

indenture of trust for the designated Series of Bonds (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in the applicable indenture of trust,, and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to the terms of the applicable indenture of trust.

“Refunding Bonds” means Bonds secured by a parity lien, with the Outstanding Bonds, on the trust estate as created for and under indenture of trust for such Outstanding Bonds.

“Reserve Account Requirement” means the sum of the Series 2019 Reserve Account Requirement, as specified in the indenture of trust for the PID Bonds plus the additional amounts, if any, required to be deposited to the Reserve Account, as created under the indenture of Trust for the PID Bonds, pursuant to each Supplemental Indenture authorizing the issuance of a Series of Bonds.

“Series” means any designated series of Bonds issued to finance Authorized Improvements.

“Sinking Fund Installment” means the amount of money to redeem or pay at maturity the principal of the PID Bonds payable from such installments at the times and in the amounts provided in indenture of trust for the PID Bonds.

“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 the indenture for the PID Bonds.

“Trustee” means the entity designated as Trustee for the indenture of trust for the designated Bonds.

(b) 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.

(c) Other than the Additional Improvement Area #1 Bonds (issued in accordance with subsection (d) below) and Refunding Bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien, or charge on any portion of the Trust Estate, and will not cause or allow any matter or things whereby the lien of this Series 2019 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 Series 2019 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.

(d) The City reserves the right, but shall be under no obligation, to issue Additional Improvement Area #1 Bonds, to finance the Actual Costs of the Improvement Area #1 Projects, including payment of the Improvement Area #1 Reimbursement Obligation, and in accordance with the conditions set forth below:

(i) The City Representative shall provide the Trustee a certificate certifying that (A) the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained in this Series 2019 Indenture and (B) the Landowner is not delinquent with respect to fees or any other funds or commitments to be paid to the City in accordance with the Development Agreement or Financing Agreement;

(ii) The Landowner shall provide the Trustee, through an authorized representative, a certificate certifying that the Landowner 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 Landowner contained in the Financing Agreement, the Acquisition and Reimbursement Agreement, or the Development Agreement;

(iii) The Administrator shall provide the Trustee a certificate certifying that the Landowner is not delinquent with respect to the payment of Assessments or any ad valorem taxes (other than any ad valorem taxes being contested in good faith);

(iv) The City and the Trustee shall receive a certificate or report from an independent certified appraiser, appraisal firm, or financial consultant, assuming completion of the Improvement Area #1 Projects, demonstrating that the ratio of the aggregate appraised value of all Assessed Properties within Improvement Area #1 to the aggregate principal amount of the Outstanding Bonds and the Additional Improvement Area #1 Bonds to be issued (the "Value to Lien Ratio") is at least 5:1. In calculating the Value to Lien Ratio, the independent certified appraiser, appraisal firm or financial consultant may rely on builder contracts, a certificate from the Administrator identifying lots for which home construction has commenced or the Hays County Tax Assessor/Collector's estimated assessed valuation for completed homes (home and lot assessed valuation) and estimated lot valuation for lots on which homes are under construction;

(v) The Landowner shall provide the City and the Trustee a certificate, through an authorized representative, certifying that no less than 162 single-family lots located within Improvement Area #1 (A) contain completed single-family homes or (B) have been issued a construction permit by the City;

(vi) The principal (including sinking fund installments) of the Additional Improvement Area #1 Bonds must be scheduled to mature on September 1 of the years in which principal is scheduled to mature;

(vii) The interest on the Additional Improvement Area #1 Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid;

(viii) The Reserve Account Requirement shall be increased by an amount equal to no less than 25% of the Maximum Annual Debt Service on the proposed Additional Improvement Area #1 Bonds to be issued as of the Closing Date therefor and such amount shall be deposited as of the same;

(ix) The issuance of such Additional Improvement Area #1 Bonds shall not cause the amount of the Annual Installments to be collected in any year after the issuance of such Additional Improvement Area #1 Bonds to exceed the amount of the Annual Installments collected in the year of the issuance of such Additional Improvement Area #1 Bonds; and

(x) The maximum principal amount of Additional Improvement Area #1 Bonds that may be issued, subject to the approval of the City, in total, is the lesser of (i) the then outstanding balance of the Improvement Area #1 Reimbursement Obligation and (ii) the then outstanding Assessments, less the Assessments required to pay the principal of the Series 2019 Bonds.

