURE OF PURCHASER	SIGNATURE OF PURCHASER
STATE OF TEXAS	§ §
The foregoing instrument was acknown	§ wledged before me by and
, known to me to be foregoing instrument, and acknowledged to retherein expressed.	e the person(s) whose name(s) is/are subscribed to the me that he or she executed the same for the purposes
Given under my hand and seal of offi	ce on this, 20
Notary Public, State of Texas] ³	

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

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

5.0143, Texas Property Code, as am address above.	nended, at the closing	of the purchase of the real property at the	
DATE:		DATE:	
SIGNATURE OF SELLER		SIGNATURE OF SELLER	_
STATE OF TEXAS	§ § §		
COUNTY OF	§		
	me to be the person(fore me by and (s) whose name(s) is/are subscribed to the r she executed the same for the purposes	
Given under my hand and se	eal of office on this _		
Notary Public, State of Texa	$[s]^4$		

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

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

FIRST AMENDMENT TO PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT FINANCING AND REIMBURSEMENT AGREEMENT

THIS AMENDMENT TO THE PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT FINANCING AND REIMBURSEMENT AGREEMENT (this "Amendment") is entered into effective as of the 22nd day of March, 2022 (the "Effective Date"), is entered into between Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (the "Owner"), and the City of Kyle, Texas (the "City"), acting by and through each's duly authorized representative. The Owner and the City are sometimes collectively referenced in this Agreement as the "Parties", or, each individually, as the "Party".

RECITALS

WHEREAS, City and Owner are parties to that certain Plum Creek North Public Improvement District Financing and Reimbursement Agreement, dated as of November 16, 2021 (as amended, the "Financing Agreement"); and

WHEREAS, City and Owner desire to amend the Financing Agreement upon the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Owner hereby agree as follows:

1. <u>Prerequisite to Draws.</u> The following is hereby added at the beginning of Section 4.03(d) of the Financing Agreement:

Prior to drawing down on funds in the applicable accounts of the Project Fund created under the Indenture for the Improvement Area #1 Bonds, Owner shall expend \$15,118,300.00 (the "Prior Expended Funds") on constructed Authorized Improvements in Improvements Area #1 and provide reasonable evidence to the City of such constructed Authorized Improvements and expenditures. It is hereby acknowledged that it is not intended that Owner will be reimbursed out of Assessments or Bond Proceeds for the Prior Expended Funds unless funds remain in the Project Fund created under the Indenture for the Improvement Area #1 Bonds after all other Actual Costs of Improvement Area #1 Projects have been reimbursed to Owner.

- 2. The blank in Section 4.02 (d) of the Financing Agreement is hereby filled in with -0-%, and the language "TO BE FILLED IN AT THE TIME OF THE LEVY" is hereby deleted.
 - 3. Section 5.01 (b) of the Financing Agreement is hereby replaced with the following:

The aggregate principal amount of PID Bonds required to be issued hereunder shall not exceed the lesser of (x) an amount sufficient to fund: (i) the Actual Costs of the Authorized Improvements, (ii) required reserves and capitalized interest of not more than 12 months after the completion of construction of the applicable Authorized 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 (iii) Bond Issuance Costs or (y) \$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.

- 4. The blank in the definitions of "Project Engineer" on Exhibit A to the Financing Agreement is hereby filled in with Land Dev Consulting.
- 5. <u>Capitalized Words</u>. All capitalized words used in this Amendment and not otherwise defined herein shall have the respective meanings given to such words in the Financing Agreement. The Financing Agreement is incorporated herein by reference for all purposes.
- 6. <u>Ratification and Compliance.</u> Except as expressly amended or modified by this Amendment, the Financing Agreement shall continue in full force and effect. Owner and City each hereby ratify, affirm, and agree that the Financing Agreement, as herein modified, represents the valid, binding and enforceable obligations of Owner and City respectively. Owner and City each promise and agree to perform and comply with the terms, provisions and conditions of and the agreements in the Financing Agreement, as modified by this Amendment. In the event of any conflict or inconsistency between the provisions of the Financing Agreement and this Amendment, the provisions of this Amendment shall control and govern.
- 7. Entire Agreement and Amendments. The Financing Agreement, as expressly modified by this Amendment, constitutes the sole and only agreement of the parties to the Financing Agreement, and supersedes any prior agreements between the parties concerning the terms of the Financing Agreement. The Financing Agreement may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.
- 8. Owner Authority. Owner and the person signing on behalf of it jointly and severally warrant and represent to City that (i) Owner has the full right, power and authority to enter into this Amendment, (ii) all requisite action to authorize Owner to enter into this Amendment and to carry out Owner's obligations hereunder has been taken, and (iii) the person signing on behalf of Owner has been duly authorized by Owner to sign this Amendment on its behalf.
- 9. <u>City Authority.</u> City and the person signing on behalf of City jointly and severally warrant and represent to Owner that (i) City has the full right, power and authority to enter into this Amendment, (ii) all requisite action to authorize City to enter into this Amendment and to carry out City's obligations hereunder has been taken, and (iii) the person signing on behalf of City has been duly authorized by City to sign this Amendment on its behalf.
- 10. <u>Binding.</u> Subject to the Assignment provisions contained in Section 8.03 of the Financing Agreement, this Amendment shall be binding on and inure to the benefit of City, Owner and their respective heirs, executors, administrators, legal representatives, successors and assigns.
- 11. <u>Governing Law.</u> This Amendment shall be construed and governed by the laws of the State of Texas in effect from time to time.

- 12. <u>Section Headings.</u> The section headings used herein are intended for reference purposes only and shall not be considered in the interpretation of the terms and conditions hereof.
- 13. <u>Construction.</u> Each party acknowledges that it and its counsel have had the opportunity to review this Amendment; that the normal rule of construction shall not be applicable and there shall be no presumption that any ambiguities will be resolved against the drafting party in interpretation of this Amendment.
- 14. Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any of the parties to this Amendment may execute the Amendment by signing any of the counterparts. The parties hereby acknowledge and agree that facsimile signatures or signatures transmitted by electronic mail in so-called "PDF" format shall be legal and binding and shall have the same full force and effect as if an original of this Amendment had been delivered. City and Owner (i) intend to be bound by the signatures on any document sent by facsimile or electronic mail, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Amendment based on the foregoing forms of signature.

15. Boycotts and Foreign Business Engagements.

- (a) The Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Amendment is a contract for goods or services, will not boycott Israel during the term of this Amendment. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Owner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.
- (b) The Owner represents that neither it nor any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Owner and any of its respective parent companies, wholly- or majority-owned

subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Owner understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

16. <u>Verification Regarding Discrimination Against Firearm Entity or Trade</u> Association.

To the extent this Amendment constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, the Owner hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

- (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19). The Owner understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

17. Verification Regarding Energy Company Boycotts.

To the extent this Amendment constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the Owner hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Amendment. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. The Owner understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

18. Form 1295.

Section 2252.908 of the Texas Government Code requires that for certain types of contracts, you must fill out a conflict of interest form ("Disclosure of Interested Parties") at the time you submit your signed contract to the City. For further information please go to the Texas Ethics Commission website via the following link. https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm. The City acknowledges that Owner is not obligated to file a Disclosure of Interested Parties because Owner is publicly traded, and the City will not request any such filing from Owner.

[Signature Page follows]

IN WITNESS WHEREOF, City and Owner have executed this Amendment through their duly authorized representatives to be effective as of the Effective Date.

CITY:		
CITY C	F KYLE, 1	TEXAS
By: Name:	Gravis N Mayor	Mattell
OWNE	R:	
(Construction	nes of Texas Land and n, Ltd. ed partnership
	Ву:	Lennar Texas Holding Company a Texas corporation Its: General Partner
By: Name: Title:		

IN WITNESS WHEREOF, City and Owner have executed this Amendment through their duly authorized representatives to be effective as of the Effective Date.

CITY	
CI	TY OF KYLE, TEXAS
By:	
Name:	
Title:	
OWN	ER:
	Lennar Homes of Texas Land and
	Construction, Ltd.
	a Texas limited partnership

U.S. Home LLC, a Delaware limited liability company (as successor-in-interest by conversion from U.S. Home Corporation, a Delaware

corporation)

Its: General Partner

Name: Kevin Pape
Title: Authorized Agent

By:

SECOND AMENDMENT TO PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT FINANCING AND REIMBURSEMENT AGREEMENT

THIS Second Amendment to Plum Creek North Improvement District Financing and Reimbursement Agreement (this "Amendment") is entered into effective as of the 16th day of July _____, 2024 (the "Effective Date"), by and between Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (the "Owner"), and the City of Kyle, Texas (the "City"), acting by and through each's duly authorized representative. The Owner and the City are sometimes collectively referenced in this Agreement as the "Parties", or, each individually, as a "Party".

RECITALS

WHEREAS, City and Owner are parties to that certain Plum Creek North Public Improvement District Financing and Reimbursement Agreement, dated as of November 16, 2021, as amended by that certain First Amendment to Plum Creek North Public Improvement District Financing and Reimbursement Agreement entered into on March 22, 2022, by and between the City and the Owner (the "Financing Agreement"); and

WHEREAS, City and Owner desire to amend the Financing Agreement upon the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Owner hereby agree as follows:

- 1. <u>PID Bond Maturity</u>. Section 5.01(c) of the Financing Agreement is hereby deleted and replaced with the following:
- (c) The final maturity for each series of PID Bonds issued after the date of this Amendment shall occur no later than 30 years from the issuance of said PID Bonds.
- 2. <u>Capitalized Words</u>. All capitalized words used in this Amendment and not otherwise defined herein shall have the respective meanings given to such words in the Financing Agreement. The Financing Agreement is incorporated herein by reference for all purposes.
- 3. <u>Ratification and Compliance</u>. Except as expressly amended or modified by this Amendment, the Financing Agreement shall continue in full force and effect. Owner and City each hereby ratify, affirm, and agree that the Financing Agreement, as herein modified, represents the valid, binding and enforceable obligations of Owner and City respectively. Owner and City each promise and agree to perform and comply with the terms, provisions and conditions of and the agreements in the Financing Agreement, as modified by this Amendment. In the event of any conflict or inconsistency between the provisions of the Financing Agreement and this Amendment, the provisions of this Amendment shall control and govern.
- 4. <u>Entire Agreement and Amendments</u>. The Financing Agreement, as expressly modified by this Amendment, constitutes the sole and only agreement of the parties to the Financing

Agreement, and supersedes any prior agreements between the parties concerning the terms of the Financing Agreement. The Financing Agreement may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

- 5. Owner Authority. Owner and the person signing on behalf of it jointly and severally warrant and represent to City that (i) Owner has the full right, power and authority to enter into this Amendment, (ii) all requisite action to authorize Owner to enter into this Amendment and to carry out Owner's obligations hereunder has been taken, and (iii) the person signing on behalf of Owner has been duly authorized by Owner to sign this Amendment on its behalf.
- 6. <u>City Authority</u>. City and the person signing on behalf of City jointly and severally warrant and represent to Owner that (i) City has the full right, power and authority to enter into this Amendment, (ii) all requisite action to authorize City to enter into this Amendment and to carry out City's obligations hereunder has been taken, and (iii) the person signing on behalf of City has been duly authorized by City to sign this Amendment on its behalf.
- 7. <u>Binding</u>. Subject to the Assignment provisions contained in Section 8.03 of the Financing Agreement, this Amendment shall be binding on and inure to the benefit of City, Owner and their respective heirs, executors, administrators, legal representatives, successors and assigns.
- 8. <u>Governing Law</u>. This Amendment shall be construed and governed by the laws of the State of Texas in effect from time to time.
- 9. <u>Section Headings</u>. The section headings used herein are intended for reference purposes only and shall not be considered in the interpretation of the terms and conditions hereof.
- 10. <u>Construction</u>. Each party acknowledges that it and its counsel have had the opportunity to review this Amendment; that the normal rule of construction shall not be applicable and there shall be no presumption that any ambiguities will be resolved against the drafting party in interpretation of this Amendment.
- 11. Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any of the parties to this Amendment may execute the Amendment by signing any of the counterparts. The parties hereby acknowledge and agree that facsimile signatures or signatures transmitted by electronic mail in so-called "PDF" format shall be legal and binding and shall have the same full force and effect as if an original of this Amendment had been delivered. City and Owner (i) intend to be bound by the signatures on any document sent by facsimile or electronic mail, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Amendment based on the foregoing forms of signature.
- 12. <u>Verifications of Statutory Representations and Covenants</u>. The Owner makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Owner within the meaning of SEC Rule 405, 17 C.F.R.

- § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Amendment shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Amendment, notwithstanding anything in this Amendment to the contrary.
 - (a) Not a Sanctioned Company. The Owner represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Owner and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.
 - (b) No Boycott of Israel. The Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Amendment. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.
 - (c) No Discrimination Against Firearm Entities. The Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Amendment. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.
 - (d) No Boycott of Energy Companies. The Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Amendment. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.
- 13. <u>Certificate of Interested Parties</u>. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Owner hereby represents that it is a publicly traded business entity or a wholly-owned subsidiary of a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Amendment.

EXECUTED in multiple originals this the _	29th day of <u>July</u> , 2024
	City of Kyle, Texas a Texas home-rule municipal corporation By: Name: Bryan Langley Title: City Manager
	Attest:
	By: Ornefor Nerteland Name: Jennifer Kirkland Title: City Secretary DEVELOPER: LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., a Texas limited partnership
	By: The Blil

Name: Ken Blaker Title: Vice-President

APPENDIX G

APPRAISAL OF PROPERTY WITHIN THE DISTRICT



AN APPRAISAL REPORT

OF

PLUM CREEK NORTH PUBLIC IMPROVEMENT DISTRICT AREA #2,

Being 141 Existing Lots on 55.955 Acres in Phase 2, Section 3; and 263 Proposed Lots on 54.357 Acres in Phase 2, Section 4; Located Along the North and South Lines of Rikardson Street, At Marley Street, In Kyle, Hays County, Texas 78610

For

MR. R.R. "TRIPP" DAVENPORT, III
DIRECTOR
FMSBONDS, INC.
5 COWBOYS WAY, SUITE 300-25
FRISCO, TEXAS 75034

BY

BARLETTA & ASSOCIATES, INC. 1313 CAMPBELL ROAD, BUILDING C HOUSTON, TEXAS 77055-6429

B&A FILE NUMBER: C8778-02

As OF

TRANSMITTAL DATE OF APPRAISAL: JUNE 11, 2024

"AS IS" EFFECTIVE DATE OF VALUE: MAY 20, 2024

PROSPECTIVE "UPON COMPLETION" DATE- PHASE 2, SECTION 4: NOVEMBER 1, 2024

BARLETTA & ASSOCIATES, INC.

REAL ESTATE APPRAISERS · CONSULTANTS

June 11, 2024

Mr. R.R. "Tripp" Davenport, III Director FMSbonds, Inc. 5 Cowboy Way, Suite 300-25 Frisco, Texas 75034

RE: An Appraisal Report of Plum Creek North Public Improvement District (PID) Area #2, being 141 existing lots on 55.955 acres in Phase 2, Section 3; and 263 proposed lots on 54.357 acres in Phase 2, Section 4, located along the north and south lines of Rikardson Street, at Marley Street. Most of the 141 existing lots in Phase 2, Section 3 are now improved with vertical construction, with varying stages of completion. Herein, these 141 lots are considered to be Hypothetically "As Though Vacant," at the client's request.

B&A File No. C8778-02

Dear Mr. Davenport:

At your request, I have physically visited and prepared an appraisal of the above-captioned property, gathered comparable market data, and conducted a study of the market area for the purpose of providing my opinion of the Hypothetical "As Though Vacant" Market Value of the 141 existing lots on 55.955 acres in Phase 2, Section 3; and the "Upon Completion" Market Values of the subject 263 proposed lots on 54.357 acres in Phase 2, Section 4; in compliance with the FMSbonds, Inc.'s Appraisal Instructions; the Uniform Standards of Professional Appraisal Practice; and the Appraisal Institute's Code of Professional Ethics. This appraisal also complies with applicable fair lending and anti-discrimination laws including the Equal Credit Opportunity Act (ECOA), the Fair Housing Act (FHAct), the Civil Rights Act of 1866, as well as other federal, state or local laws that prohibit discrimination.

At the request of the client, the "As Is" Market Values of the 263 paper lots in Phase 2, Section 4 have not been valued herein.

To conclude, it is my opinion that the Hypothetical "As Though Vacant" Market Value of the fee simple interest in the 141 existing lots on 55.955 acres in Phase 2, Section 3; and the "Upon Completion" Market Value of the subject 263 proposed lots in Phase 2, Section 4, as of the indicated effective dates, are as follows:

	No.	Market	Effective
Description	Lots	Value	Date
Plum Creek, Phase 2, Section 3, "As Though Vacant"	141	\$13,575,000	5/20/2024
Plum Creek, Phase 2, Section 4, "Upon Completion"	263	\$20,225,000	11/1/2024

Extraordinary Assumptions:

- 1.) A portion of the subject property is proposed as a residential subdivision, with a prospective completion date. In this appraisal report, I have projected the market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, I projected the retail valuation of the individual subject lots, absorption period and holding costs, based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from those which are expected on the anticipated date of completion that is reflected in this report. Because actual future market conditions may deviate from those which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sale data that will be available on the prospective or actual date of completion.
- 2.) This appraisal is subject to the proposed improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.
- 3.) The valuation of the subject improvements "Upon Completion" require a valuation of the subject improvements as of a prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, I have relied upon information and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value conclusions are subject to revision.
- 4.) This appraisal assumes that the developer's marketing plan is for new homes with a price-point range of \$325,000 to \$460,000 by Lennar Homes, or a comparable production home builder.
- 5.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

Hypothetical Condition:

This appraisal hypothetically assumes all of the partially built-out lots in Phase 2, Section 3 are vacant, per the client's request.

Mr. R.R. "Tripp" Davenport, III FMSbonds, Inc. Page 3

Market Value is defined by FIRREA as follows:

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

It has been a pleasure serving you, and if I can be of further assistance, please call me. Sincerely,

BARLETTA & ASSOCIATES, INC.

Phillip F. Barletta, MAI, SRA

President

State Certified, TX-1320197-G

CERTIFICATION

USPAP CERTIFICATION

I certify that, to the best of my knowledge and belief, the following:

- 1. The statement of facts contained in this report is true and correct.
- 2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- 3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- 4. I have provided no real estate services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- 9. Phillip F. Barletta, MAI, SRA made an unaccompanied visit to the subject property on May 20, 2024.
- 10. Dwayne Guarino provided research assistance to the signer of this appraisal.
- 11. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- 12. The appraiser has had extensive experience in appraising proposed and existing residential subdivision properties in the subject market area and the Austin region, and is State General Certified; thus, he is well qualified to appraise the subject property and fully satisfies the Competency Rule of the Uniform Standards of

- Professional Appraisal.
- 13. Phillip F. Barletta, MAI, SRA is a State Certified General Real Estate Appraiser by the Texas Appraiser Licensing & Certification Board for the State of Texas.

AI CERTIFICATION

- 1. The reported analyses, opinions and conclusions were developed, and this report has also been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- 2. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 3. As of the date of this report, Phillip F. Barletta, MAI, SRA has completed the continuing education program for Designated Members of the Appraisal Institute.

The appraiser hereby certifies regulatory compliance and it is my opinion that the **Hypothetical "As Though Vacant" and "Upon Completion" Bulk Market Values** of the fee simple interests in the subject properties, as of the indicated effective dates, are as follows:

Description	No. Lots	Market Value	Effective Date
Plum Creek, Phase 2, Section 3, "As Though Vacant"	141	\$13,575,000	5/20/2024
Plum Creek, Phase 2, Section 4, "Upon Completion"	263	\$20,225,000	11/1/2024

Extraordinary Assumptions:

- 1.) A portion of the subject property is proposed as a residential subdivision, with a prospective completion date. In this appraisal report, I have projected the market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, I projected the retail valuation of the individual subject lots, absorption period and holding costs, based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from those which are expected on the anticipated date of completion that is reflected in this report. Because actual future market conditions may deviate from those which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sale data that will be available on the prospective or actual date of completion.
- 2.) This appraisal is subject to the proposed improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.
- 3.) The valuation of the subject improvements "Upon Completion" require a valuation of the subject improvements as of a prospective date, when they are projected to be physically

complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, I have relied upon information and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value conclusions are subject to revision.