(e) 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, and in accordance with the conditions set forth below:

(i) 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, subject to mandatory sinking fund redemption or maturity. 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 5.09 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 2.02. Section 4.01(c) of the Financing Agreement is hereby removed in its entirety and replaced with the following:

(c) (1) Except as provided in subsection (2) of this Section 4.01(c), upon written acceptance of an Authorized Improvement, and subject to any applicable maintenance-bond period, the Entity accepting the Authorized Improvement shall be responsible for all operation and maintenance of such Authorized Improvement, including all costs thereof and relating thereto.

(2) The Owner, or property owners association, if Owner establishes a property owners association, shall enter into a maintenance and operations agreement (the "M&O Agreement") in a form agreed upon by the City whereby Owner or property owners association is responsible for all operations and maintenance of the detention and water quality pond improvements included in the Service and Assessment Plan prior to the City's acceptance of the detention and water quality pond improvements. The execution of the M&O Agreement will not cause any tax exempt financing instruments issued by the City and used to finance the detention and water quality pond improvements to constitute "Private Activity Bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"), and the terms of the M&O Agreement shall meet the safe harbor conditions set forth in IRS Rev. Proc. 2017-13. The executed M&O Agreement shall be recorded with Hays County Clerk upon execution. In addition, the Owner shall provide the City an easement, in a form acceptable to the City, granting the City the right of access to the detention and water quality pond improvements for the purpose of inspection and compliance with City regulations. The easement shall be granted to the City prior to or at the time the final plat for the phase in which the drainage and water quality pond improvements are located is submitted to the City, and will be a condition of final plat approval.

Section 2.03. The following definitions as stated in Exhibit "A" to the Financing Agreement are hereby removed in their entirety and replaced with the following:

"Appraisal" means the Appraisal of the District dated effective February 27, 2019, prepared by Barletta & Associates.

"City Construction Representative" means Leon Barba, P.E. or such other person selected by the City to oversee the construction of the Authorized Improvements on behalf of the City.

"Future Improvement Areas" means the property within the District, excluding Improvement Area #1, as depicted on the map on Exhibit "B-4" consisting of approximately 761.7288 acres within the District. Future Improvement Areas may be developed in phases after Improvement Area #1, as generally depicted in Exhibit "B-4." The Future Improvement Areas are subject to adjustment and are shown for example only.

"Improvement Area #1" means the initial area to be developed within the PID, consisting of approximately 96.9712 acres within the District and as specifically described in Exhibit "B-1" and as depicted in Exhibit "B-4."

"Improvement Area #1 Bonds" means the "City of Kyle, Texas, Assessment Revenue Bonds, Series 2019 (6 Creeks 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 Assessments levied against Improvement Area #1 Assessed Property, or the Annual Installments thereof, for the Improvement Area #1 Improvements.

“Improvement Area #1 Reimbursement Obligation” means the amount not to exceed \$4,420,000 secured by Improvement Area #1 Assessed Property to be paid to Owner pursuant to the “6 Creeks Public Improvement District Improvement Area #1 Acquisition and Reimbursement Agreement” having an effective date that is the same as the date on which the City Council authorizes the sale of the Series 2019 Bonds.

“SAP Consultant” means P3Works, LLC.

“Service and Assessment Plan” means the 6 Creeks Public Improvement District Service and Assessment Plan (as such plan is amended and updated from time to time), to be initially adopted by the City Council in the 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.

“Underwriter” means FMS Bonds, Inc.

Section 2.04. The following definitions as stated in Exhibit “A” to the Financing Agreement are hereby modified as follows:

The defined term “Improvement Area #1 Improvements” is hereby replaced with the term “Improvement Area #1 Projects,” which shall have the same meaning as had been given to “Improvement Area #1 Improvements” prior to this First Amendment to the 6 Creeks Public Improvement District Financing Agreement.