- 4.) This appraisal assumes that the developer's marketing plan is for new homes with a price-point range of \$325,000 to \$460,000 by Lennar Homes, or a comparable production home builder.
- 5.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

Hypothetical Condition:

This appraisal hypothetically assumes all of the partially built out lots in Phase 2, Section 3 are vacant, per the client's request.

BARLETTA & ASSOCIATES, INC.

Phillip F. Barletta, MAI, SRA

President

State Certified, TX-1320197-G

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following conditions:

- 1. This Appraisal Report is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice, Standard Rule 2-2 (a). As such, this report does, in fact, include narrative discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinions of value. Supporting documentation concerning the data, reasoning, and analyses is included in this report. The appraiser is not responsible for unauthorized use of this report.
- 2. No responsibility is assumed for legal or title consideration. Titles to the properties are assumed to be good and marketable unless otherwise stated in this report.
- 3. The properties are appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- 4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- 5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- 7. It is assumed that there are no hidden or unapparent conditions of the subject property, subsoil, or structures that render them more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
- 9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this Appraisal Report.
- 10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
- 11. Any sketches in this report may show approximate dimensions and is included to assist the reader in visualizing the properties. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No surveys have been made for the purpose of this report.

- 12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the properties described and that there is no encroachment or trespass unless otherwise stated in this report.
- 13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the properties. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the properties that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
- 14. Unless otherwise stated in this report, the subject property are appraised without specific compliance surveys having been conducted to determine if the properties are or are not in conformance with the requirements of the Americans With Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's' value, marketability, or utility.
- 15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
- 16. The distributions, if any, of the total valuations in this report between land and improvements apply only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- 17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.
- 18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, new sales, or other media without prior written consent and approval of the appraiser.
- 19. This appraisal assumes that there are no significant wetlands and/or endangered species or habitats issues affecting the subject sites.

20. Texas is a non-disclosure state. It is important that the intended users of this appraisal understand that in Texas, there is no legal requirement for grantors or grantees to disclose any information relative to a transfer of real property. As a result, no data source provides absolute coverage of all transactions. It is possible that there are sales data of which we are unaware, or were non-verifiable. My sources provide the data typically available to appraisers in the ordinary course of business.

Extraordinary Assumptions:

- 1.) A portion of the subject property is proposed as a residential subdivision, with a prospective completion date. In this appraisal report, I have projected the market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, I projected the retail valuation of the individual subject lots, absorption period and holding costs, based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from those which are expected on the anticipated date of completion that is reflected in this report. Because actual future market conditions may deviate from those which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sale data that will be available on the prospective or actual date of completion.
- 2.) This appraisal is subject to the proposed improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.
- 3.) The valuation of the subject improvements "Upon Completion" require a valuation of the subject improvements as of a prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, I have relied upon information and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value conclusions are subject to revision.
- 4.) This appraisal assumes that the developer's marketing plan is for new homes with a price-point range of \$325,000 to \$460,000 by Lennar Homes, or a comparable production home builder.
- 5.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

Hypothetical Condition:

This appraisal hypothetically assumes all of the partially built-out lots in Phase 2, Section 3 are vacant, per the client's request.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Type of Property: Plum Creek North Public Improvement District

(PID) Area #2, being 141 existing lots on 55.955 acres in Phase 2, Section 3; and 263 proposed lots on 54.357 acres in Phase 2, Section 4, located along the north and south lines of Rikardson Street, between Marley Street and Salta Street. Most of the 141 existing lots in Phase 2, Section 3 are now improved with vertical construction, with varying stages of completion. Herein, these 141 lots are considered to be Hypothetically "As Though

Vacant," at the client's request.

Mapsco Reference: Hays County – 659 H
Postal Address: Kyle, Texas 78610

Location: Plum Creek North Public Improvement District (PID)

2 is located along the north and south lines of Rikardson Street, between Marley Street and Salta Street, and just west of Kyle Parkway (F.M. 1626),

in Kyle, Hays County, Texas 78610.

Tract Sizes

Phase 2, Section 3: 55.955 acres containing 141 lots

Density: 2.52 lots per acre.

Phase 2, Section 4: 54.357 acres platted for 263 lots

Density: 4.84 lots per acre.

			Typical	
Ph. 2, Section 3, Lot Size Mix	<u>No.</u>	Description	Dimensions	Avg. Size
	62	Existing	50' x 130'	6,500 SF
	<u>79</u>	Existing	55' x 130'	7,150 SF
	1 41	Total/Avg.	-	6,864 SF

	Typicai			
Ph.2, Section 4, Lot Size Mix	<u>No.</u>	Description	Dimensions	Avg. Size
	116	Proposed	35' x 130'	4,550 SF
	112	Proposed	50' x 130'	6,500 SF
	<u>35</u>	Proposed	55' x 130'	7,150 SF
Total/Average	263	Proposed	-	5,726 SF

Appraisal Dates

- As Is Date of Value: May 20, 2024 - Date of Report Transmittal: June 11, 2024

- Prospective Date of Value: Phase 2, Section 4 - November 1, 2024

Purpose of the Appraisal: To provide an opinion of the Hypothetical "As

Though Vacant" Market Value of the 141 existing lots on 55.955 acres in Phase 2, Section 3; and the "Upon Completion" Market Values of the subject 263 proposed lots on 54.357 acres in Phase 2, Section 4, in compliance with the FMSbonds, Inc.'s Appraisal Instructions; the Uniform Standards of Professional Appraisal Practice; and the Appraisal

Institute's Code of Professional Ethics.

At the request of the client, the "As Is" Market Value of the 263 paper lots in Phase 2, Section 4 have not been valued herein.

Rights Appraised: Fee Simple Estate

Floodplain: A portion of Phase 2, Section 3 appears to be within

Zone "A," of the 100-year floodplain. However, all of the subject existing lots, proposed lots and paper lots are in Zone "X," being outside of the 100-year and 500-year floodplains, according to FEMA Map

Panel No. 48209C0270F, dated 9/2/2005.

Utilities/Services

Sanitary Sewer & Water: City of Kyle

Electricity: Pedernales Electric Co-Op

Natural Gas: Center Point Energy

Telephone Service: Spectrum

Police Protection: City of Kyle and Hays County Sheriff's Dept.

Fire Protection: Hays County Emergency Service Districts #5 & #9

Thay's County Emergency Service D

School District: Hays Consolidated I.S.D.

Zoning: Plum Creek P.U.D. Ordinance 311, City of Kyle

Restrictions: None adverse known.

Subject Builder: Lennar Homes.

New Home Price Range: \$325,000 to \$460,000.

Highest & Best Use: New residential construction on the 141 Phase 2,

Section 3 existing lots; and near-term residential lot development for the 263 Phase 2, Section 4 lots, as

economic conditions and demand warrants.

<u>Conclusion</u>: The subject Plum Creek North PID Area #2 has a suburban location in the rapidly growing Kyle/Buda Market Area of Austin. All services and public utilities are available, and no detrimental zoning, encroachments, or restrictions were noted, which would represent an adverse influence to the subject lots for starter-to-lower-mid-priced production housing.

MARKEY VALUE CONCLUSIONS:

Description	No. Lots	Market Value	Effective Date
Plum Creek, Phase 2, Section 3, "As Though Vacant"	141	\$13,575,000	5/20/2024
Plum Creek, Phase 2, Section 4, "Upon Completion"	263	\$20,225,000	11/1/2024

Extraordinary Assumptions:

- 1.) A portion of the subject property is proposed as a residential subdivision, with a prospective completion date. In this appraisal report, I have projected the market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, I projected the retail valuation of the individual subject lots, absorption period and holding costs, based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from those which are expected on the anticipated date of completion that is reflected in this report. Because actual future market conditions may deviate from those which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sale data that will be available on the prospective or actual date of completion.
- 2.) This appraisal is subject to the proposed improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.
- 3.) The valuation of the subject improvements "Upon Completion" require a valuation of the subject improvements as of a prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, I have relied upon information and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value conclusions are subject to revision.
- 4.) This appraisal assumes that the developer's marketing plan is for new homes with a price-point range of \$325,000 to \$460,000 by Lennar Homes, or a comparable production home builder.
- 5.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

Hypothetical Condition:

This appraisal hypothetically assumes all of the partially built-out lots in Phase 2, Section 3 are vacant, per the client's request.

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property consists of Plum Creek North Public Improvement District (PID) Area #2, being 141 existing lots on 55.955 acres in Phase 2, Section 3; and 263 proposed lots on 54.357 acres in Phase 2, Section 4, located along the north and south lines of Rikardson Street, at Marley Street. Most of the 141 existing lots in Phase 2, Section 3 are now improved with vertical construction, with varying stages of completion. Herein, these 141 lots are considered to be Hypothetically "As Though Vacant," at the client's request.

The 141 subject Phase 2, Section 3 lots are legally described as:

Lots 2-10, 12 & 13, Block A; Lots 1-4, Block B; Lots 1-4 & 6-20, Block C; Lots 1-7 & 9-28, Block D; Lots 1-6 & 8-19, Block E; Lots 2-22 & 24-26, Block F; Lots 2-27, Block G; and Lots 2-13, Block H; Plum Creek, Phase 2, Section 3, Hays County, Texas.

The **263 subject Phase 2, Section 4** lots are legally described as:

Lots 2-4, Block A; Lots 1-3 & 5-14, Block B; Lots 2-14, Block C; Lots 1-4 & 6-28, Block D; Lots 1-3 & 5-27, Block E; Lots 1-36, Block F; Lots 2-14, Block G; Lots 1-38, Block H; Lots 1-22, Block J; Lots 2-16, Block; and Lots 2-22, Block L; Plum Creek, Phase 2, Section 4, Hays County, Texas.

HISTORY OF THE SUBJECT PROPERTY

Title to the subject Plum Creek North Public Improvement District development is vested with Lennar Homes of Texas Land and Construction, Ltd., which purchased the 309.13-acre parent tract from PC Operating Partners, Ltd., on August 25, 2016 for an undisclosed price. Since the purchase, the sites have been engineered and highly improved with infrastructure. Phase 2, Section 3 is now complete, and contains 141 finished lots. **Most of the 141 existing lots in Phase 2, Section 3 are now improved with vertical construction, with varying stages of completion. Herein, these 141 lots are considered to be Hypothetically "As Though Vacant," at the client's request.**

Phase 2, Section 4 is now under development for an additional 263 residential lots, which are scheduled for completion by **November 1, 2024**. Thereafter, the remaining 400 paper lots will be developed as Section 5, as economic conditions and demand warrant.

Lennar Homes of Texas Land and Construction, Ltd., intends to build on all 1,208 lots within Plum Creek North Public Improvement District. Thus, there are no lot purchase contracts to consider.

According to information provided by Ms. Lauren Trigo, (830/660-3648), Lennar Homes sold and closed 267 homes in Plum Creek North since June 5, 2023, or about 21.33 sales per month, or about 64 sales per quarter. Further, Ms. Trigo indicated that Lennar Homes now has 30 pending sales in Plum Creek North. I am not aware of any other transactions involving the subject property during the past three years.

INTENDED USE/USER OF THE APPRAISAL

This appraisal is intended to offer my opinion of the Hypothetical "As Though Vacant" Market Value of the 141 existing lots on 55.955 acres in Phase 2, Section 3; and the "Upon Completion" Market Value of the subject 263 proposed lots in Phase 2, Section 4, to the client, FMSbonds, Inc., for the underwriting of the City's proposed Plum Creek North Public Improvement District (PID) Bond transaction. The use of the appraisal by anyone other than Mr. Tripp Davenport, III and Mr. Robert Rivera (c/o FMSbonds, Inc.), or the City is prohibited, except as provided herein. Additionally, I confirm our permission to use the final Appraisal Report in the offer and sale of public securities, secured by the special assessments levied on property within the PID, and I confirm that I will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose, as provided by the client. Any other party is an unintended unauthorized user.

At the request of the client, the "As Is" Market Values of the 263 paper lots in Phase 2, Section 4, have not been valued herein.

SCOPE OF WORK OF THE APPRAISAL

The scope of work of the appraisal is the process to support my opinion of the Hypothetical "As Though Vacant" Market Value of the 141 existing lots on 55.955

acres in Phase 2, Section 3; and the "Upon Completion" Market Value of the subject 263 proposed lots in Phase 2, Section 4, employing the Sales Comparison Approach and the Income Approach (DCF), in an Appraisal Report format. In preparing this appraisal, the appraiser:

- visited the subject property and surrounding market area, unaccompanied;
- contacted Ms. Lauren Trigo with Lennar Homes (lauren.trigo@lennar.com); Mr. Rick Rosenberg with DPFG (512/567-8598); Mr. Robert Rivera with FMSbonds (817/240-6371) and Mr. Tripp Davenport with FMSbonds (214/418-1588), all of whom provided significant physical, financial and historical data to the appraiser for this valuation analysis;
- was not provided costs for the subject Plum Creek PID;
- analyzed macro and micro market conditions of this region and market area;
- interviewed active market participants;
- gathered relevant available information on current comparable builder retail lot sales and lot absorption data, referencing such publications as the ABOR MLS, and the <u>Zonda Austin Metrostudy</u>;
- referenced other publications and services such as MapPro, Google Earth, Realty Rates.com, the Hays County Appraisal District, and the Hays County Clerks' Office, among other services, as well as the appraiser's vast data base;
- confirmed and analyzed the data and applied the most applicable approaches to value; i.e., the Sales Comparison Approach, and the Income Approach; and
- concluded the Hypothetically "As Though Vacant" Market Value of the 141 existing lots on 55.955 acres in Phase 2, Section 3; and the "Upon Completion" Market Value of the subject 263 proposed lots in Phase 2, Section 4, for reasonable exposure periods as of the stated current and prospective effective dates.

While considered, the Cost Approach was not developed, as I was not provided development costs for the subject Plum Creek North, Phase 1, Section 3 or Section 4. Further, at the request of the client, the "As Is" Market Value of the subject 263 paper lots in Phase 2, Section 4, have not been valued herein. The absence of the Cost Approach does not affect the credibility of the Market Value conclusions in this appraisal.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the *Fee Simple Estate*. Fee Simple Estate is defined by <u>The Dictionary of Real Estate Appraisal</u>, Seventh Edition, Appraisal Institute, published in 2022, Page 73, as follows:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

DEFINITION OF "SUM OF THE RETAIL VALUES"

As referred to herein, *Sum of Retail Values* is defined by <u>The Dictionary of Real Estate Appraisal</u>, Seventh Edition, Appraisal Institute, published in 2022, Page 185, as follows:

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the aggregate of the retail values or aggregate retail selling price.

DEFINITION OF "AS IS" MARKET VALUE ON APPRAISAL DATE

As referred to herein, "As Is" Market Value is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 10, as follows:

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

DEFINITION OF "BULK VALUE"

As referred to herein, "Bulk Value" is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, revised 2022, by the Appraisal Institute, Page 22, as follows:

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

DATES OF THE APPRAISAL

The "As Though Vacant" effective date of this appraisal is May 20, 2024. The prospective "Upon Completion" date of value for Phase 2, Section 4 is November 1, 2024. The date of transmittal of the report is June 11, 2024.

ZONING AND RESTRICTIONS

Both Plum Creek, Phase 1, Section 3, and Phase 1, Section 4, have final plat status, and conform to the Plum Creek P.U.D. Ordinance 311; Plum Creek Subdivision Ordinance 308 and Ordinance 690. The subject existing lots and proposed lots are assumed to be deed restricted, but I am not aware of any adverse deed restrictions which would preclude development of the land and lots to their highest and best uses.

AD VALOREM TAX DATA

<u>Tax Assessments & Taxes</u>: The subject Phase 2, Section 3 existing lots are now assessed for \$70,800 per lot, regardless of size. The subject land comprising Plum Creek, Phase 2, Section 4, is assessed by Hays Central Appraisal District (HCAD) under Account R201522, as a 51.500-acre tract with an assessed value of \$2,470,120 (\$47,963 per acre), and is not shown to be ag-exempted.

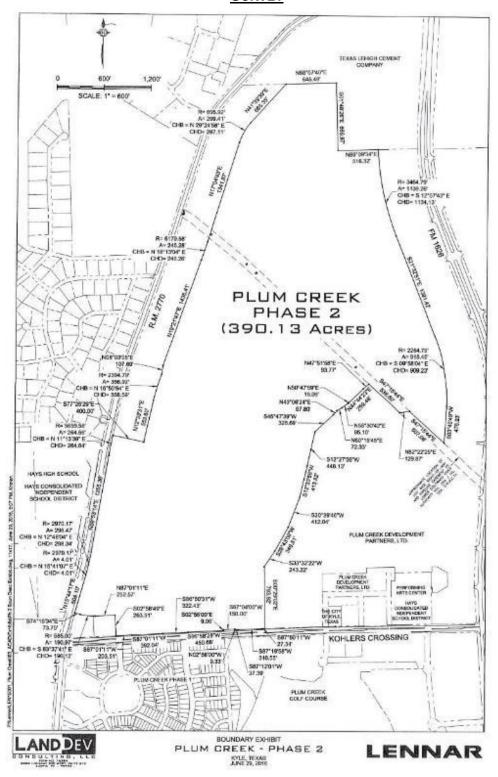
The taxing authorities affecting the subject property include Hays County, Hays C.I.S.D., Hays County Emergency Service District #5, Hays County Emergency Service District #9, Hays County Special Road District, City of Kyle, and Austin Community College. In addition, the subject lots will be assessed by the City of Kyle – PID Assessor, with a projected assessment of \$0.36 per \$100 assessed.

<u>Tax Assessments & Taxes</u>: The tax rates and assessments, including the projected City of Kyle – PID Assessor, are as follows:

TAXING AUTHORITY	2023 TAX RATE (MOST RECENT)
Hays County	\$0.287500
Hays County Special Road District	\$0.020000
Hays County Emergency District #9	\$0.049130
Hays County Fire Emergency District #5	\$0.084300
Austin Community College	\$0.098600
Hays C.I.S.D.	\$1.156900
City of Kyle	\$0.508200
Plum Creek North PID Equivalent Assessment	<u>\$0.360000</u>
TOTAL:	\$2.564630

Rollback Taxes: As previously mentioned, the subject Phase 2, Section 4 development tract does not carry an agricultural exemption; thus a 3-year rollback of taxes <u>is not</u> applicable.

SURVEY



PLUM CREEK PHASE 2 MASTER PLAN



GREATER AUSTIN AREA DATA

(Please refer to the Addenda of this appraisal for an Austin MSA summary analysis.)

MARKET AREA ANALYSIS

<u>Market Area Defined</u>: According to <u>The Dictionary of Real Estate Appraisal</u>, Seventh Edition, by the Appraisal Institute, 2022, page 116, a *market area* is defined as: "The geographic region from which a majority demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area."

Boundaries: In order to discuss a market area, the boundaries must be established in order to distinguish it from the rest of the community. The market area boundaries are generally delineated as follows:

The city limits of Kyle, Texas and outlying periphery.

The City of Kyle, which contains 31.27 square miles, is located 21 miles southwest of Austin, and 58 miles northeast of San Antonio, along IH 35, in the Austin-Round Rock-San Marcos metropolitan area. Kyle, Texas is located immediately south of Buda, and immediately north of San Marcos, which is the county seat for Hays County. Kyle is now one of the fastest growing cities in Texas. According to 2020 Census estimates, the population is 52,300, which is 86.67% greater than the 2010 Census estimate of 28,016. The city has experienced rapid growth due to the southerly expansion of Austin, as well as the northerly expansion of San Marcos and New Braunfels due just south of Kyle.

Major Streets: I.H. 35 extends northeast/southwest through Kyle, and is the primary commercial/retail corridor. I.H. 35 links Austin and San Antonio, and is heavily traveled. Major secondary thoroughfares include Kyle Parkway (F.M. 1626); Jack C. Hays Trail (F.M. 2770); F.M. 150; Old Stagecoach Road; and Kohlers Crossing. Access to and through Kyle is considered to be above average.

Vybe Trail: In September 202, the Kyle City Council approved a "Citywide Trails Master Plan," known as The Vybe, that prioritizes trail-oriented developments connecting the entire city of Kyle. The ultimate goal of The Vybe is to reduce in-town traffic, by providing an 80 mile network of trails for hiking, biking and skating, as well as golf carts. The Vybe will offer illuminated paths, and provide space for shopping and dining kiosks, public

restrooms, golf cart parking, and charging stations, as well as green spaces for recreational uses, including swimming pools, dog parks and picnic areas. Construction of the first phase of The Vybe is now underway.

<u>Services/Utilities</u>: Police and fire protection is provided by the various municipalities for the areas situated within the city limits of Kyle. The areas beyond the city limits are patrolled and serviced by the Hays County Sheriff's Department, and various fire/EMS districts.

Water and wastewater for the majority of the area is provided by the City of Kyle, with sufficient capacity to sustain future growth. The areas outside of the city limits are served through either Special Utility Districts, MUDs, WCIDs, or private well and septic systems. Electricity to the area is provided by Pedernales Electric Co-op, and typically AT&T or Spectrum provides telephone service. Natural gas is provided by Center Point Energy.

Kyle is located entirely within the Hays Consolidates I.S.D., which operates 26 campuses, and serves in excess of 20,000 students, with a student - teacher ratio 16:1. San Marcos is home to Texas State University (formerly known as Southwest Texas State), which is the 5th largest university in Texas with enrollment in excess of 38,800 students, and is the largest employer in San Marcos with 2,780 employees. In 2014, the Hays Campus of Austin Community College opened, and is the only ACC campus to offer a First Responders Training Center, with a 50-yard tactical gun range, and a vehicle operations track.

Additional higher education in this region is provided by The University of Texas at Austin, Concordia University, Huston-Tillotson College and St. Edward's University in Austin, and Southwestern University in Georgetown.

<u>Single-Family Market</u>: According to the <u>Zonda Austin Metrostudy</u>, 1st Quarter 2024, the subject's South Market Area is the third most active sector of the eight market areas comprising the Austin region. For the 12 months ending with the 1st Quarter 2024, the South Market Area had 4,707 starts and 4,041 closings, for an undersupplied vacant

developed lot (VDL) inventory of 16.1 months, and an elevated housing inventory of 9.8 months.

The subject property is within the South Market Area, and the Kyle/Buda Submarket. The Kyle/Buda Submarket accounted for 3,374 of those 4,707 starts (71.68%) and 2,785 of those 4,041 closings (68.92%), with a notably undersupplied vacant developed lot inventory of 16.6 months, and an elevated housing inventory of 10.2 months. Typically, a 20 to 24-month lot supply is considered to be equilibrium; thus, the Kyle/Buda Submarket is notably undersupplied at 16.6 months, as is the South Market Area at 16.1 months.

Submarket/ Market Area		4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	Annual Rates/ Inventory Supply (Mos)
Kyle/Buda	Starts	231	399	861	749	848	916	3,374
Submarket	Closings	669	545	430	682	785	888	2,785
	Housing Inv.	1,926	1,780	2,211	2,278	2,341	2,369	10.2 Mos.
	VDL Inv.	4,412	4,814	5,701	5,883	5,315	4,668	16.6 Mos.
South	Starts	400	664	1,278	1,030	1,191	1,208	4,707
Market Area	Closings	946	798	815	858	1,155	1,213	4,041
	Housing Inv.	2,752	2,618	3,081	3,253	3,289	3,284	9.8 Mos.
	VDL Inv.	6,279	7,031	7,825	7,772	7,265	6,326	16.1 Mos.

Source: Zonda Austin Metrostudy, 1st Quarter 2024

Within the South Market Area starts in the 1st Quarter 2024 were up 91.93% over 1st Quarter 2023, and closings were up 52.01% over the same time period. Within the Kyle/Buda Submarket starts in the 1st Quarter 2024 were up about 130% over the 1st Quarter 2023, and closings were up 62.94% over the same time period. These trends indicate a continued demand for housing.

Inflation in June 2022 reached a record high level since 1982 of 9.1%, causing the Federal Reserve to rapidly increases interest rates from May 2022 into August 2023, but began to decline by late December 2023. The increase in interest rates has caused slower activity in new home sales for most market areas throughout the Austin region, and this trend will likely continue throughout the remainder of 2024, until rates stabilize and possibly recede later in 2024, or 2025.

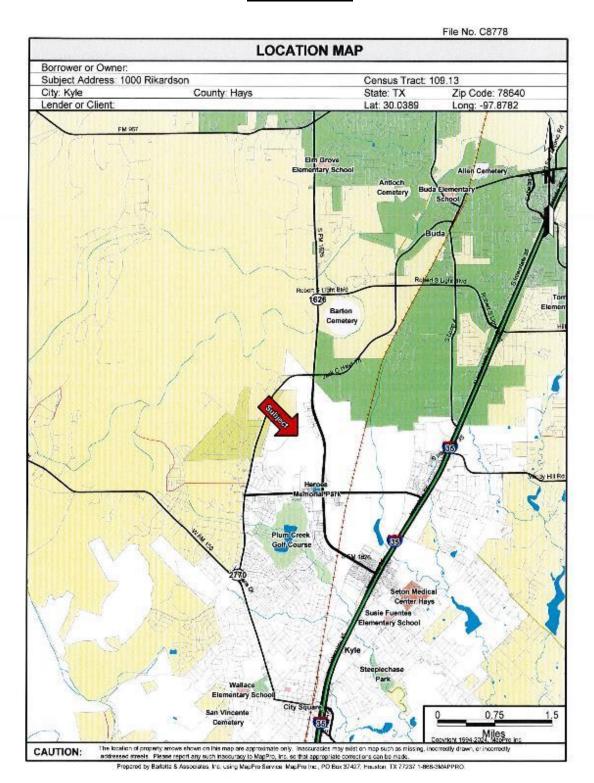
CONCLUSION

The subject market area is in the direct path of Austin's rapid growth patterns to the south, and San Antonio's growth patterns to the north, along the I-35 corridor. The subject market area is best characterized as an emerging suburb of south Austin, in Hays County, which is in a growth stage of its life cycle. The market area is very accessible, and is comprised of mostly residential subdivisions, with supporting commercial, recreational and educational centers interspersed throughout. Notable recent residential developments in proximity to Kyle include 6 Creeks, Anthem, Blanco Vista, Casetta Ranch, Crosswinds, Cypress Forest, Paramount Park, Infinity Square, Sage Hollow, and Sunfield, as well as the subject Plum Creek.

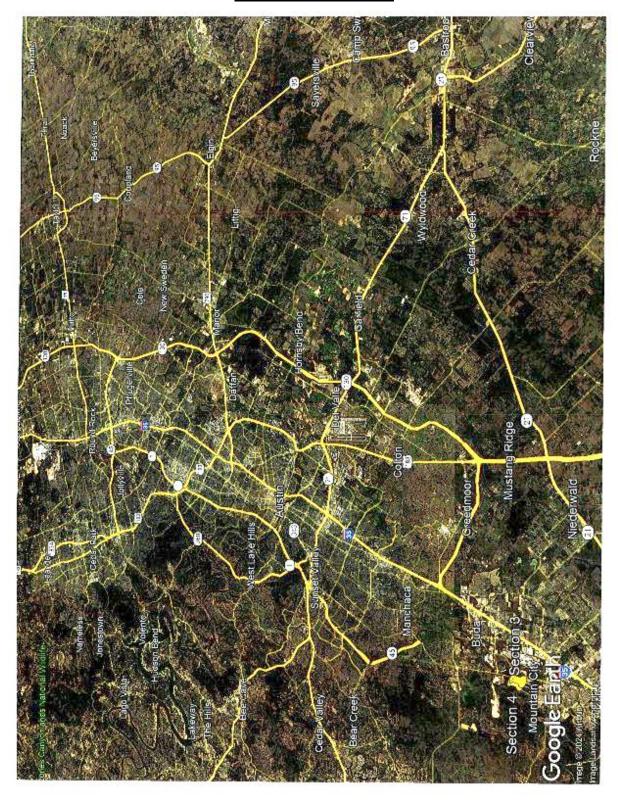
Public services and other public utilities are available in sufficient capacity to accommodate future growth. I am unaware of any adverse conditions or environmental hazards that would prohibit or restrict growth.

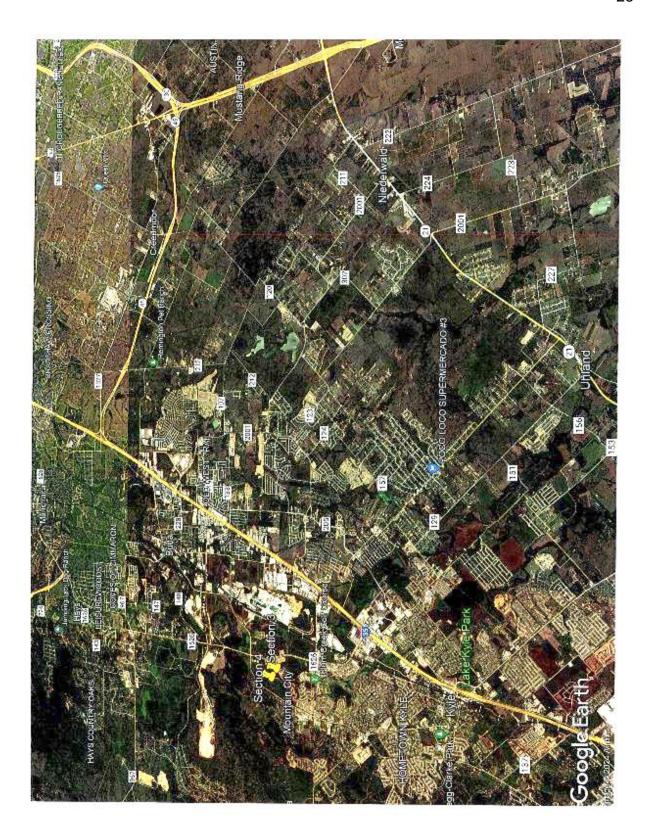
Inflation in June 2022 reached a record high level since 1982 of 9.1%, causing the Federal Reserve to rapidly increases interest rates from May 2022 into August 2023. The increase in interest rates has caused slower activity in new home sales for most market areas throughout the Austin region, and this trend will likely continue throughout the remainder of 2024. The overall attitude and expectations of most market area participants is that of continued population growth over the foreseeable future.

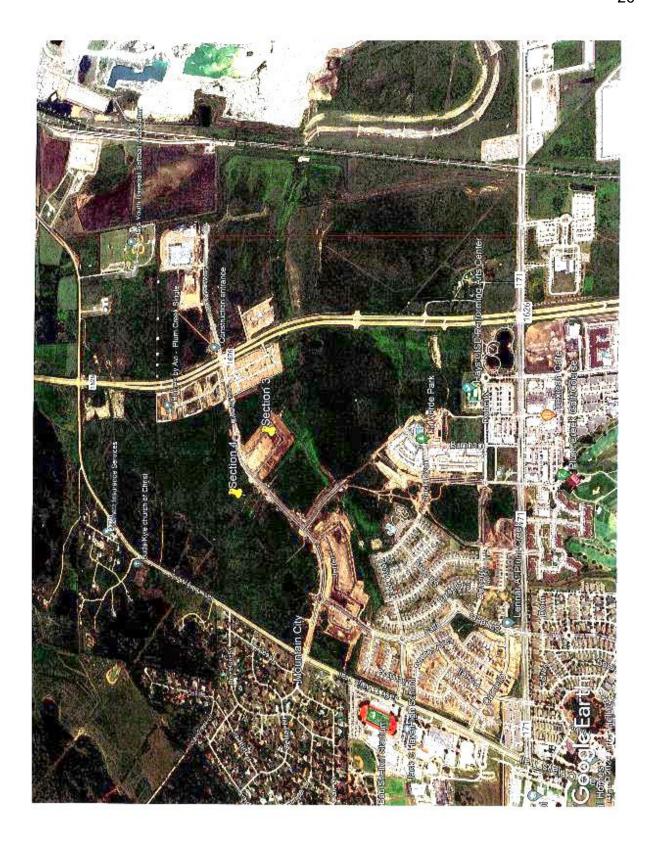
LOCATION MAP



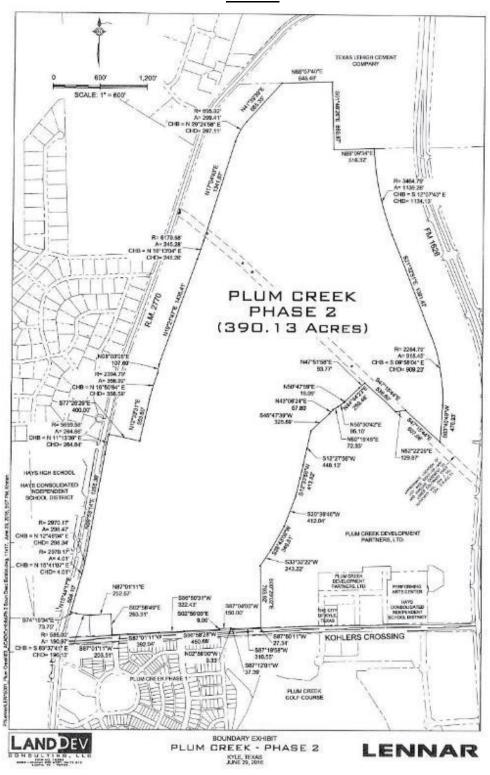
AERIAL PHOTOGRAPHS







SURVEY



ANALYSIS OF PLUM CREEK NORTH PID, PHASE 2, SECTION 3, 141 EXISTING RESIDENTIAL LOTS, HYPOTHETICALLY "AS THOUGH VACANT"

Type of Property: 141 existing lots on 55.955 acres in Phase 2,

Section 3, located along the north and south lines of Rikardson Street, between Marley Street and Salta Street, and just west of Kyle Parkway (F.M. 1626), in Kyle, Hays County, Texas 78610. Most of the 141 existing lots in Phase 2, Section 3 are now improved with vertical construction, with varying stages of completion. Herein, these 141 lots are considered to be Hypothetically "As Though Vacant," at the client's

request.

Mapsco Reference: Hays County – 659 Q & R

Postal Address: Kyle, Texas 78610

Location: Plum Creek North Public Improvement District (PID)

Area #2 is located along the north and south lines of Rikardson Street, between Marley Street and Salta Street, and just west of Kyle Parkway (F.M. 1626),

T.

in Kyle, Hays County, Texas 78610.

Tract Size

Phase 2, Section 3: 55.955 acres containing 202 lots

Density: 2.99 lots per acre.

			i ypicai	
Ph. 2, Section 3, Lot Size Mix	<u>No.</u>	Description	Dimensions	Avg. Size
	62	Existing	50' x 130'	6,500 SF
	<u>79</u>	Existing	55' x 130'	7,150 SF
	141	Total/Avg.	-	6,864 SF

Floodplain: Zone "X," being outside of the 100-year and 500-

year floodplains, according to FEMA Map Panel No.

48209C0270F, dated 9/2/2005.

<u>Utilities/Services</u>

Sanitary Sewer & Water: City of Kyle

Electricity: Pedernales Electric Co-Op

Natural Gas: Center Point Energy

Telephone Service: Spectrum

Police Protection: City of Kyle and Hays County Sheriff's Dept.

Fire Protection: Hays County Emergency Service Districts #5 & #9

School District: Hays Consolidated I.S.D.

Zoning: Plum Creek P.U.D. Ordinance 311, City of Kyle

Restrictions: None adverse known.

Topography: Functionally level, and above street grade.

Soil/Subsoils: There are no known soil or subsoil conditions, which

would adversely affect development.

Easements: I observed no easements that would adversely affect

the value or use of the subject residential lots.

Subject Builder: Lennar Homes.

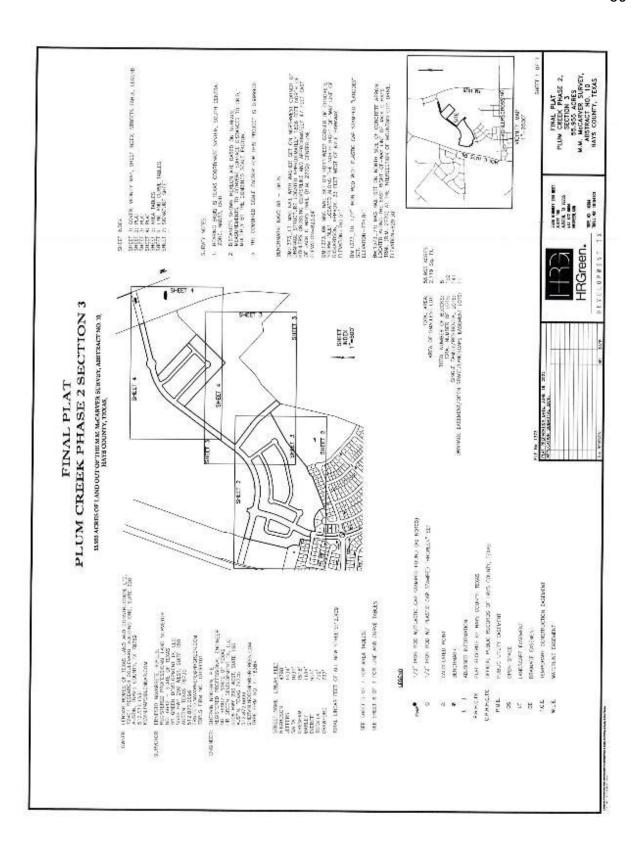
New Home Price Range: \$325,000 to \$460,000.