The defined term “Administrative Expenses” is hereby replaced with the term “Annual Collection Costs,” which shall have the same meaning as had been given to “Administrative Expenses” prior to this First Amendment to the 6 Creeks Public Improvement District Financing Agreement. The defined terms listed in the Exhibit “A” to the Financing Agreement shall be reordered alphabetically to reflect this amendment.

Section 2.05. The first four recitals of the Financing Agreement are hereby removed in their entirety and replaced with the following:

WHEREAS, the term “Property,” means and refers to the 858.7 acres owned by HMBRR Development Inc., HMBRR, LP, and HMBRR LP#2; and which is more particularly described in the attached Exhibit “B-1”.

Section 2.06. Exhibit “B-1” is hereby amended by the addition of the property description attached hereto as Attachment “A.”

Section 2.07. Exhibit “B-4” is hereby amended by the addition of the description of District

Improvement Areas attached hereto as Attachment "B." Exhibit "B-4" is also hereby renamed "Exhibit 'B-2'", and the term "Exhibit 'B-4'" as used throughout the Financing Agreement is hereby removed and replaced in each instance with the term "Exhibit 'B-2.'"

Section 2.08. Exhibit "D" is hereby removed in its entirety and replaced with Attachment "C."

ARTICLE III. GENERAL PROVISIONS

Section 3.01. Entire Agreement. This Amendment, together with the Financing Agreement, set forth the entire understanding of the Parties and supersedes all prior agreements and understandings, whether written or oral, with respect to the subject matter hereof.

Section 3.02. Anti-Boycott Verification. 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 and the Financing Agreement with the City constitute a contract for goods or services, will not boycott Israel during the term thereof. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, as amended, and to the extent such section does not contravene applicable 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.

Section 3.03. Iran, Sudan and Foreign Terrorist Organizations. 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, Texas Government Code, as amended, and posted on any of the following pages of such officer's Internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made to solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such section does not contravene applicable federal law and 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. 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 3.04. Binding Effect. The terms and provisions hereof shall be binding upon the City, the Owner, and their successors and assigns.

Section 3.05. Effect of Amendment. The Parties agree that, except as modified hereby, the Financing Agreement remains valid, binding, and in full force and effect. If there is any conflict or inconsistency between this Amendment and the Financing Agreement, this Amendment will control and modify the Financing Agreement.

Section 3.06. Counterparts. This Amendment may be executed in any number of counterparts, including, without limitation, facsimile counterparts, with the same effect as if the Parties had signed the same document, and all counterparts will constitute one and the same agreement.

Attachments: **Attachment "A" – Exhibit "B-1"**
 Attachment "B" – Exhibit "B-2"
 Attachment "C" – Exhibit "D"

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CITY OF KYLE, TEXAS

a home rule city and Texas municipal corporation

By: 
Name: Travis Mitchell
Title: Mayor

HMBRR DEVELOPMENT, INC.,
a Texas corporation

By: 

Name: Blake Magee

Title: President

HMBRR LP

By: Hanna Magee GP #1, Inc., a Texas corporation,
General Partner

By: 

Name: Blake Magee

Title: President

HMBRR LP #2

By: Hanna Magee GP #1, Inc., a Texas corporation,
General Partner

By: 

Name: Blake Magee

Title: President

ATTACHMENT "A"

Exhibit "B-1"

Blanco River Ranch
858.70 acres

PROPERTY DESCRIPTION EXHIBIT A

BEING 858.70 ACRES OF LAND LOCATED IN THE SAMUEL PHARASS ¼ LEAGUE NO. 14, ABSTRACT 360, AND THE CALEB W. BAKER SURVEY, ABSTRACT 31 HAYS COUNTY, TEXAS AND BEING A PORTION OF TRACT I, A CALLED 1,971.29 ACRE TRACT AND ALL OF TRACT II, A CALLED 195.14 ACRE TRACT AS DESCRIBED IN A DEED FROM THE STATE OF TEXAS TO BLANCO RIVER RANCH, LP AND RECORDED IN VOLUME 5230, PAGE 583 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 858.70 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS WITH ALL BEARING REFERENCED TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE.