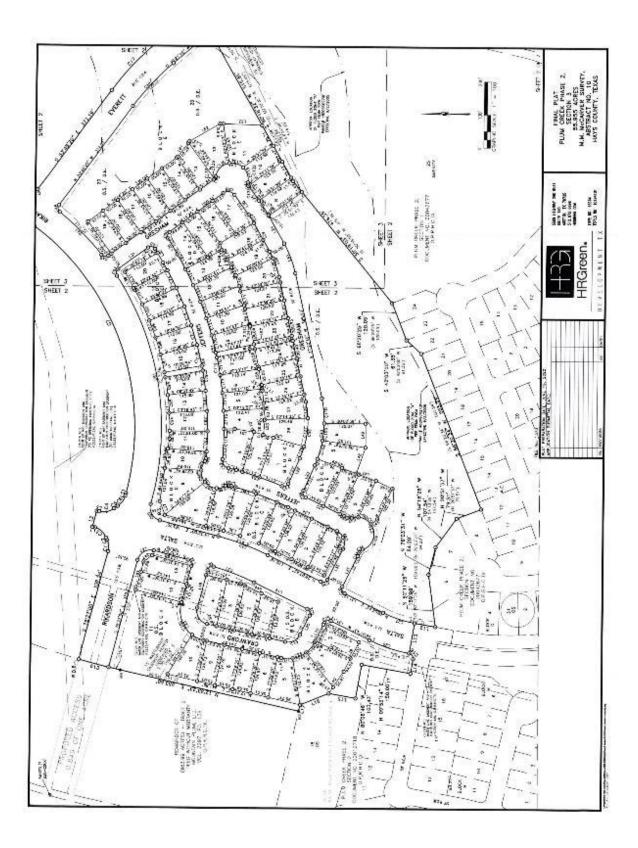
Highest & Best Use: New residential construction for lower mid-priced

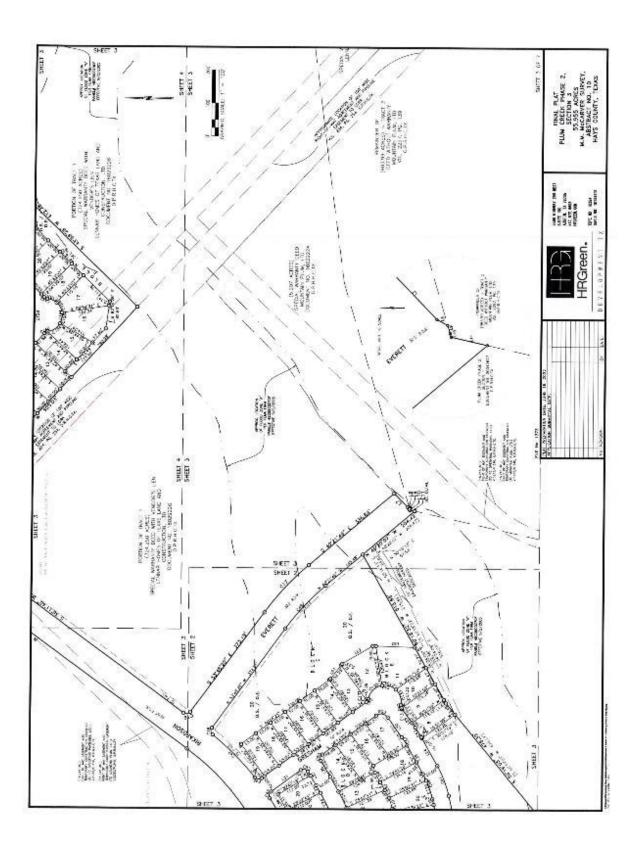
production homes in the range of \$325,000 to \$460,000, as economic conditions and demand

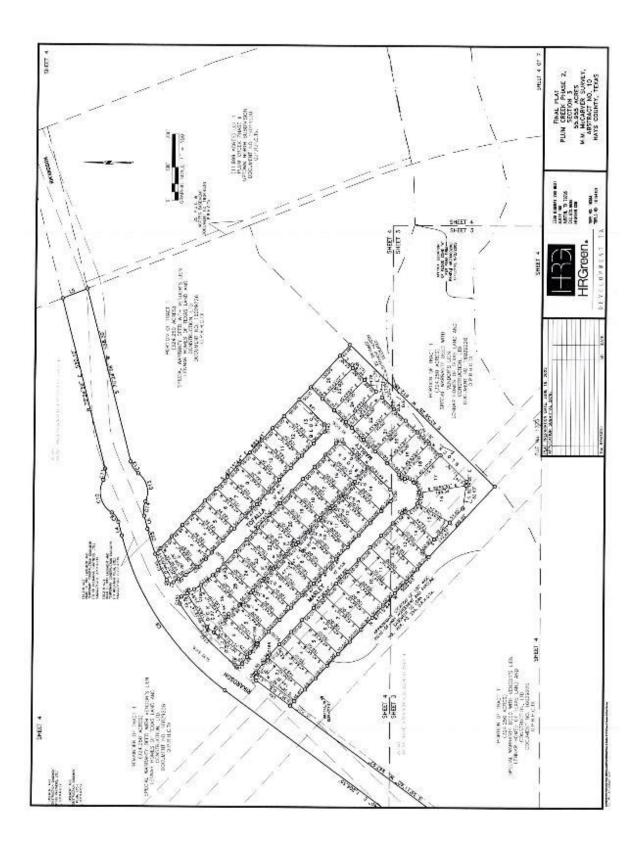
warrants, and as proposed.

<u>CONCLUSION:</u> The subject Plum Creek North PID Area #2 has a suburban location in the rapidly growing Kyle/Buda Market Area of Austin. All services and public utilities are available, and no detrimental zoning, encroachments, or restrictions were noted, which would represent an adverse influence to the subject lots for lower-mid priced production housing, as proposed.

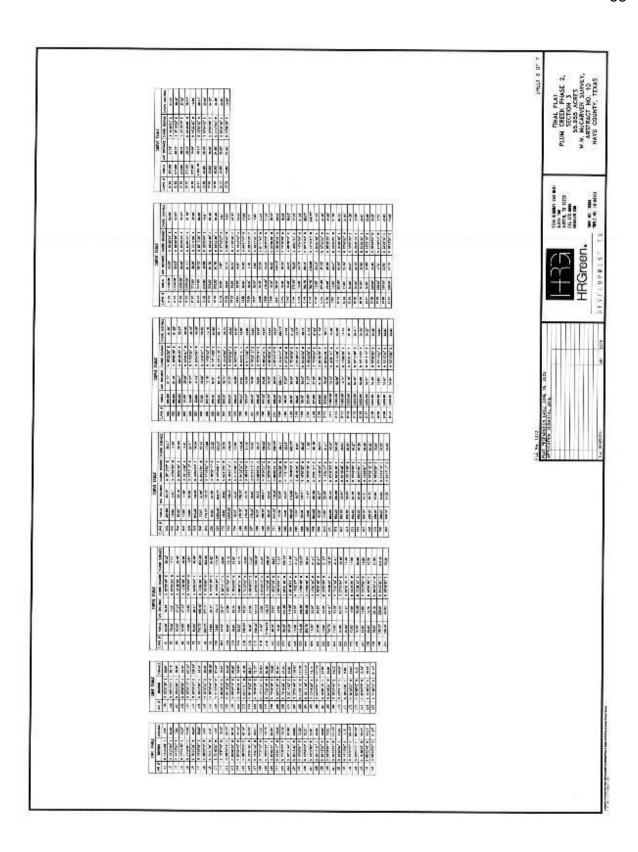






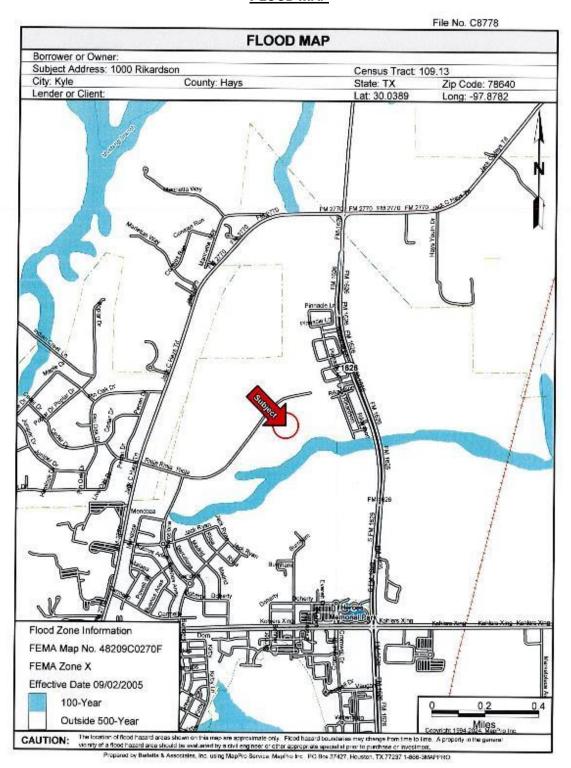


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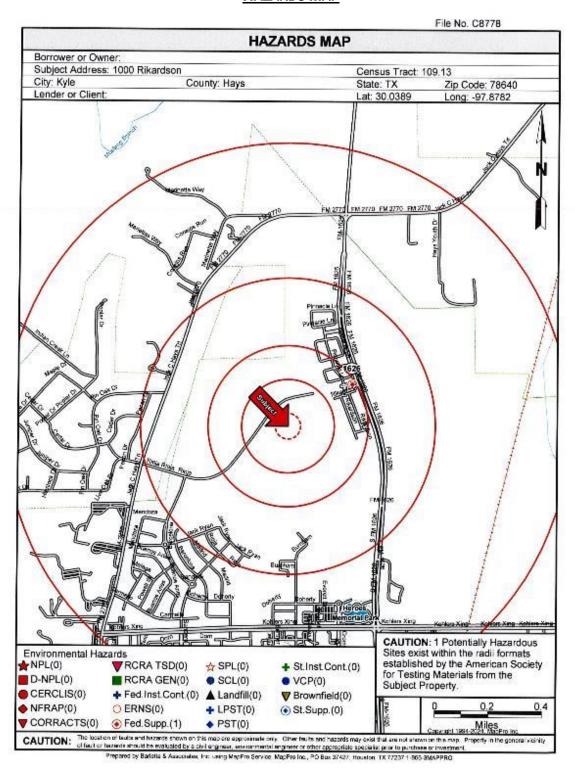


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FLOOD MAP



HAZARDS MAP



ANALYSIS OF PLUM CREEK NORTH PID, PHASE 2, SECTION 4, 263 PROPOSED RESIDENTIAL LOTS, "UPON COMPLETION"

Type of Property: 263 proposed lots on 56.517 acres in Phase 2,

Section 4, located along the north and northwest lines of Rikardson, at its intersection with Everett

Street, just east of F.M. 2770.

Mapsco Reference: Hays County – 659 M Postal Address: Kyle, Texas 78610

Location: Plum Creek North Public Improvement District (PID)

Area #2, is located along the north and south lines of Rikardson, between Marley Street and Salta Street, and just west of Kyle Parkway (F.M. 1626), in Kyle, Hays County, Texas 78610. Phase 2, Section 4 is located along the north and northwest lines of Rikardson, at its intersection

with Everett, just east of F.M. 2770.

Tract Size

Phase 2, Section 4: 54.357 acres platted for 263 lots

Density: 4.84 lots per acre.

			Typical	
Ph.2, Section 4, Lot Size Mix	<u>No.</u>	Description	Dimensions	Avg. Size
	116	Proposed	35' x 130'	4,550 SF
	112	Proposed	50' x 130'	6,500 SF
	<u>35</u>	Proposed	55' x 130'	7,150 SF
Total/Average	263	Proposed	-	5,726 SF

Floodplain: Zone "X," being outside of the 100-year and 500-

year floodplains, according to FEMA Map Panel No.

48209C0270F, dated 9/2/2005.

Utilities/Services

Sanitary Sewer & Water: City of Kyle

Electricity: Pedernales Electric Co-Op

Natural Gas: Center Point Energy

Telephone Service: Spectrum

Police Protection: City of Kyle and Hays County Sheriff's Dept.

Fire Protection: Hays County Emergency Service Districts #5 & #9

Calcard Districts

School District: Hays Consolidated I.S.D.

Zoning: Plum Creek P.U.D. Ordinance 311, City of Kyle

Restrictions: None adverse known.

Topography: Functionally level, and above street grade.

Soil/Subsoils: There are no known soil or subsoil conditions, which

would adversely affect development.

Easements: I observed no easements that would adversely affect

the value or use of the subject proposed residential

lots.

Subject Builder: Lennar Homes.

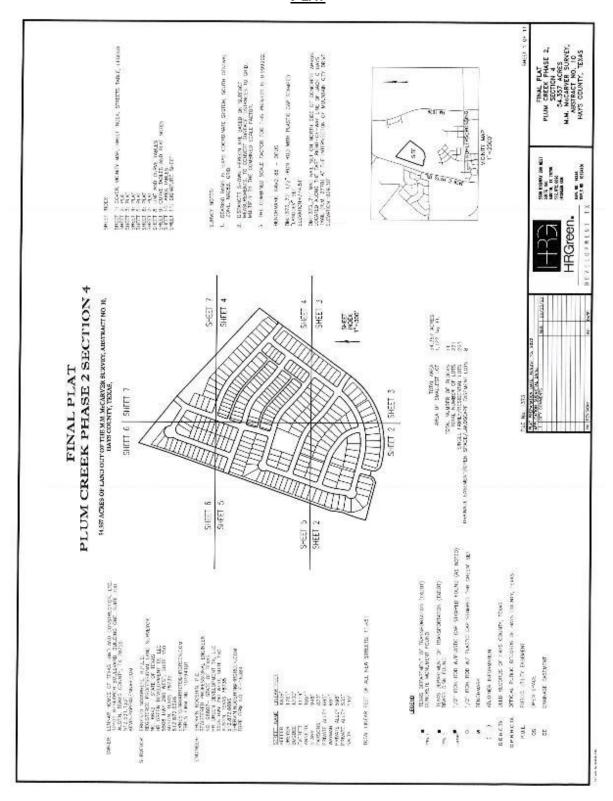
Highest & Best Use: New residential construction for lower mid-priced

production homes, as economic conditions and

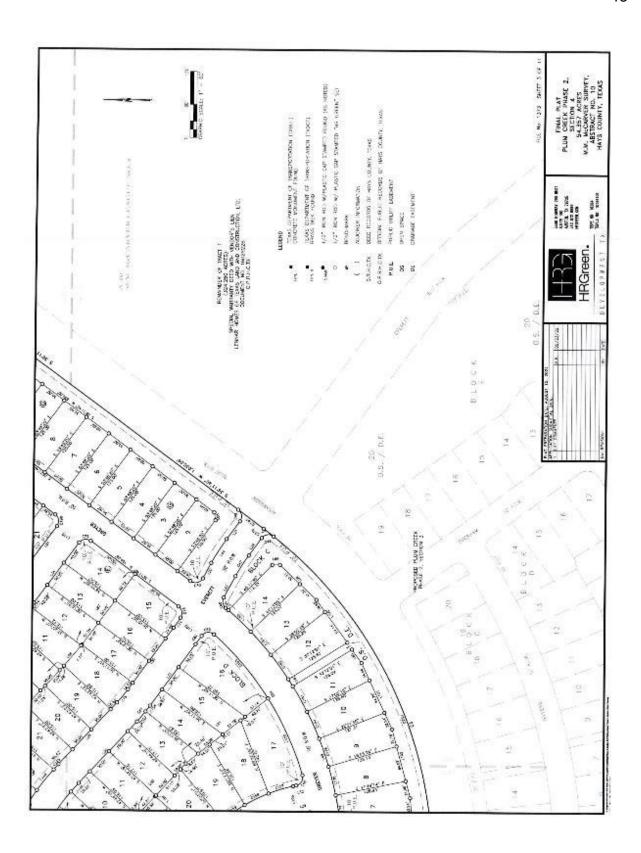
demand warrants, and as proposed.

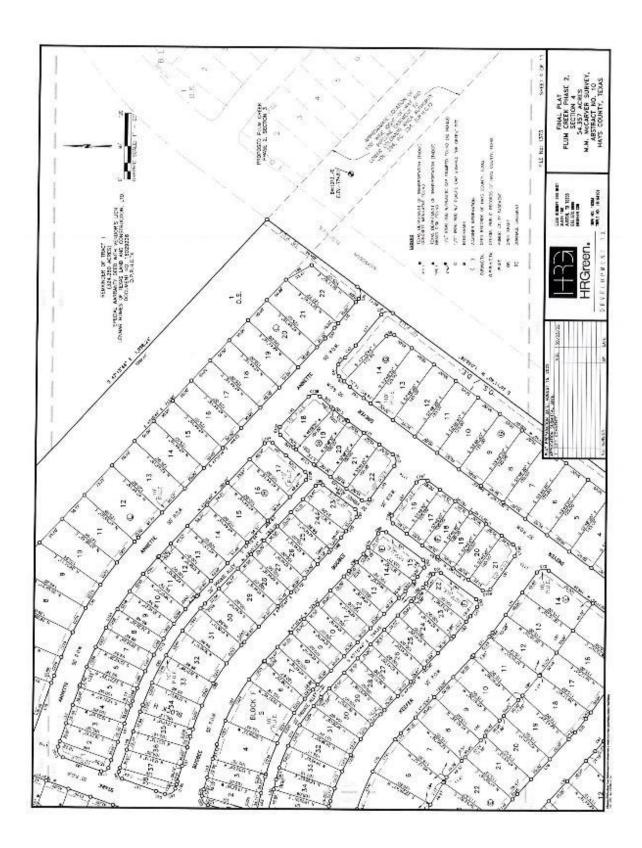
<u>Conclusion</u>: The subject Plum Creek North PID Area #2 has a suburban location in the rapidly growing Kyle/Buda Market Area of Austin. All services and public utilities are available, and no detrimental zoning, encroachments, or restrictions were noted, which would represent an adverse influence to the subject lots for lower-mid priced production housing, as proposed.

<u>Plat</u>



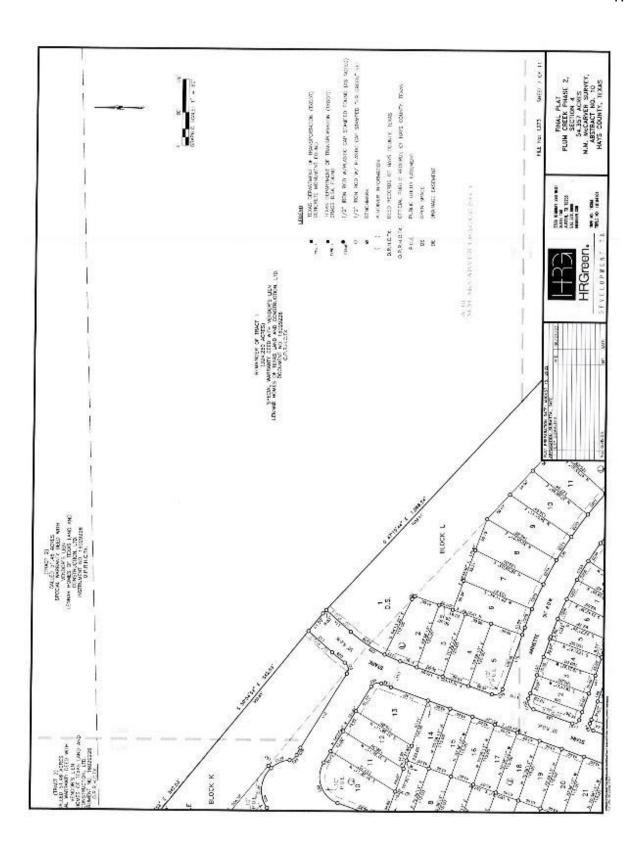






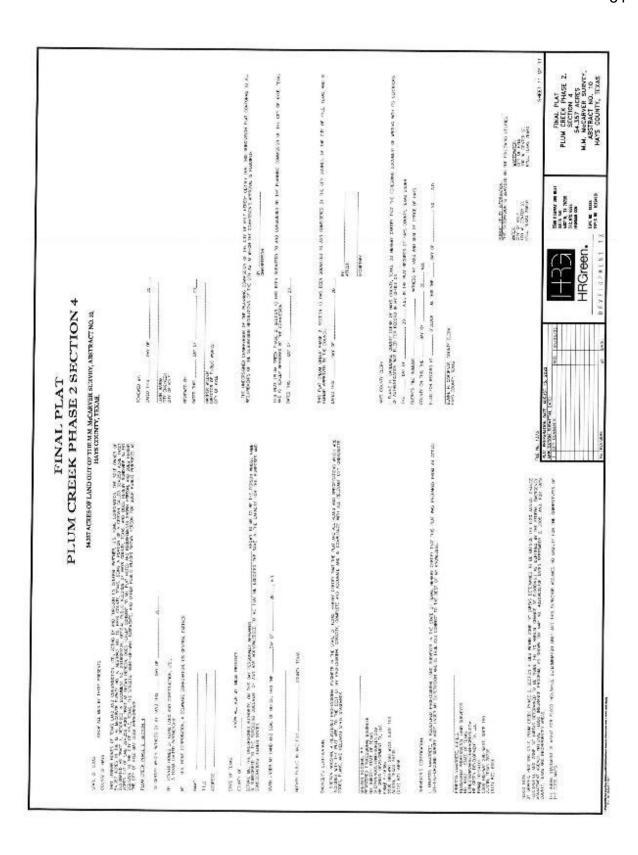






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SUBJECT PROPERTY PHOTOGRAPHS



New construction in Plum Creek, Phase 2, Section 3





Subject Phase 2, Section 3





Subject Phase 2, Section 3





Subject Phase 2, Section 3





Subject Phase 2, Section 3





Subject Phase 2, Section 4





Subject Phase 2, Section 4



HIGHEST AND BEST USE

The "Highest and Best Use" is defined and described as:

The reasonably probable use of property, that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. (The Dictionary of Real Estate Appraisal, Sixth Edition, 2015, page 109, Appraisal Institute).

The definition immediately above applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition wealth maximization to individual property owners. Also implied is that the determination of the highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be "most probable use." In the current context of investment value, an alternative term would be "most profitable use".

In order to reasonably determine the "highest and best use" of the subject, legally permissible uses, physically possible uses, financially feasible uses and the maximally productive use are considered.

LEGALLY PERMISSIBLE

Zoning/Restrictions: Zoning regulations, deed restrictions, adverse easements, historical districts, building codes, and environmental regulations often limit the potential uses of a property. According to the Phase 2, Sections 3 and 4 plat, the subject lots and land conform to the Plum Creek P.U.D. Ordinance 311; Plum Creek Subdivision Ordinance 308 and Ordinance. The subject lots and land are assumed to be deed

restricted, but I am not aware of any adverse deed restrictions which would preclude development of the land and lots to their highest and best uses.

PHYSICALLY POSSIBLE

Site size, shape, topography, location, and the availability of utilities are generally held as the most important factors in determining uses by which land may be developed. Some small sites, because of their limited size, can only reach their optimum use as part of an assemblage with adjacent tracts. Conversely, larger sites are not restricted by size, allowing for a wider range of possible uses.

The subject property consists of Plum Creek North Public Improvement District (PID) Area #2, being 141 existing lots on 55.955 acres in Phase 2, Section 3; and 263 proposed lots on 54.357 acres in Phase 2, Section 4, located along the north and south lines of Rikardson Street, at Marley Street. Most of the 141 existing lots in Phase 2, Section 3 are now improved with vertical construction, with varying stages of completion. Herein, these 141 lots are considered to be Hypothetically "As Though Vacant," at the client's request. All public utilities are available in sufficient capacity for a low-density residential development. The subject lots are unencumbered by any adverse easements, and are within the Hays Consolidated I.S.D.

FINANCIALLY FEASIBLE

Any use, which produces a positive rate of return, is regarded as feasible from a financial point of view. The general character of the market area and adjacent land uses also provide indications of feasible use. This data along with other market data form the basis for analysis of various alternate investment returns.

According to the Zonda Austin Metrostudy, 1st Quarter 2024, the subject's South Market Area is the third most active sector of the eight market areas comprising the Austin region. For the 12 months ending with the 1st Quarter 2024, the South Market Area had 4,707 starts and 4,041 closings, for an undersupplied vacant developed lot (VDL) inventory of 16.1 months, and an elevated housing inventory of 9.8 months.

The subject property is within the South Market Area, and the Kyle/Buda Submarket. The Kyle/Buda Submarket accounted for 3,374 of those 4,707 starts (71.68%) and 2,785 of those 4,041 closings (68.92%), with a notably undersupplied vacant developed lot inventory of 16.6 months, and an elevated housing inventory of 10.2 months. Typically, a 20 to 24-month lot supply is considered to be equilibrium; thus, the Kyle/Buda Submarket is notably undersupplied at 16.6 months, as is the South Market Area at 16.1 months.

Submarket/ Market Area		4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	Annual Rates/ Inventory Supply (Mos)
Kyle/Buda	Starts	231	399	861	749	848	916	3,374
Submarket	Closings	669	545	430	682	785	888	2,785
	Housing Inv.	1,926	1,780	2,211	2,278	2,341	2,369	10.2 Mos.
	VDL Inv.	4,412	4,814	5,701	5,883	5,315	4,668	16.6 Mos.
South	Starts	400	664	1,278	1,030	1,191	1,208	4,707
Market Area	Closings	946	798	815	858	1,155	1,213	4,041
	Housing Inv.	2,752	2,618	3,081	3,253	3,289	3,284	9.8 Mos.
	VDL Inv.	6,279	7,031	7,825	7,772	7,265	6,326	16.1 Mos.

Source: Zonda Austin Metrostudy, 1st Quarter 2024

Within the South Market Area starts in the 1st Quarter 2024 were up 91.93% over 1st Quarter 2023, and closings were up 52.01% over the same time period. Within the Kyle/Buda Submarket starts in the 1st Quarter 2024 were up about 130% over the 1st Quarter 2023, and closings were up 62.94% over the same time period. These trends indicate a continued demand for housing.

Inflation in June 2022 reached a record high level since 1982 of 9.1%, causing the Federal Reserve to rapidly increases interest rates from May 2022 into August 2023, but began to decline by late December 2023. The increase in interest rates has caused slower activity in new home sales for most market areas throughout the Austin region, and this trend will likely continue throughout the remainder of 2024, until rates stabilize and possibly recede later in 2024, or 2025.

MAXIMALLY PRODUCTIVE HIGHEST & BEST USE CONCLUSION

The usage that produces the highest value is the maximally productive use, which is the highest and best use for the subject sites. The 141 subject Phase 2, Section 3 lots are now finished and being built-on. Thus, the maximally productive use of these existing lots is for continued residential construction. The 263 proposed Phase 2, Section 4 lots will be substantially complete by November 1, 2024. The physically possible and legally permissible use of the subject Phase 2, Section 4 development tract strongly supports a residential use. Thus, the maximally productive use of the 263 proposed lots are for a single-phase lot development, as proposed, and as economic conditions and demand warrant.

SALES COMPARISON APPROACH - BUILDER TAKEDOWN LOT SALES VALUATION

The Sales Comparison Approach is "The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison." (The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, p. 207).

The rationale for this approach, based on the principle of substitution, is that a probable purchaser would not be justified in paying more for an individual retail lot than the cost of acquiring a substitute property of similar utility and characteristics, as that of the typical subject lot.

Again, knowledgeable individuals active in the area, which include real estate brokers, appraisers, developers, and builders, were consulted for information that would aid in the investigation. All of the data presented was confirmed for accuracy. On the following pages are details concerning the comparable takedown lot sales that have been used for the establishment of the subject's typical or base Builder Takedown Lot Value conclusion.

LOT SALE NUMBER ONE



Subdivision Name: 6 Creeks at Waterridge, Phase 1, Sections 7 & 10

Mapsco Map: 699 F & K

Location: The west line of N. Old Stagecoach Road at 6

Creeks Boulevard, in the ETJ of Kyle, Hays County,

Texas 78640.

	Avg	Base Lot	Esc Lot	Total	Total	Sales
<u>Lots</u>	<u>FF</u>	<u>Price</u>	<u>Charge</u>	Lot Price	Price PFF	<u>Date</u>
34	55'	\$110,000	N/A	\$110,000	\$2,000	5/5/2023
36	70'	\$140,000	N/A	\$140,000	\$2,000	5/5/2023

Grantor: HMBRR Development, Inc.

Grantee: Highland Homes

New Home Price Range: \$465,000 to \$800,000

Financing: Cash to seller

Utilities: All available

Zoning/Restrictions: None/6 Creeks Deed Restrictions

Floodplain: No

Clerk's File No.: 202323015914

Confirmation: Lot Purchase Contract & Mr. Jay Hannah with

HMBRR Development, Inc.

<u>Comments</u>: This is the bulk purchase of 70, 55' lots and 70' lots out of 6 Creeks, Phase 1, Sections 7 and 10. In addition to the base lot price, additional builder fees amounted to \$5,376 per 55' lot, and \$5,576 per 70' lot, or an average of **\$5,479 per lot, or \$87 PFF**, along with a 20% true-up.

LOT SALE NUMBER TWO



Subdivision Name: La Cima, Phase 5A

Mapsco Reference: Hays County

Location: This subdivision is located north and south of West

Centerpointe Road, and west of R.R. 12, in San Marcos, Hays

County, Texas 78666.

Lot Sales Data:

 Lots
 FF
 Price
 Charge
 Per FF
 Date

 83
 40'
 \$58,000
 N/A
 \$1,450
 2/10/2023

Developer: LCSM PH 3, LLC

Builder: Coventry Homes

New Home Price Range: \$390,000 to \$490,000

Financing: Cash to seller

Utilities: All available

Amenities: None

Zoning: Single-family, by the city of San Marcos

Restrictions: Typical Deed Restrictions

Floodplain: None

Confirmation: Contract/Developer; File # 202323004309

Comments: This is the bulk purchase of 83 lots by the builder. The base lot price is \$58,000 with additional fees totaling \$9,080 (amenity fee, gas fee, HOA fee and marketing fee).

LOT SALE NUMBER THREE



Subdivision Name: Paramount, Section 3

Mapsco Reference: Hays County

Location: This subdivision is located along the south line of Opal Lane,

and the north line of Roland Lane, just west of I-35, in Kyle,

Hays County, Texas 78640.

Lot Sales Data:

	Avg	Base Lot	Esc Lot	Lot	Sale
<u>Lots</u>	<u>FF</u>	<u>Price</u>	<u>Charge</u>	Per FF	<u>Date</u>
4	40'	\$75,990	N/A	\$1,900	9/28/2023
16	50'	\$95,000	N/A	\$1,900	9/28/2023

Developer: Paramount Park, Ltd

Builder: Castlerock Communities

New Home Price Range: \$294,990 to \$454,990

Financing: Cash to seller

Utilities: All available

Amenities: None

School District: Hays CISD

Zoning: Residential, by the city of Kyle

Restrictions: Typical Deed Restrictions

Floodplain: None

Confirmation: Developer/Clerk's Number: 2023-23035957

Comments: This is the purchase of 20 lots by the builder. The base lot price is \$75,990 (40' lots) and \$95,000 (50' lots). Lots are subject to a 6.5% annual escalator. Castlerock is building on the 40' and 50' lots, and Pacesetter Homes is building on the 50' and 65' lots in Section 3.

LOT SALE NUMBER FOUR



Subdivision Name: Paramount, Section 3

Mapsco Reference: Hays County

Location: This subdivision is located along the south line of Opal Lane,

and the north line of Roland Lane, just west of I-35, in Kyle,

Hays County, Texas 78640.

Lot Sales Data:

 Lots
 FF
 Price
 Charge
 Per FF
 Date

 11
 50'
 \$94,990
 N/A
 \$1,900
 9/28/2023

Developer: Paramount Park, Ltd
Builder: Pacesetter Homes

New Home Price Range: \$294,990 to \$454,990

Financing: Cash to seller
Utilities: All available

Amenities: None

School District: Hays CISD

Zoning: Residential, by the city of Kyle

Restrictions: Typical Deed Restrictions

Floodplain: None

Confirmation: Developer

Comments: This is the purchase of 11, 50' lots by the builder. The base lot price is \$94,990. Lots are subject to a 6.5% annual escalator. Castlerock is building on the 40' and 50' lots, and Pacesetter Homes is building on the 50' and 65' lots in Section 3.

BUILDER LOT PENDING SALE NUMBER FIVE



Subdivision Name: Infinity Square, Phase 1

Mapsco Reference: Hays County – 701 W

Location: This subdivision is located along the south line of Bunton Lane

at Bunton Reserve Boulevard, in Kyle, Hays County, Texas

78640.

Lot Sales Data:

CastleRock Communities								
Lot Size	35'	40'	50'	60'	Total			
Quantity	27	66	61	11	165 Lots			
Base Lot Price	\$64,750	\$74,000	\$92,500	\$99,000	-			
Price/FF	\$1,850	\$1,850	\$1,850	\$1,650	-			

Brightland Homes								
Lot Size	35'	40'	50'	60'	Total			
Quantity	28	65	61	11	165 Lots			
Base Lot Price	\$64,750	\$74,000	\$92,500	\$99,000	-			
Price/FF	\$1,850	\$1,850	\$1,850	\$1,650	-			

Developer: RPC Kyle Ownership, LLC

Builders: Castlerock Communities and Brightland Homes

New Home Price Range: \$300,000 to \$500,990

Utilities: All available

Amenities: Future Master-plan

School District: Hays CISD

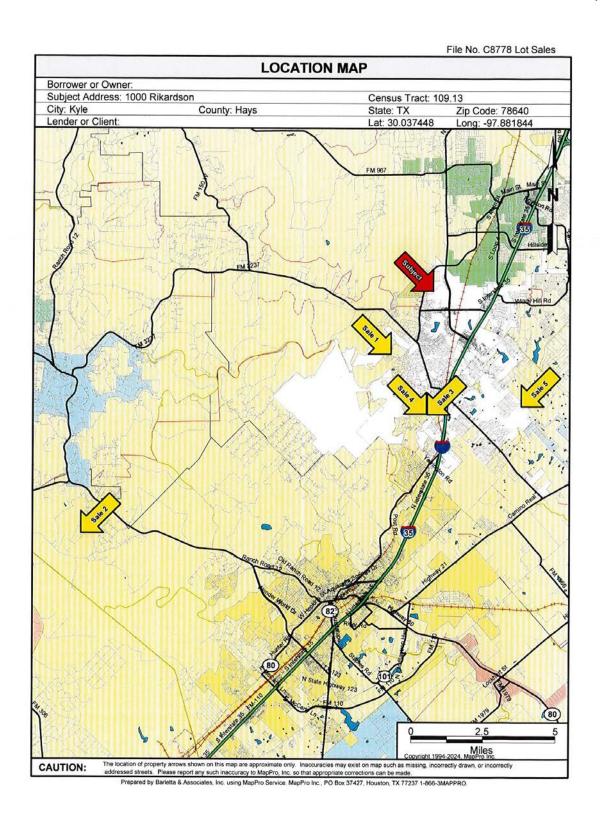
Zoning: Residential, by the city of Kyle

Restrictions: Typical Deed Restrictions

Floodplain: None

Confirmation: Lot Purchase Contract

Comments: Each builder has agreed to a 7% annual escalator, along with builder fees of \$15,340 per lot for Water Impact Fees (\$12,340) and Amenity Fees (\$3,000). Each builder has agreed to purchase 25 lots (50 lots total) upon substantial completion, and then 15 lots per quarter (30 lots total) beginning 180 days after substantial completion.



BUILDER TAKEDOWN LOT SALES ANALYSES BUILDER LOT SALES ANALYSES

The Builder Lot Sales illustrated on the preceding pages are considered to be representative of the best available data for comparison to the subject lots, and are summarized on the following chart:

	RESIDENTIAL LOT SALES SUMMARY										
LOT SALE	SALE DATE	LOCATION	SALE TYPE	NO. LOTS	LOT WIDTH	LOT PRICE	LOT FRICE PFF				
1	2Q 2023	6 Creeks, Ph. 1, Sec. 7 & 10	Takedown	34	55'	\$110,000	\$2,000				
1	2Q 2023	6 Creeks, Ph. 1, Sec. 7 & 10	Takedown	36	70'	\$140,000	\$2,000				
2	1Q 2023	La Cima, Phase 5A	Bulk Sale	83	40'	\$58,000	\$1,450				
3	3Q 2023	Paramount, Section 3	Takedown	4	40'	\$75,990	\$1,900				
3	3Q 2023	Paramount, Section 3	Takedown	16	50'	\$95,000	\$1,900				
4	3Q 2023	Paramount, Section 3	Takedown	11	50'	\$94,990	\$1,900				
5	Pending	Infinity Square, Phase 1	Takedown	6	35'	\$64,750	\$1,850				
5	Pending	Infinity Square, Phase 1	Takedown	6	40'	\$74,750	\$1,850				
5	Pending	Infinity Square, Phase 1	Takedown	6	50'	\$92,500	\$1,850				
5	Pending	Infinity Square, Phase 1	Takedown	6	60'	\$99,000	\$1,650				

The market data was first analyzed to determine the best unit of comparison, and the features inherent to a given property causing a property's sale price to vary relative to another property. Sales comparison was then used to estimate representative and reasonable measures for adjustment factors or differences between the comparable sales and subject lots. The best units of comparison for Residential Lot Sales are the total sales price per lot, or the price per front foot. Of these various units of comparison, it was determined that the price per front foot was the most applicable. The categories found to be prevalent for adjustment analysis were cumulative adjustments such as Real Property Rights Conveyed, Financing (cash equivalent consideration), Conditions of Sale (motivation), and Time (sale date); and additive market related conditions adjustments such as Location, Size and Overall Property Characteristics (physical). Adjustments are made on a cumulative basis for the first four categories listed, and then on an additive basis on the remaining categories.

The market data was first analyzed to determine the best unit of comparison, and the features inherent to a given property causing a property's sale price to vary relative to another property. Sales comparison was then used to estimate representative and reasonable measures for adjustment factors or differences between the comparable sales

and subject lots. The best units of comparison for Builder Takedown Lot Sales are the total sales price per lot, or the price per front foot. Of these various units of comparison, it was determined that the price per front foot was the most applicable. The categories found to be prevalent for adjustment analysis were cumulative adjustments such as Real Property Rights Conveyed, Financing (cash equivalent consideration), Conditions of Sale (motivation), and Time (sale date); and additive market related conditions adjustments such as Location, Size and Overall Property Characteristics (physical). Adjustments are made on a cumulative basis for the first four categories listed, and then on an additive basis on the remaining categories.

CUMULATIVE ADJUSTMENTS

Real Property Rights Conveyed: The comparability of property interests must first be considered when utilizing sales for adjustment analysis. The real property rights conveyed of the sales were all found to feature fee simple interest. **Therefore, no adjustment is necessary for this category,** as it is considered that each sale adequately represents market prices and market activity in the subject area for fee simple estates.

<u>Financing/Cash Equivalent Considerations</u>: Prior to adjusting for various categories applicable in the adjustment grid, each sale was reviewed with respect to financing terms and supplemental acquisition costs. When favorable financing occurred, the sale was adjusted to reflect the cash equivalent price in terms of U.S. dollars that the seller actually received. Generally cash equivalency is arrived at by applying present value factors to the stream of income generated by the seller offering favorable financing. All monies are brought back to the present value if the seller were to sell for cash or cash equivalency.

No consideration for financing was required in this analysis.

<u>Conditions of Sale</u>: This category, as well as the previous two categories, is related to motivation of the parties in the transaction to agree on the sales price at the date of sale. The conditions and reasons for a sale are factors, which can have a direct impact on the sales price. Buyers and sellers motivation for acquisition or disposition of a property can cause large differences in the actual sales price versus market value. Extraction of an appropriate adjustment for special sales conditions is generally difficult to ascertain.

Pairing of sales is typically the best method in establishing an adjustment. However, when sales are scarce and/or significant differences in the properties are evident, additional considerations must be reviewed. Such considerations typically relate to additional information provided by the buyer and/or seller, which may be difficult to measure, but must be considered, analyzed, and reasonably adjusted. Lot Sales 1, 2, 3, 4 and 5 are typical builder retail lot takedowns, warranting no extractable adjustments.

<u>Date of Sale</u>: A time adjustment is required if changes occur in market conditions between the time of sale of a comparable property, and the effective date of the appraisal of the subject property. Under such circumstances, the price of the comparable property would be different at the date of appraisal, and an adjustment is warranted to the cash equivalent sales price for the sale to be used as a comparable. Lot Sales 1, 2, 3 and 4 are each adjusted at a rate of 6.0% per year in order to reflect the expectations for continued increases in lot pricing in the subject market area. Pending Lot Sale 5 is not adjusted.

ADDITIVE ADJUSTMENTS

<u>Location</u>: Factors, which often have an effect on lot values, include proximity to schools, the specific school district, shopping, market area amenities, and employment centers. Accessibility is an important consideration as well, particularly within market areas such as the subject. In addition to these elements, lots located in well-established subdivisions with higher priced homes tend to likewise command higher prices than otherwise equal lots in less desirable subdivisions. Lot Sale 1 is one of the premier residential developments in Kyle, warranting an adjustment of -5%. Lot Sale 2 is located farther south in San Marcos, and is adjusted +15% for its inferior location. Lot Sales 3 and 4 are in master-planned communities, which are considered generally similar to the subject in terms of location, and are not adjusted. Lot Sale 5 is located east of I-35, along a secondary corridor in Kyle, warranting a +5% adjustment for its slightly inferior location.

<u>Size</u>: Typically, larger lots sell for lesser unit prices than otherwise equally desirable smaller lots. Given that I have elected to use a Price Per FF methodology, **adjustments** for lot size are not warranted for the data set presented.

<u>Physical Characteristics</u>: Other factors, which can have an effect on lot values include drainage, shape with respect to development potential, adverse easements, cul-de-sac location, corner lots, location with respect to flood hazard areas and especially in this market area is the hillside view consideration. All of the lot sales can be described as very similar in overall physical characteristics compared to the subject lots, and **adjustments** are not warranted.