BEGINNING at an iron rod with aluminum cap stamped "Kent McMillian" found marking the most northerly corner of a called 311.56 acre tract described in a deed to Robert Nance recorded in Volume 4459, Page 137 of said Deed Records, same being the northwest corner of a called 195.14 acre tract described in the aforementioned deed to Blanco River Ranch as Tract II and being on the southeasterly line of said 1,971.29 acre Tract I;

THENCE, with the southerly line of said 1,971.29 acre tract, same being the northeasterly line of said 311.56 acre tract S43°59'58"W, 1916.27 feet to a ½-inch iron rod with cap stamped "AST" set on the northerly line of proposed RM 150;

THENCE, leaving said southerly line and crossing said 1,941.29 acre tract with the proposed northerly line of RM 150 the following courses and distances:

1. N65°08'51"W, 49.48 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the right;
2. with a curve to the right, 381.25 feet, having a radius of 925.00 feet, a central angle of 23°36'54" and a chord bearing and distance of N53°30'43"W, 378.55 feet to a ½-inch iron rod with cap stamped "AST" set for point of tangency;
3. N41°42'16"W, 336.00 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the left;
4. with the arc of said curve to the left, 151.93 feet, having a radius of 1100.00 feet, a central angle of 07°54'48" and a chord bearing and distance of N45°39'41"W, 151.81 feet to a ½ inch iron rod with cap stamped "AST" set for point of tangency;
5. N49°37'05"W, 572.43 feet to a ½-inch iron rod with cap stamped "AST" set for an angle point in said line;
6. N51°37'01"W, 75.00 feet to a ½-inch iron rod with cap stamped "AST" set for an angle point in said line;
7. N53°36'58"W, 749.01 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the left;

8. with the arc of said curve to the left, 93.33 feet, having a radius of 1025.00 feet, a central angle of $05^{\circ}13'01''$ and a chord bearing and distance of $N56^{\circ}13'28''W$, 93.30 feet to a $\frac{1}{2}$ -inch iron rod with cap stamped "AST" set for the most westerly southwest corner of the herein described tract;

THENCE leaving said proposed right of way line and with a dry creek, the following courses and distances:

1. $N26^{\circ}31'11''E$, 563.37 feet to a calculated point;
2. $N46^{\circ}09'29''E$, 1179.39 feet to a calculated point;
3. $N28^{\circ}22'57''E$, 708.36 feet to a calculated point;
4. $N44^{\circ}16'34''E$, 582.28 feet to a calculated point at the beginning of a curve to the right;
5. with a curve to the right, 297.90 feet, having a radius of 1184.66 feet, a central angle of $14^{\circ}24'28''$ and a chord bearing and distance of $N77^{\circ}54'54''E$, 297.12 feet to a calculated point;
6. $N04^{\circ}51'54''W$, 125.14 feet to a calculated point;
7. $N23^{\circ}10'37''E$, 321.60 feet to a calculated point;
8. $N13^{\circ}08'23''W$, 681.62 feet to a calculated point;
9. $N31^{\circ}45'00''E$, 255.79 feet to a calculated point;
10. $N08^{\circ}23'37''E$, 473.49 feet to a calculated point;
11. $N02^{\circ}33'01''W$, 195.07 feet to a calculated point;
12. $N30^{\circ}53'10''W$, 576.14 feet to a calculated point;
13. $N01^{\circ}26'31''W$, 729.89 feet to a calculated point;
14. $N38^{\circ}05'39''W$, 1250.80 feet to a calculated point;
15. $N20^{\circ}33'26''E$, 282.73 feet a $\frac{1}{2}$ -inch iron rod with cap stamped "AST" set for the most westerly northwest corner of the herein described tract on the northerly line of said 1,971.29 acre tract, same being on the southerly line of Park Land Lot 23 of Arroyo Ranch, Section One, a subdivision of record in Volume 10, Page 180 of the Hays County Official Public Records;

THENCE, with the northerly line of said 1,971.29 acre tract, $S82^{\circ}42'45''E$, 432.46 feet to a point located in the centerline of the remains of an old stone fence corner for an angle point in the north line of the herein described tract, from which a $\frac{1}{2}$ -inch iron rod bears $S88^{\circ}19'W$, 37.5 feet;