LOT SALES ADJUSTMENT GRID

The following Lot Sales Adjustment Grid illustrates the adjustments that were extracted and applied in the analyses of the comparable Builder Lot Sales to the typical subject 50' and 55' lots, Hypothetically "As Though Vacant," in Plum Creek, Phase 2, Section 3.

Lot Takedown Adjustment Grid Plum Creek, Phase 2, Section 3 - 50' & 55' Lots, "As Though Vacant"							
MARKET DATA	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	
WARREI DATA	SUBJECT	SALE I	SALE Z	SALE 3	SALE 4	SALE 5	
Sale Price PFF	-	\$2,000	\$1,450	\$1,900	\$1,900	\$1,850	
Sales Date Adjustment	2Q/2024 -	2Q/2023 +6.0%	1Q/2023 +7.50%	3Q/2023 +4.50%	3Q/2023 +4.50%	Pending 0%	
Adjusted Sale Price PFF	-	\$2,120	\$1,559	\$1,986	\$1,986	\$1,850	
Financing Adjustment	-	CTS 0%	CTS 0%	CTS 0%	CTS 0%	CTS 0%	
Conditions of Sale Adjustment	Typical Lot Takedown -	Takedown 0%	83 Lots Bulk Sale +10%	Takedown 0%	Takedown 0%	Takedown 0%	
Adjusted Sale Price PFF	-	\$2,120	\$1,715	\$1,986	\$1,986	\$1,850	
Location	Plum Creek	6 Creeks	La Cima	Paramount	Paramount	Infinity Square	
Adjustment		-5%	+15%	0%	0%	+5%	
Lot Size (FF) Adjustment	50' & 55' -	55' & 70' 0%	40' 0%	40' & 50' 0%	50' 0%	35', 40' & 50' 0%	
Physical Characteristics Adjustment	Typical -	Equal 0%	Equal 0%	Equal 0%	Equal 0%	Equal 0%	
Net Adjustment	-	-5%	+15%	0%	-5%	0%	
Indicated Sale Price PFF	-	\$2,014	\$1,972	\$1,986	\$1,986	\$1,943	
Indicated Mean Price PFF	\$1,980						
Indicated Median Price PFF	\$1,986						

BUILDER LOT VALUE CONCLUSION, HYPOTHETICALLY "As THOUGH VACANT": The lot sales presented indicate a range of \$1,943 PFF to \$2,014 PFF, with a mean of \$1,980 PFF, and a median indication of \$1,986 PFF. After considering the physical characteristics of the subject lots, as well as the supply and demand for these lots in the market area, it is my opinion that the Base Market Value of a typical 50' subject lot, as of May 20, 2024, is \$1,980 PFF. Thus, the Hypothetically "As Though Vacant" 50' lot in Phase 2, Section 3, is concluded as follows:

Lot		Retail Lot	Indicated Retail
<u>Size</u>		Revenue PFF	Lot Value
50' x 130'	Х	\$1,980 =	\$99,000

Further, it is also my opinion that the Hypothetically "As Though Vacant" 55' lot in Phase 2, Section 3 is concluded as follows:

Lot		Retail Lot	Indicated Retail
Size	<u>J</u>	Revenue PFF	Lot Value
55 ['] x 130'	Х	\$1,980 =	\$108,900

Sum of Retail Revenue Conclusion, Hypothetically "As Though Vacant"

The 141 existing subject lots in **Plum Creek, Phase 2, Section 3** have a Hypothetically **"As Though Vacant"** sum of retail revenue computed as follows:

				Sum of	Effective
<u>No.</u>	Description	Lot Size	Retail Lot Value	Retail Revenue	<u>Date</u>
62	Existing	50' × 130'		\$ 6,138,000	5/20/2024
<u>79</u>	Existing	55' × 130'	@ \$108,900 / Lot =	\$ 8,603,100	5/20/2024
141	Total/Average		\$104,547 / Lot =	\$14,741,100	5/20/2024

"Upon Completion" Builder Takedown Revenue - Phase 2, Section 4

The subject Phase 2, Section 4 lots will be substantially complete by November 1, 2024, or approximately 6 months after the "As Though Vacant" effective date of the Phase 2, Section 3 subject lots. As mentioned, the lot pricing is projected to escalate at a rate of 6.0% per year. After considering the physical characteristics of the subject lots; the supply and demand for these lots in the market area, it is my opinion that the Base Market Value of a typical subject lot, as of November 1, 2024, (\$1,980 PFF x 1.03 = \$2,039 PFF); <u>Say</u> \$2,040 PFF. Thus, the typical 35' lot, "Upon Completion" in Phase 2, Section 4, is concluded as follows:

And, it is also my opinion that the typical **50' lot**, **"Upon Completion" in Phase 2, Section 4**, is concluded as follows:

Lot		Retail Lot		Indicated Retail
<u>Size</u>	1	Revenue PFF	=	Lot Value
50' x 130'	Х	\$2,040	_	\$102,000

Lastly, it is my opinion that the typical **55' lot, "Upon Completion" in Phase 2, Section 4**, is concluded as follows:

Lot		Retail Lot		Indicated Retail
<u>Size</u>		Revenue PFF		Lot Value
55 ['] x 130'	Χ	\$2,040	=	\$112,200

SUM OF RETAIL REVENUE CONCLUSION, "UPON COMPLETION"

The 263 proposed subject lots in **Plum Creek**, **Phase 2**, **Section 4** have an "**Upon Completion**" sum of retail revenue computed as follows:

				Sum of	Effective
<u>No.</u>	Description	Lot Size	Retail Lot Value	Retail Revenue	<u>Date</u>
116	Proposed	35' × 130'	@ \$71,400 / Lot =	\$ 8,282,400	11/1/2024
112	Proposed	50' × 130'	@ \$102,000 / Lot =	\$11,424,000	11/1/2024
<u>35</u>	Proposed	55' × 130'	@ \$112,200 / Lot =	\$ 3,927,000	11/1/2024
263	Total/Average		\$89,861 / Lot =	\$23,633,400	11/1/2024

INCOME APPROACH - DISCOUNTED BULK MARKET VALUE ANALYSIS

The Bulk Market Value for the subject lots, or sold collectively to a single purchaser, is determined by discounting the net sales proceeds of the aggregate gross builder retail lot value arrived at previously. The discounting is necessary to reflect the absorption period, required yield, and related expenses incurred during the sell-out term. The following is a discussion of each of these categories and the assumptions applicable thereto:

ABSORPTION

Generally, in developments such as the subject, an absorption period is required in order to promote and eventually sell-out the subject lots on an individual lot basis. To determine the rates at which the subject single-family lots will be absorbed into the market, I have analyzed the recent absorption of lots in several single-builder subdivisions in the vicinity of the subject subdivision.

Subdivision	Lot Size	No. Builders	Price Range (\$1,000's)	12-Month Closings	Closings Per Quarter	Closings Per Builder Per Quarter
Anthem	50' – 60'	7	\$329 - \$650	125	31.25	4.46
Blanco Vista/Pecan Ridge	50' – 60'	4	\$354 - \$495	75	18.75	4.69
Casetta Ranch	35' – 50'	1	\$280 - \$456	46	11.50	11.50
Crosswinds	40' - 60'	7	\$300 - \$712	194	48.50	6.93
Harvest Creek	40'	1	\$290 - \$382	78	19.50	19.50
Plum Creek North	35' – 55'	1	\$253 - \$503	211	52.75	52.75
Stallion Run	40' – 45'	1	\$290 - \$405	121	30.25	30.25
Sunset Oaks	40'	2	\$283 - \$383	247	61.75	30.88
Talavera	50'	1	\$288 - \$418	110	27.50	27.50
Turner's Crossing	40' - 50'	3	\$308 - \$600	132	33.00	11.00

Source: Zonda Austin Metrostudy, 1st Quarter 2024

These absorption comparables indicate annual absorption of 46 lots up to 247 lots, with an average of 133.90 closings per year, or 33.48 closings per quarter. On a per-builder basis, the absorption comparables indicate a range of 4.46 lots to 52.75 lots, with an average of 19.95 lot closings per quarter, per builder. Note that the subject Plum Creek North represents the upper-end of the range.

According to information provided by Ms. Lauren Trigo, (830/660-3648), Lennar Homes sold and closed 267 homes in Plum Creek North since June 5, 2023, or about 21.33 sales per month, or about 64 sales per quarter. Further, Ms. Trigo indicated that Lennar Homes now has 30 pending sales in Plum Creek North.

As mentioned previously, the Kyle/Buda Submarket has a notably undersupplied vacant developed lot inventory of only 16.6 months, and a slightly oversupplied housing inventory of 10.2 months.

Absorption Conclusion, Phase 2, Section 3 - Hypothetically "As Though Vacant":

Again, the subject Plum Creek, Phase 2, Section 3 is now complete. Given the recent sales activity in Plum Creek North, most emphasis is placed on the upper-end of the range of the absorption comparables, and I have projected lot absorption at a rate of 50 lots per quarter after an initial takedown in Period Zero of 50 lots. The projected absorption for Phase 2, Section 3 is summarized as follows:

Plum Creek, Phase 2, Section 3,								
Hypothetically "As Though Vacant" – May 20, 2024								
Quarterly Period 0 1 2 Total								
Lot Absorption	Lot Absorption 50 50 41 141							

The projected takedown schedule for the 141 existing subject lots in Plum Creek, Phase 2, Section 1 amounts to 141 lots over 2 quarterly periods years, or an average of **70.50** lots per quarter. This projected absorption is slightly over the range of the absorption comparables, but reflects Lennar's 267 sales in Plum Creek North, since June 5, 2023, as well as the additional 30 pending sales, for a net annual absorption of 297 lots, or 74.25 lots per quarter.

Absorption Conclusion, Phase 2, Section 4 "Upon Completion" Conclusion: Again, the subject Plum Creek, Phase 2, Section 4 is expected to be substantially complete by November 1, 2024. At that time, there will still be approximately 41 lots remaining in Plum Creek, Phase 2, Section 3, which is a sufficient supply of lots to meet immediate demand.

Thus, there will be a brief oversupply of lots. Herein, I have projected lot absorption at a rate of **50 lots per quarter**, **beginning in Period 1**, **with no lot absorption in Period Zero**, summarized as follows:

Plum Creek, Phase 2, Section 4,								
"Upon Completion" - November 1, 2024								
Quarterly Period	<u>0</u>	1	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>Total</u>
Lot Absorption	0	50	50	50	50	50	13	263

The projected takedown schedule for the 263 proposed subject lots in Plum Creek, Phase 2, Section 4 amounts to 263 lots over 1.50 years, or an average of **43.83 lots per quarter**, which is well supported by the range of the absorption comparables, and the current sales velocity in Plum Creek, Phase 2, Section 3.

The overall absorption amounts to 404 lots over two years (8.0 quarters), or 50.50 lots per quarter, which supported by the upper-end of the absorption range, as well as Lennar's recent new home sales activity in Plum Creek North.

INTERNAL RATE OF RETURN (IRR)

I referenced the Developer's Survey conducted by RealtyRates.com for the 1st Quarter 2024.

Texas

RealtyRates.com DEVELOPER SURVEY - 1st Quarter 2024* Texas - Subdivisions & PUDs								
		tual Bate		Pro-	Forma Ra	tes		
	Min	Max	Avg	Min	Max	Avg		
Site-Built Residential	15.46%	33.57%	22.75%	14.84%	32.23%	21.84		
-100 Units	15.46%	28.94%	21.76%	14.84%	27.78%	20.89		
10 0-500 Units	15.85%	31.84%	22.89%	15.21%	30.56%	21.97		
500+ Units	16.23%	33.28%	23.27%	15.58%	31.95%	22.34		
Mixed Use	16.62%	33.57%	23.09%	15.95%	32.23%	22.16		
Manufactured Housing	15.95%	36.68%	24.42%	15.32%	35.21%	23.44		
-100 Units	15.95%	31.89%	23.45%	15.32%	30.62%	22.51		
10 0-500 Units	16.35%	35.08%	24.69%	15.70%	33.68%	23.70		
500+ Units	16.75%	36.68%	25.11%	16.08%	35.21%	24.11		
Business Parks	15.91%	34.08%	23.22%	15.28%	32.72%	22.29		
-100 Acres	15.91%	29.64%	22.32%	15.28%	28.45%	21.43		
10 0-500 Acres	16.31%	32.60%	23.48%	15.66%	31.30%	22.54		
500+ Acres	16.71%	34.08%	23.87%	16.04%	32.72%	22.92		
Industrial Parks	16.00%	29.61%	21.25%	15.36%	28.43%	20.40		
-100 Acres	16.00%	25.75%	20.46%	15.36%	24.72%	19.64		
10 0-500 Acres	16.40%	28.33%	21.47%	15.75%	27.19%	20.6		
500+ Acres	16.80%	29.61%	21.82%	16.13%	28.43%	20.94		

^{*4}th Quarter 2023 Data

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As indicated within the RealtyRates.com survey, developers and builders reported modeling proforma internal rates of return ranging from 15.21% to 30.56%, with an average of 21.97% for residential developments with 100 units to 500 units. These same developers and builders reported actual internal rates of return ranging from 15.85% to 31.84%, with an average of 22.89%.

Based on the availability of alternative investment yields, and considering the relative risk of the subject residential development investment in the Greater Austin region, it is the appraiser's opinion that for the **141 existing lots in Plum Creek, Phase 2, Section 3,** which are projected to be absorbed over a 2-quarter period, an overall **IRR of 16.00%** is

most appropriate for subject lot cash flow, inclusive of profit.

Further, it is the appraiser's opinion that for the **263 lots in Plum Creek, Phase 2, Section 4, "Upon Completion,"** which are projected to be absorbed over a 1.50-year period beginning November 1, 2024, a slightly higher **IRR of 17.00%** is most appropriate for subject lot cash flow, inclusive of profit, given the slightly futuristic completion date.

On the following pages are the discounted cash flow (DCF) analyses builder retail sellout of the 141 existing lots in Phase 2, Section 3, Hypothetically "As Though Vacant," followed by the builder retail sell-out of the 263 proposed lots in Phase 2, Section 4, "Upon Completion;" along with a discussion of the various absorption, carrying expenses, and yield assumptions to discount the cash flow builder retail sell-out of the subject lots.

DISCOUNTED CASH FLOW ASSUMPTIONS

Sum of Retail Revenue:

The 141 existing subject lots in **Plum Creek**, **Phase 2**, **Section 3** have a Hypothetically "**As Though Vacant**" sum of retail revenue computed as follows:

				Sum of	Effective
<u>No.</u>	Description	Lot Size	Retail Lot Value	Retail Revenue	<u>Date</u>
62	Existing	50' × 130'	@ \$99,000 / Lot =	\$ 6,138,000	5/20/2024
<u>79</u>	Existing	55' × 130'	@ \$108,900 / Lot =	\$ 8,603,100	5/20/2024
141	Total/Average		\$104,547 / Lot =	\$14,741,100	5/20/2024

The 263 proposed subject lots in **Plum Creek**, **Phase 2**, **Section 4** have an "**Upon Completion**" sum of retail revenue computed as follows:

				Sum of	Effective
<u>No.</u>	Description	Lot Size	Retail Lot Value	Retail Revenue	<u>Date</u>
116	Proposed	35' × 130' @	\$71,400 / Lot =	\$ 8,282,400	11/1/2024
112	Proposed	50' × 130' @	\$102,000 / Lot =	\$11,424,000	11/1/2024
<u>35</u>	Proposed	55' × 130' @	\$112,200 / Lot =	\$ 3,927,000	11/1/2024
263	Total/Average		\$89,861 / Lot =	\$23,633,400	11/1/2024

<u>Absorption Period</u>: The absorption period projected for the subject lots' sell-out is based on the vacant lot inventory and absorption projections, as detailed in the prior section of this appraisal.

<u>Growths</u>: The retail lot values have been escalated over the projected sell-out at **1.50%** per quarter, or **6.00%** per year, which is well supported by current trends in the Kyle/Buda market area, whereby builders have agreed to annual escalators ranging from 6.0% to 8.0%.

Beginning Lot Inventory: The Beginning Lot Inventory is the total number of lots in inventory on the first day of each quarterly period.

Lot Sales Per Period: The Lots Sales per Period is the total number of lots sold or absorbed during each quarterly period.

Ending Lot Inventory: The Ending Inventory is the total number of lots in inventory on the last day of each quarterly period.

<u>Average Lots Held Per Period</u>: The Average Lots Held per Period is the average of Beginning Lot Inventory and Ending Lot Inventory.

Starting Inventory (Dollars): The Starting Inventory is expressed in terms of dollars by multiplying the Average Lot Value by the Beginning Lot Inventory, and is a carry-over of the Ending Inventory balance.

<u>Average Inventory Held (Dollars)</u>: The Average Inventory Held in Dollars is the average of the Starting Inventory (dollars) and the Ending Inventory (dollars).

Ending Inventory (Dollars): The Ending Inventory is expressed in terms of dollars by subtracting the periodic Sales (dollars) from the Starting Lot Inventory (dollars).

<u>Periodic Sales Income</u>: The total Quarterly Sales are the revenue generated during the period, before sales expense deductions.

SALES EXPENSES

<u>Marketing/Closing Costs</u>: Herein, I have projected broker commissions at 3.0% of periodic sales. The closing costs and marketing costs of the subject lots were estimated at 2.0% of the periodic sales, for a total of **5.0%** for marketing and closing costs.

<u>Taxes</u>: The subject Phase 2, Section 3 existing lots are now assessed for \$70,800 per lot, regardless of size. HCAD typically discounts lots held in bulk, between 50% to The tax expense is based on the projected average assessed value per lot, multiplied by the tax rate per \$100, and divided by four to reflect quarterly taxes. The tax rate for the subject lots is based on the 2023 total tax rate of \$2.56463 per \$100, of assessed value, which is rounded to \$2.57 per \$100.

<u>Administrative Expense</u>: This category reflects incidental expenses including bank charges, accounting and legal fees, office expenses, etc., which are typically incurred by the developer throughout the holding period. These expenses are typically relatively minor; thus, I have projected this expense at **0.5% of quarterly lot sales revenue**.

<u>Maintenance</u>: The subject subdivision is part of Plum Creek Subdivision Homeowners Association. The HOA dues to the developer for vacant lots are estimated at \$200 per lot per year or **\$50 per lot per quarterly period**.

DISCOUNTED CASH FLOW ANALYSIS

See the following page for the discounted cash flow (DCF) analyses builder retail sell-out of the 141 existing lots in Phase 2, Section 4, Hypothetically "As Though Vacant," followed by the builder retail sell-out of the 263 proposed lots in Phase 2, Section 4, "Upon Completion."

PLUM CREEK, PHASE 2, SECTION 3 141 Lots, "As Though Vacant" - May 20, 2024

PLUM CREEK, PHASE 2, SECTION 3 - 141 LOTS "AS THOUGH VACANT" DISCOUNTED SELL-OUT CASH FLOW ANALYSIS

TOTAL NO. OF LOTS: GROSS RETAIL REVENUE: ABSORPTION PERIOD: INTERNAL RATE OF RETURN: ASSESSED VALUE PER LOT: EFFECTIVE TAX RATE/\$100: MAINTENANCE (LOT/QUARTER): BUILDER FEES PER LOT:	141 \$14,741,100 2 QUARTERS 16.0% \$70,800 \$2.57 \$50 \$0	\$70,800 \$2.57 \$50 \$0	\$70,800 \$2.57 \$50 \$0
QUARTERLY PERIOD:	ZERO	ONE	TWO
STARTING INVENTORY: LOT SALES/PERIOD: ENDING INVENTORY: AVG. LOTS HELD/PERIOD: SALES APPRECIATION: STARTING INVENTORY: AVG. LOT VALUE: AVG. INVENTORY HELD: ENDING INVENTORY:	\$141.0 50.0 91.0 116.0 0.00% \$14,741,100 \$104,547 \$12,127,430 \$9,513,760	91.0 50.0 41.0 66.0 1.50% \$9,656,466 \$106,115 \$7,003,591 \$4,350,715	41.0 41.0 0.0 20.5 1.50% \$4,415,976 \$107,707 \$2,207,988 \$0
QUARTERLY SALES: BUILDER FEES: TOTAL REVENUES:	\$5,227,340 \$0 \$5,227,340	\$5,305,751 \$0 \$5,305,751	\$4,415,976 <u>\$0</u> \$4,415,976
LESS EXPENSES: a) MKTING/CLOSING (5.0%): b) TAXES/AVG. INV HELD.: c) ADMINISTRATIVE (0.5%): d) MAINTENANCE:	\$261,367 \$0 \$26,137 \$0	\$265,288 \$30,023 \$26,529 \$3,300	\$220,799 \$9,325 \$22,080 \$1,025
TOTAL EXPENSES:	\$287,504	\$325,139	\$253,229
NET SALES INCOME:	\$4,939,837	\$4,980,612	\$4,162,747
QUARTERLY IRR AT 16.0%:	1.00	0.961538	0.924556
DISCOUNTED SALES: TOTAL NPV OF SALES "AS THOUGH VACANT": ROUNDED TO: VALUE PER LOT:	\$4,939,837 \$13,577,580 \$13,575,000 \$96,277	\$4,789,050	\$3,848,694

PLUM CREEK, PHASE 2, SECTION 4 263 Lots, "Upon Completion" – November 1, 2024

PLUM CREEK, PHASE 2, SECTION 4 - 263 LOTS "UPON COMPLETION" DISCOUNTED SELL-OUT CASH FLOW ANALYSIS

TOTAL NO. OF LOTS: GROSS RETAIL REVENUE: ABSORPTION PERIOD: INTERNAL RATE OF RETURN: ASSESSED VALUE PER LOT: EFFECTIVE TAX RATE/\$100: MAINTENANCE (LOT/QUARTER): BUILDER FEES PER LOT:	263 \$23,633,400 6 QUARTERS 17.0% \$70,800 \$2.57 \$50	\$70,800 \$2.57 \$50 \$50	\$70,800 \$2.57 \$50 \$50	\$70,800 \$2.57 \$50 \$50	\$70,800 \$2.57 \$50 \$50	\$70,800 \$2.57 \$50 \$50	\$70,800 \$2.57 \$50 \$50
QUARTERLY PERIOD:	ZERO	ONE	TWO	THREE	FOUR	FIVE	XIS
STARTING INVENTORY: LOT SALES/PERIOD: ENDING INVENTORY: AVG. LOTS HELD/PERIOD: SALES APPRECIATION: STARTING INVENTORY: AVG. LOT VALUE: AVG. INVENTORY HELD: ENDING INVENTORY	263.0 0.0 263.0 263.0 263.0 0.00% \$23,633,400 \$89,861 \$23,633,400 \$23,633,400	263.0 213.0 213.0 238.0 1.50% \$23,987,901 \$91,209 \$21,707,682 \$19,427,464	213.0 50.0 163.0 188.0 1.50% \$19,718,876 \$92,577 \$17,404,453 \$15,090,031	163.0 50.0 113.0 138.0 1.50% \$15,316,382 \$93,966 \$12,967,244 \$10,618,105	\$10.0 \$0.0 \$3.0 \$8.0 \$10,777,377 \$95,375 \$8,393,001 \$6,008,626	63.0 50.0 13.0 38.0 1.50% \$6,098,755 \$96,806 \$3,678,614 \$1,258,473	13.0 13.0 0.0 6.5 1.50% \$1,277,350 \$98,258 \$638,675
QUARTERLY SALES: BUILDER FEES: TOTAL REVENUES:	0\$ 0\$ 0\$	\$4,560,437 \$0 \$4,560,437	\$4,628,844 \$0 \$4,628,844	\$4,698,277 \$0 \$4,698,277	\$4,768,751 \$0 \$4,768,751	\$4,840,282 \$0 \$4,840,282	\$1,277,350 \$0 \$1,277,350
LESS EXPENSES: a) MKTING/CLOSING (5.0%): b) TAXES/AVG. INV HELD.: c) ADMINISTRATIVE (0.5%): d) MAINTENANCE:	0 0 0 0	\$228,022 \$108,264 \$22,802 \$11,900	\$231,442 \$85,519 \$23,144 \$9,400	\$234,914 \$62,775 \$23,491 \$6,900	\$238,438 \$40,030 \$23,844 \$4,400	\$242,014 \$17,286 \$24,201 \$1,900	\$63,868 \$2,957 \$6,387 \$325
TOTAL EXPENSES:	0\$	\$370,988	\$349,506	\$328,080	\$306,712	\$285,401	\$73,536
NET SALES INCOME:	0\$	\$4,189,450	\$4,279,338	\$4,370,197	\$4,462,039	\$4,554,881	\$1,203,814
QUARTERLY IRR AT 17.0%:	1.00	0.959233	0.920127	0.882616	0.846634	0.812119	0.779011
DISCOUNTED SALES:	0\$	\$4,018,657	\$3,937,536	\$3,857,206	\$3,777,714	\$3,699,105	\$937,785
"UPON COMPLETION": ROUNDED TO: VALUE PER LOT:	\$20,228,002 \$20,225,000 \$76,901						

DISCOUNTED CASH FLOW MARKET VALUE CONCLUSIONS

After applying an IRR of 16.0%, inclusive of profit, to the Phase 2, Section 3 subject lots' prospective cash flow sell-out; and an IRR of 17.0% to the Phase 2, Section 4 subject lots' prospective cash flow sell-out, it is the opinion of the appraiser that the **Hypothetical** "As Though Vacant" and "Upon Completion" Bulk Market Values of the subject lots to a single purchaser, via the Income Approach, are as follows:

	No.	Bulk	
Description	Lots	Market Value	Effective Date
Plum Creek, Phase 2, Section 3	141	\$13,575,000	5/20/2024
Plum Creek, Phase 2, Section 2	263	\$20,225,000	11/1/2024

When estimating the value of multiple lots or parcels of land "In Bulk" or collectively to a single purchaser, individual builder retail lot market values are typically totaled, and a discounted cash flow is then applied to reflect factors such as yield, risk, and expenses which must be incurred by the owner throughout the holding period or sell-out term for the multiple retail properties. The preceding discounted cash flow model is deemed to be the most reliable technique in concluding my opinion of the Market Value for the subject lots "In Bulk" or collectively to a single purchaser.

The indicated "As Though Vacant" Bulk Market Value of the 141 subject existing lots in Plum Creek, Phase 2, Section 1, computes to a total of \$13,575,000, or an average of \$96,277 per lot. This net present value conclusion represents a discount of approximately 7.91% in comparison to the previously estimated sum of retail revenue of \$14,741,100, or an average of \$104,547 per lot.

The indicated "Upon Completion" Bulk Market Value of the 263 subject proposed lots in Plum Creek, Phase 2, Section 4, computes to a total of \$20,225,000, or an average of \$76,901 per lot. This net present value conclusion represents a discount of approximately 14.42% in comparison to the previously estimated sum of retail revenue of \$23,633,400, or an average of \$89,861 per lot.

The resulting bulk purchase discounts are considered to be reasonable, particularly when considering that purchasing the subject lots "In Bulk" will involve an assumption of a certain amount of risk and known carrying costs.

RECONCILIATION AND FINAL MARKET VALUE CONCLUSIONS

The Sales Comparison Approach was used to conclude the Hypothetical "As Though Vacant" and "Upon Completion" retail revenues of the subject residential lots. An Income Approach retail sell-out technique was then employed to derive the indicated "As Though Vacant" and "Upon Completion" Bulk Market Values of the subject 141 existing lots in Plum Creek, Phase 2, Section 3, and the 263 proposed lots in Plum Creek, Phase 2, Section 4. The cumulative builder retail revenue of the subject lots were discounted for their projected absorption period. A discounted cash flow analysis was used to present value the projected income streams of the subject existing and proposed lots over their projected absorption periods. The Income Approach procedure is generally considered to be the most valid method of estimating the value of multiple builder retail lots to one individual buyer, especially if the parcels/lots involve a holding period or sell-out term and carrying costs.

While considered, the Cost Approach was not developed, as I was not provided development costs for Plum Creek, Phase 2, Section 3, or for Plum Creek, Phase 2, Section 4. Further, at the request of the client, the "As Is" Market Values of the Plum Creek, Phase 2, Section 3 lots and the Plum Creek, Phase 2, Section 4 sites have not been valued herein. The absence of the Cost Approach does not affect the credibility of the Market Value conclusions in this appraisal.

FINAL MARKET VALUE CONCLUSIONS

Description	No. Lots	Market Value	Effective Date
Plum Creek, Phase 2, Section 3, "As Though Vacant"	141	\$13,575,000	5/20/2024
Plum Creek, Phase 2, Section 4, "Upon Completion"	263	\$20,225,000	11/1/2024

Extraordinary Assumptions:

1.) A portion of the subject property is proposed as a residential subdivision, with a prospective completion date. In this appraisal report, I have projected the market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, I projected the retail valuation of the individual subject lots, absorption period and holding costs, based on projected conditions that

are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from those which are expected on the anticipated date of completion that is reflected in this report. Because actual future market conditions may deviate from those which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sale data that will be available on the prospective or actual date of completion.

- 2.) This appraisal is subject to the proposed improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.
- 3.) The valuation of the subject improvements "Upon Completion" require a valuation of the subject improvements as of a prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, I have relied upon information and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value conclusions are subject to revision.
- 4.) This appraisal assumes that the developer's marketing plan is for new homes with a price-point range of \$325,000 to \$460,000 by Lennar Homes, or a comparable production home builder.
- 5.) I was not provided a copy of the developer's cost estimates, and the concluded Market Values contained herein are subject to a review of the actual cost estimates.
- 6.) I was not provided a plat or a survey for Plum Creek Phase 2, Section 2, and the concluded Market Values contained herein are subject to a review of the final plat.
- 7.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

Hypothetical Condition:

This appraisal hypothetically assumes the 65 partially built out-lots in Phase 2, Section 3 are vacant, per the client's request.

MARKETING AND EXPOSURE PERIODS

A marketing period is not a fact which can be found, but is an estimate which is dependent on supply/demand market conditions, availability of financing, competent marketing and negotiating efforts, and perhaps most important, the appropriate asking price. My estimate of the projected marketing period assumes market conditions are similar to those, which currently exist, as of the effective date of this appraisal. It also assumes reasonable financing can be obtained and that the property is aggressively marketed.

According to participants in the regional and local residential land market and others who have experience handling and marketing of such properties in the subject area, marketing times for properties such as the subject have been decreasing in recent years. Based upon my market analysis, I have estimated a prospective marketing period for the "as though vacant" and "upon completion" residential lots to be within 6 months. The subject property should market well at the reasonable and competitive concluded Market Values. As a result, I further estimate a historic exposure period of approximately 6 months or less for the subject, based upon the market data presented herein and the reported exposure times of the comparable sales.

ADDENDA

LETTER OF ENGAGEMENT

C8778

BARLETTA & ASSOCIATES, INC.

REAL ESTATE APPRAISERS & CONSULTANTS

May 1, 2024

Mr. R.R. "Tripp" Davenport, III Underwriter FMSbonds, Inc. 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034

Direct: 877/899-2220 Cell: 214/418-1588

Email: tdavenport@fmsbonds.com

RE: Proposal/Authorization for Valuation and Consulting Services for Plum Creek North PID, Improvement Area #2, Phase 2, Section 3, a 141-lot section, "As Though Vacant" and Phase 2, Section 4, "Upon Completion" a 263-lot section within the Plum Creek development, in the city of Kyle, Hays County, Texas (the "Subject Property").

Dear Mr. Davenport:

We look forward to preparing for you an Appraisal Report of the fee simple "As Though Vacant" (Phase 2, Section 3) and "Upon Completion" (Phase 2, Section 4) Bulk Market Values of the above-described Subject Properties in conformance with and subject to the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP) as developed by the Appraisal Standards Board of the Appraisal Foundation.

As a matter of disclosure and in accordance with the Ethics Rule of USPAP, I have not previously performed an appraisal or any other services regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity.

The intended use of the appraisal is to provide an opinion of value for the underwriting of a proposed Public Improvement District Bond Transaction. The use of the appraisal by anyone other than you, Mr. Tripp Davenport, III c/o FMSbonds, Inc., is prohibited, except as provided herein. Additionally, we confirm our permission to use the final Appraisal Report in the offer and sale of public securities, secured by the special assessments levied on property within the PID and we confirm that we will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose, as provided by the client.

In determining these opinions of value, the appraiser will make certain assumptions which will be clearly detailed within the Appraisal Report. These will include, but are not limited to the assumption, that the City of Kyle will, or has approved the proposed development,

1313 CAMPBELL ROAD, BUILDING C . HOUSTON, TEXAS 77055 . PHONE (713) 464-7700/FAX (713) 464-3696

Page 2

and that all development entitlements are in place for such development to proceed, and that all public infrastructure will be financed, in whole or in part, with special assessments levied on property within the **Plum Creek North Public Improvement District**, relating to the development.

The total fee for this Appraisal Report is \$8,000, and we require full receipt of these funds prior to the commencement of this appraisal assignment. The delivery date will be within two (2) weeks from your signed acceptance of this engagement letter agreement, receipt of the fee and receipt of requested documents from the developer. Any delay in receipt of requested documents, will potentially delay the delivery date. If you or any of your assigns (including FMSbonds, Inc. or the developer) cancel the assignment, prior to completion, you agree to pay us for all our expenses and our time to date, based on prorata of work completed, with the remainder to be returned to the payor of such fee.

Upon completion of the Appraisal Report, an electronic version of the report will be provided to tdavenport@fmsbonds.com, while up to two hard copies of the appraisal will be provided upon request.

In the event we receive a subpoena to testify in any litigation, arbitration, or administrative hearing of any nature whatsoever, or as a result of this engagement or the related report to which we are or are not a party, you agree to pay our then current hourly rates for such preparation and presentation of testimony. Regarding data collected by us or provided by you in this assignment, you agree that it will remain the property of Barletta & Associates, Inc. and that we may utilize and include such data (either in the aggregate or individually), in our database. Finally, you agree that all data already in the public domain may be utilized on an unrestricted basis.

If the above terms are acceptable, please execute, date below and fax or e-mail to phillip@barlettainc.com. If you should have any further questions, please do not hesitate to contact me.

AGREED TO AND ACKNOWLEDGED THIS & DAY OF May 202

ACCEPTED BY:

BARLETTA & ASSOCIATES, INC.

FMSbonds, Inc.

Phillip F. Barletta, MAI, SRA President

State Certified, TX-1320197-G

Mr. R.R. "Tripp" Davenport, III Underwriter

Tripp Javenport

Date

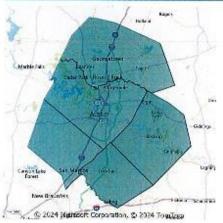
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AUSTIN AREA ANALYSIS

Quarterly Housing Report

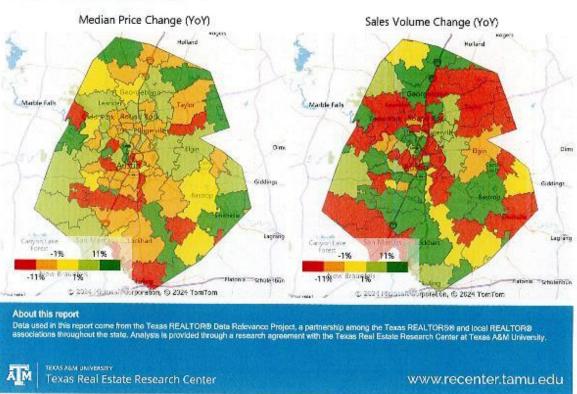
AUSTIN ROUND ROCK MSA

First Quarter 2024



Executive Summary

- Metro area sales volume increased 4.7% to 6,854 transactions.
 Median price decreased 2% year-over-year to \$435,915.
- 2024 Q1 months inventory for all residential properties rose 19.4% year-over-year to 3.5 months.
- Metro area residential property listings increased 14.2% year-overyear to 9,067 active listings.
- Single-family new construction median price decreased by 2% yearover-year to \$423,466.
- Single-family rental average rent decreased by .2% year-over-year to \$2,295.



Key Market Metrics Comparative Metro Area Median Price Median price in the Austin-Round \$550,000-Rock metro decreased by \$500,000approximately 2% year-over-year. from \$445,000 to \$435,915. Metro \$450,000area price exceeded the statewide median price of \$330,950 by \$400,000 \$104,965. \$350,000 \$300,000 2022 2023 2024 - Austin-Round Rock - Texas Metro Area Sales Volume in Three Most Active Price Ranges 2024 Q1 total sales volume \$300k < \$400k \$500k < \$750k \$400k < \$500k increased by approximately 4.7% year-over-year, from 6,546 to 6,854. 3,000-Sales of homes between \$300k and \$400k rose from 1,882 to 1,987, while homes between \$500k and 2,000 \$750k rose from 1,576 to 1,578, and homes between \$400k and \$500k dipped from 1,520 to 1,439. 1,000a 2022 2022 2024 Metro Area Months Inventory in Three Most Active Price Ranges Metro area months inventory \$300k < \$400k \$400k < \$500k \$500k < \$750k increased year-over-year from 2.96 to 3.54 months. Homes between \$300k and \$400k fell year-overyear, from 2.87 to 2.48 months, while homes between \$500k and \$750k rose year-over-year, from 2.72 to 3.72 months and homes between \$400k and \$500k rose year-over-year, from 2.69 to 3.09 months. 2022 2024 2022 2024 2022 2024 Metro Area Days to Sell Average days to sell throughout the metro area fell from 124 to 115 115 113 days, a decrease of 7.3% year-100over-year. Average days to sell for homes between \$300k and \$400k decreased by approximately 15.8% year-over-year, from 127 to 107 50 -38 37 37 36 2023 01 2023 Q2 2023 03 2023 Q4 2024 Q1 Days on Market Days to Close TEXAS A&M UNIVERSITY

Texas Real Estate Research Center

Single-Family New Construction



Homes in the \$400s and above range fell to 56.6% of single-family new construction sales through the MLS. The second most active price range was homes in the \$300s, which did not change compared with last year.



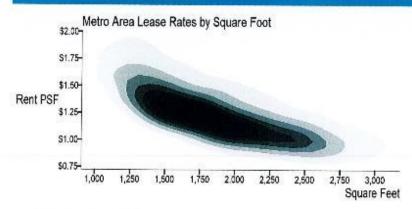
In the latest quarter, the average price was \$511,287 for new homes sold through the MLS, a decrease over last year's figure of \$516,106. Average price for existing homes was \$589,675, an increase over last year's figure of \$580,456.

Top Five Most Active Zip Codes

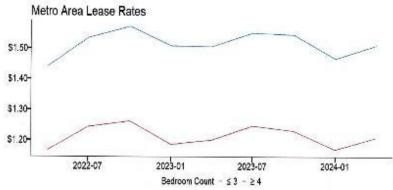
Median Price	YoY%	Median Price PSF	YoY%	Median Square Feet
\$313,445	-5.0%	\$172.20	-6.4%	1,894
\$336,110	-3.7%	\$182.87	-5.2%	1,900
\$502,818	-0.4%	\$214.23	-3.1%	2,498
\$517,445	6.7%	\$216.13	-0.9%	2,485
\$270,000	-11.8%	\$158.42	-6.3%	1,675

Texas Real Estate Research Center

Single-Family Rentals



Average rent per square foot for single-family properties was \$1.39, an increase compared with last year's rental rate of \$1.38. The average home size was 1,933 square feet.



Average rent per square foot for three-bedroom single-family properties was \$1.51, an increase compared with last year's rental rate of \$1.51. For four-bedroom single-family homes, the rental rate per square foot was \$1.21, an increase compared with last year's rental rate of \$1.20.

Rental Metrics by Bedroom Count

Bedroom Count	Average Monthly Rent	Average Monthly Rent	Average Square Feet	Distribution
Three or less	\$2,325	\$1.51	1,611	59.1%
Four or more	\$2,917	\$1.21	2,397	40.9%
Overall	\$2,567	\$1.39	1,932	100%



Housing Metrics by County

Bastrop County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Yes Built
\$0 < \$70k	0	0%	4%	4	(de		*	1.	6.0	222	
\$70k < \$100k	D	0%	d's	177	175	•		0	9.0	03986	19
\$100k < \$150k	1	-60%	d's	-		***	***	1	13	***	***
\$150k < \$200k		-56%	174	-	-	-	***	7.	34	***	***
\$200k < \$250k	15	15%	5%	\$220,000	-2%	\$164,47	0%	16	2.4	1,296	2019
\$250k < \$300k	61	-37%	16%	\$280,000	43%	\$188.53	-3%	51	23	1,467	2021
\$300k < \$400k	114	-1%	36%	\$349,860	1%	\$184,56	-6%	164	37	1,853	2021
\$400k < \$500k	81	9%	19%	8444,500	3%	\$215.39	-2%	915	5.4	2,142	2025
\$500k < \$750k	48	45%	15%	\$510,000	2%	\$222.07	-6%	121	7.1	2,927	2022
\$750k < \$1M	7	-13%	2%	\$825,000	-3%	\$280.70	2%	40	10.2	2.890	2012
\$1M+		100%	1%			***	***	31	28.5	***	

^{***} Not displayed when fewer than five sales

Caldwell County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Yea Built
\$0 < \$70k	1	100%	1%	-	-	-	-	1	6.0		-
\$70k < \$100k	,	100%	1%	***	***		-	0	a o		***
\$100k < \$150k	2	0%	1%	-	-	-	1.500	5	10.0	***	***
\$150k < \$200k	7	133%	5%	\$195,000	5%	\$161.78	25%	4	2.5	1,228	2123
\$200k < \$250k	19	111%	14%	\$220,495	-9%	\$153.53	-18%	20	3.0	1,450	2023
\$250k < \$300k	38	-3%	27%	\$295,000	46	\$206.09	1%	30	2.2	1,414	2023
\$300k < \$400k	45	6%	34%	\$315,000	-5%	\$180.05	-3%	66	3.9	1,788	2023
\$400k < \$500k	10	900%	7%	8416,450	-7%	5242.00	16%	24	7.6	1,684	2018
\$500k < \$750k	6	50%	4%	\$525,500	-11%	\$268.81	4%	22	9.4	2,100	1944
\$750k < \$1M	2	0%	1%				***	8:	13.7		-
\$1M+	5	100%	4%	\$1,200,000	100%	\$452.70	100%	9	15.4	2.949	2013

^{***} Not displayed when fewer than five sales

Hays County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Yea Built
\$0 < \$70k	0	0%	18	4.	\$	14	100	a	0.0	-	- 14
\$70k < \$100k	1	100%	45	-	***			.0	0.0		***
\$100k < \$150k	0	0%	0%	-	2	- 1	-	2	8.0		
\$150k < \$200k	13	117%	1%	\$194,960	4%	\$158.53	2%	3	1.0	1,149	2023
\$2004 < \$250k	40	300%	4%	8227,110	-3%	\$167.90	-22%	14	1,4	1,301	2021
\$250k < \$300k	125	49%	12%	\$281,750	-2%	\$186,90	-9%	84	2.2	1,519	2020
\$300k < \$400k	334	9%	38%	\$342,500	1%	\$188.29	-5%	457	3.2	1,850	2023
\$400k < \$500k	197	-5%	16%	\$445,000	2%	\$198,40	4%	256	4.7	2,191	2023
\$500k < \$750k	171	-2%	17%	\$585,585	1%	\$232.19	0%	347	4.8	2,625	2022
\$750k < \$1M	72	-1%	7%	\$827,684	-3%	\$279.69	1%	162	6.1	3,043	2018
\$1M+	45	-0%	4%	\$1,299,000	8%	\$393.90	13%	194	11.6	3.692	2016

^{***} Not displayed when fewer than five sales



Housing Metrics by County

Travis County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	York	Median Price PSF	YoYN	Active Listings	Months Inventory	Median Square Feet	Median Year Built
\$0 < \$706		0%	0%		39	+	12	.0	0.0	23	944
\$70k < \$100k		0%	0%		- 17	80		1	ap	+::	300
\$100k < \$150k	1	200%	0%		-	. ++			4.0	-	
\$150k < \$200k	26	160%	1%	\$180,000	-5%	\$296.60	3%	22	2.9	633	1983
\$2004 < \$2504	54	-5%	2%	\$225,000	-3%	\$267.86	8%	69	4.4	841	1982
\$250k < \$300k	163	72%	5%	\$280,000	-2%	\$221.16	196	135	2.7	1,302	2002
\$300k < \$400k	610	2%	20%	\$350,000	-1%	\$222.77	-2%	597	2.7	1,558	2007
\$400k < \$500k	662	-4%	21%	\$439,999	-1%	\$239,67	G%	871	2.9	1,860	2007
\$500k < \$750k	795	-3%	26%	\$597,000	0%	\$286.16	-2%	1.074	3.5	2,093	2006
\$750k < \$1M	334	-1%	11%	\$841,000	-1%	\$335.27	-1%	613	4.3	2.510	2006
\$114+	401	16%	13%	\$1,430,825	0%	\$480.00	-3%	1.212	7.5	3,285	2008

^{***} Not displayed when fewer than five sales

Williamson County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Modan Square Feet	Median Yea Built
\$0 < \$70k	0	-100%	0%		15		5%	D	4.0		
\$704 < \$100k	o	0%	DN:			192	*	1	9.0	1	100
\$100k < \$150k	1	-50%	0%	-			-	2	22	9869	
\$150k < \$200k	12	71%	1%	\$188,990	6%	\$159.79	12%	4	0.9	1,206	2017
\$200k < \$250k	54	100%	2%	\$233,500	-1%	5163.71	-12%	28	1.6	1,360	2023
\$250k < \$300k	155	11%	7%	\$280,000	as.	\$187.87	-2%	101	2.0	1,445	2017
\$300k < \$400k	824	8%	35%	\$359,200	1%	\$204.02	1%	490	1.7	1,745	2019
\$400k < \$500k	549	-10%	24%	\$445,000	1%	\$198.78	-3%	568	2.6	2,290	2072
\$500k < \$750k	558	2%	24%	\$580,646	196	\$217.39	-1%	719	3.3	2,737	2019
\$750k < \$1M	191	4%	6%	\$895,775	-1%	\$251,41	0%	256	5.4	3.378	2015
\$1M+	45	-8%	2%	\$1,249,000	4%	\$312.77	-1%	151	5.8	3.965	2014

^{***} Not displayed when fewer than five seles



QUALIFICATIONS OF THE APPRAISER

QUALIFICATIONS OF PHILLIP F. BARLETTA, MAI, SRA

PROFESSIONAL AFFILIATIONS

Member Appraisal Institute, MAI Number:

7644

Texas State Certified General Real Estate Appraiser Certificate Number: Date of Expiration:

TX-1320197-G 03/31/2025

Texas Real Estate Broker, License Number:

0235500

Mr. Barletta is a designated Realtor Member of the Houston Association of Realtors and the Texas Association of Realtors. He has served as a member on the Appraisal Institute's Houston Chapter Number 33 Admissions Committee and Candidate's Guidance Committee. He has also been elected to the Houston Chapter Number 33 Board of Directors for Years 2000, 2001 and 2002, and served on the Officer's Nominating Committee for 2003, 2004, 2011, 2014, 2017 and 2019. In 2020, he was again elected to the Houston Chapter Board of Directors in 2020 for 2021.

EDUCATIONAL BACKGROUND

Mr. Barletta graduated from Sam Houston State University in Huntsville, Texas on May 21, 1977. He received a Bachelor of Business Administration degree with primary emphasis on finance, management, and real estate related courses. In addition he has successfully passed the following Appraisal Institute Courses and attended the following Seminars:

1)	Course 1-A:	Basic Appraisal Principles, Methods and Techniques (1979)
2)	Course 8:	Single-Family Residential Appraisal (1979)
3)	Course 1B-A:	Capitalization Theory and Techniques, Part A (1984)
4)		Capitalization Theory and Techniques, Part B (1985)
5)		Case Studies and Real Estate Valuation (1985)
6)	Course 2-2:	Valuation Analysis and Report Writing (1985)
7)	Course 2-3:	Standards of Professional Practice (1985)
8)	Seminar:	Subdivision Analysis, by A.I.R.E.A., Houston, TX (1986)
9)	Seminar:	R41-b and the Appraiser, by S.R.E.A., Dallas, TX (1987)
10)	Course 1B-B:	Audited Capitalization, Part B (1987)
11)	Seminar:	FNMA Underwriting Guidelines, by S.R. E.A., Houston, TX (1987)
12)	Serninar:	FNMA Appraisal Guidelines & Condo/PUD Acceptance (2 days), by S.R.E.A., Houston, TX (1988)
13)	Seminar:	FNMA Appraisal Guidelines, by S.R.E.A., Houston, TX (1989)
14)	Seminar:	Standards of Professional Practice Update by A.I.R.E.A., Houston, TX (1989)
15)	Seminar:	Comprehensive Appraisal Workshop by Ted Whitmer, MAI, Houston, TX (Jan. 15-18, 1990)
16)	Seminar.	Affordable Housing Disposition Program by RTC, Houston, TX (Sept. 21, 1990)
17)	Seminar	Appraising Troubled Income Properties by A.I.R.E.A., Houston, TX (Oct. 25, 1990)
18)	Seminar	Discounted Cash Flow Analysis by A.I.R.E.A., Houston, TX (Nov. 16, 1990)
19)	Seminar.	FNMA Underwriting Guidelines by Appraisal Institute, Houston, TX (July 19, 1991)
20)	Seminar.	Valuation of Leased Fees by Appraisal Institute, Houston, TX (July 20, 1991)
21)	Course:	Standards of Professional Practice - Parts A & B by Appraisal Institute, Houston, TX (March 25-29, 1992)
22)	Seminar:	Americans with Disabilities Act (ADA) Seminar by Appraisal Institute, Houston, TX (Nov. 4, 1992)
23)	Seminar:	ARGUS Version 3.0 Training Seminar by ARGUS Financial Software, Houston, TX (Nov. 12, 1993)
24)	Seminar:	The New URAR Report, by Appraisal Institute, Houston, TX (Feb. 17, 1994)
25)	Seminar:	Fair Lending and the Appraiser, by Appraisal Institute, Houston, TX (April 9, 1994)
26)	Seminar:	Understanding Limited Appraisals & Reporting Options - General, Houston, TX (July 7, 1994)
27)	Seminar:	How to Appraise FHA Insured Property, by H.U.D., Houston, TX (Dec. 1, 1994)
28)	Seminar:	Real Estate Evaluations & The Appraisal Industry, by Appraisal Institute, Houston, TX (April 20, 1995)
29)	Seminar:	Appraisal Practices for Litigation, by Appraisal Institute, Houston, TX (May 19-20, 1995)
30)	Seminar:	The High-Tech Appraisal Office, by Appraisal Institute, Kansas City, MO (6/14/96)
31)	Seminar:	The Internet and Appraising, by Appraisal Institute, Kansas City, MO (6/15//96)
32)	Seminar:	Litigation Skills for the Appraiser: An Overview, by Appraisal Institute, Houston, TX (10/25/96)
33)	Seminar:	Understanding Limited Appraisals & Appraisal Reporting Options, by Appraisal Institute, Houston, TX (June 12, 1997)
34)	Seminar.	Affordable Housing Valuation, by Appraisal Institute, Houston, TX (June 13, 1997)
35)	Course 430:	Standards of Professional Practice, Part C, by Appraisal Institute, Houston, TX (Dec. 4-5, 1997)
36)	Seminar	R4580 Fannie Mae Seminar, by Appraisal Institute, Houston, TX (July 17, 1998)
37)	Seminar:	The Appraisal of Local Retail Properties, by Appraisal Institute, Houston, TX (September 28, 1998)

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38) Seminar:
                             Attacking & Defending an Appraisal in Litigation, by Ted Whitmer, MAI, CCIM, Houston, Texas (April 15-16,
 391
       Seminar:
                             Fannie Mae – Mortgage Lending, by Appraisal Institute, Houston, TX (November 10, 1999)
 40)
       Seminar
                              10th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (March 24,
                             2000)
                             Subdivision Analysis, by Appraisal Institute, Houston, TX (June 20, 2000)
HUD Multifamily Accelerated Processing (MAP), by HUD, Fort Worth, TX (September 27, 2000)
U.S.P.A.P. 2001 Update, by Appraisal Institute, Houston, TX (February 17, 2001)
 41)
       Seminar:
 42)
        Seminar:
 43)
        Seminar:
 44)
       Seminar
                             11th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (May 4,
                             2001)
45)
                             2002 Commercial Real Estate Forecast, by CCIM, Houston, TX (February 14, 2002)
       Seminar.
                             Texas USPAP Update, by Appraisal Institute, Houston, TX (March 23, 2002)
12th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (May 3.
 46)
       Seminar
47)
       Seminar.
48)
       Course 430
                             Standards of Professional Practice, Part C, by Appraisal Institute. Houston, TX (December 12-13, 2002)
49)
        Seminar.
                              13th Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 10, 2003)
                            U.S.P.A.P. 2004 Update, by Appraisal Institute, Houston, TX (January 24, 2004)
U.S.P.A.P. 2005 Update, by Appraisal Institute, Houston, TX (April 14, 2005)
15th Annual Outdook for Texas Land Markets, by Texas A&M University, College Station, TX (April 26, 2005)
Professional Guide to the URAR, by Appraisal Institute. Houston, TX (June 23, 2005)
       Course 400
50)
       Course 400:
51)
52)
        Seminar:
53)
       Seminar:
54)
       Seminar:
                             16th Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 27, 2006)
55)
       Seminar
                             Subdivision Valuation, by Appraisal Institute, Houston, TX (November 9, 2006)
58)
                             Scope of Work, by Appraisal Institute, Houston, TX (January 18, 2007)
U.S.P.A.P. 2008-09 Update, by Appraisal Institute, Houston, TX (Jan. 19, 2008)
Analyzing Distressed Real Estate, by Appraisal Institute, Houston, TX (Dec. 11, 2008)
       Seminar
57)
       Course 400:
58)
       Seminar.
59)
       Seminar
                             Mortgage Fraud, by Champions School of R.E., Houston, TX (Jan. 16, 2009)
601
       Seminar.
                             19th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 6-7, 2009).
                             U.S.P.A.P. 2010 – 2011 Update, by Appraisal Institute, Houston, TX (Fab. 24, 2010)
20th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (May 6-7, 2010)
611
       Seminar
62)
       Seminar
63)
                             Business Practices & Ethics, by Appraisal Institute, Houston, TX (Dec. 9, 2010)
       Seminar:
64)
                             Staying out of Trouble in Appraisal Practice & A Lender's Perspective, by Appraisal Institute, Houston, TX
       Seminar:
                             (Feb. 26, 2011)
65)
       Seminar:
                             Appraising Distressed Commercial Real Estate, by Appraisal Institute; Houston, TX (April 15, 2011)
66)
       Seminar
                             Appraisal Curriculum Overview (2-Day General), by Appraisal Institute, Austin, TX (May 10-11, 2011)
67)
       Course
                             Fundamentals of Separating Real & Personal Property from Intangible Business Assets, by Appraisal Institute, Chicago, IL (Dec. 15-16, 2011)
68)
       Seminar
                             U.S.P.A.P. 2012-2013 Update, by Appraisal Institute, Houston, TX (Feb 22, 2012)
69)
       Seminar
                             Complex Litigation Appraisal Case Studies, by Appraisal Institute, Houston, TX (Jan. 14, 2013)
70)
71)
       Seminar
                             23th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 25-26, 2013)
       Seminar
                             Business Practices & Ethica, by Appraisal Institute, Houston, TX (July 31, 2013).
72)
73)
                             U.S.P.A.P. 2014-2015 Update, by Appraisal Institute, Houston, TX (December 6, 2013)
24" Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 17-18, 2014)
       Seminar
       Seminar.
74)
       Course:
                             Texas Appraiser Traines/Sponsor Course, Houston, TX (April 16, 2015)
75)
76)
                             25th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 23-24, 2015).
       Seminar
       Seminar
                             U.S.P.A.P. 2016 – 2017 Update, by Appraisal Institute, Houston, TX (December 11, 2015)
77)
78)
       Seminar
                             26th Annual Outlock for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 28 – 29, 2016)
                             Emirent Domain, by CLE International, Austin, TX (Feb 9-10, 2017)
       Seminar:
                            27th Annual Outlock for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 20-21, 2017) 2017 Real Estate Symposium/TALCB Course #32884, by Appraisal Institute, Houston, TX (August 18, 2017) Business Practices & Ethics, by Appraisal Institute, Houston, TX (Oct. 13, 2017)
79)
       Seminar
80)
       Symposium:
81)
       Seminar:
                             U.S.P.A.P. 2018-2019, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 7, 2017)
82)
       Course:
83)
                            28th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 25:27, 2018)
       Seminar
84)
                            2018 Real Estate Symposium, by Appraisal Institute, Houston, TX (September 28, 2018)
29th Annual Outlook for Toxas Land Markets, by Texas A&M University, San Antonio, TX (April 25-26, 2019)
       Symposium:
85)
       Seminar:
                            2019 Real Estate Symposium, TALCB Course #37477, By Appraisal Institute, Houston, TX (Sept. 26, 2019)
86)
       Symposium:
87)
       Seminar:
                            U.S.P.A.P. 2020-2021, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 13, 2019).
88)
       Course:
                            Eminent Domain & Condemnation by Appraisal Institute Online, (Sept. 10, 2020)
89)
       Seminar:
                            Business Practice and Ethics, by Appraisal Institute, Live Online-Synchronous (July 27, 2021)
                            U.S.P.A.P. 2022-2023, 7-Hour Update by Appraisal Institute, Austin, TX (Dec. 17, 2021)
31st Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 28-29, 2022)
2022 Real Estate Symposium, by Appraisal Institute, Houston, TX (Oct. 25, 2022)
90)
       Course:
91)
       Seminar
92)
       Symposium
93)
                             Supervisory Appraiser Course, by Appraisal Institute, Synchronous, Houston, TX (Dec. 2, 2022)
       Course:
94
      Seminar
                            3210 Annual Outlook for Texas Land Markets, by Toxas A&M University, San Antonio (April 13-14, 2023)
95)
      Symposium:
                            2023 Houston Real Estate Symposium – Riding the Waves of Market Volatility, Houston, TX (Sept. 19, 2023)
                            U.S.P.A.P. 2024-2025, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 15, 2023)
33rd Annual Outlook for Texas Land Marketa, by Texas A&M University, San Antonio, TX (April 4-5, 2024)
96)
       Course:
      Seminar
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APPRAISAL BACKGROUND

Mr. Barletta began appraising in January, 1977. He has had extensive experience in appraising all types of commercial and residential properties (listed below) in the Houston, Dallas/Ft. Worth, Austin and San Antonio regions, plus numerous other cities throughout Texas. In August, 1987, Mr. Barletta became a partner in an appraisal company in which he held the title President. In 1991, he formed a new company, BARLETTA & ASSOCIATES, INC., where he also holds the title of President, with offices at 1313 Campbell Road, Suite C, Houston, Texas 77055-6429.

Some of the various types of appraisals performed by Mr. Barletta would include: high-end single-family residences, two-to-four unit residential income properties, raw land, mixed-use developed commercial sites, master-planned residential subdivisions, condominium/PUD projects, conventional and HUD apartment projects, office buildings, shopping centers, office/warehouses, special-purpose properties, motels/hotels, golf courses, marinas, restaurants, various commercial/retail facilities, all types of industrial properties and eminent domain/condemnation properties. Mr. Barletta has also been qualified as an expert witness in various court matters for real property valuation by numerous attorneys, and he has arbitrated and reviewed a number of legal issues.

Texas Address:

1313 Campbell Road, Suite C Houston, Texas 77055-6429

Phone Number Fax Number: E-Mail: (713) 464-7700 (713) 464-3696 phillip@barlettainc.com



Certified General Real Estate Appraiser

Appraiser: Phillip Frank Barletta

License #: TX 1320197 G License Expires: 03/31/2025

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz Commissioner