THENCE, continuing with said northerly line, $N43^{\circ}55'32''E$, 1271.63 feet to a 2-inch metal fence post at the most northerly northwest corner of said 1,971.29 acre tract and being the common corners of Lots 12, 13 and 19, Block D of said Arroyo Ranch Section One subdivision;

THENCE, with the easterly line of said 1,971.29 acre tract the following courses and distances:

1. $S46^{\circ}19'30''E$, at 185.02 feet passing the south line of said Arroyo Ranch subdivision and north line of a 20.3 acre tract described in a deed to F. Javier, Jr et al and recorded in Volume 2813, Page 359 of said Official Public Records and continuing for a total distance of 887.68 feet to a found $\frac{1}{2}$ -inch iron rod for the south corner of said Javier tract, same being the westerly corner of

a 21.15 acre tract described in a deed to Nancy L. Russell and Randall W. Russell and recorded in Volume 4385, Page 135 of said Official Public Records;

2. S46°48'04"E, 579.01 feet to a found ½-inch iron rod for the south corner of Russell and being the westerly corner of Quail Meadows Subdivision as recorded in Volume 7, Page 47 of the Hays County Plat Records;
3. With the southwesterly line of said subdivision, S46°06'19"E, 409.08 feet to ½-inch iron rod for angle point;
4. S47°09'10"E, 405.41 feet to ½-inch iron rod for angle point;
5. S47°52'54"E, 295.90 feet to ½-inch iron rod for angle point;
6. S47°18'52"E, 296.88 feet to ½-inch iron rod for angle point;
7. S47°21'24"E, 132.10 feet to ½-inch iron rod for angle point;
8. S47°07'34"E, 179.01 feet to ½-inch iron rod for angle point;
9. S46°55'27"E, 248.69 feet to ½-inch iron rod for most southerly corner of said subdivision and the westerly corner of a called 57.26 acre tract described in a deed to Kyle Mortgage Investors, LLC and recorded in Volume 3416, Page 789 of said Official Public Records;
10. S45°43'31"E, 436.59 feet to a fence post for angle point;
11. S46°32'55"E, 1447.00 feet to an iron rod with aluminum cap stamped "Kent McMillian" at an interior ell corner of said 1,971.29 acre tract;
12. Continuing with the easterly line of said 1,971.29 acre tract, S40°23'35"W, 1023.40 feet to a ½-inch iron rod found at the westerly corner of a called 1.259 acre tract described in a deed to Robin Robinson and recorded in Volume 5358, Page 587 of said Official Public Records;
13. S50°23'48"E, 255.70 feet to a fence post for angle point;
14. N40°43'43"E, 42.89 feet to a ½-inch iron rod with cap stamped "AST" set;
15. S52°09'40"E, at 85.22 feet passing a ½-inch iron rod found at the westerly corner of a called 0.72 acre tract described in a deed to Robin and Gale Robinson and recorded in Volume 4689, Page 363 of said Official Public Records and continuing for a total distance of 244.62 feet to a ½-inch iron rod with cap stamped "AST" set;
16. N43°53'50"E, 92.19 feet to a ½-inch iron rod with cap stamped "AST" set;
17. S78°26'49"E, 101.27 feet ½-inch iron rod found on the westerly right of way line of N. Old Stagecoach Road (width varies);

THENCE, with said westerly right of way line the following course and distances:

1. S16°21'49"E, 511.37 feet to a ½-inch iron rod with cap stamped "AST";
2. S16°20'38"E, 1420.21 feet to a 60d nail found next to a cedar fence post and
3. S16°48'53"E, 800.20 feet to a ½-inch iron rod with cap stamped "AST" set for the most easterly southeast corner of this tract;

THENCE, leaving said westerly right of way line and with fence along the southeasterly line of said 195.14 acre tract, S36°01'23"W, 42.36 feet to a cedar fence post;

THENCE, continuing with said southeasterly line, same being the northwesterly line of a called 132.59 acre tract described in a deed to Felder CND, LLC and recorded in Volume 5224, Page 246 of the Hays County Official Public Records the following courses and distances:

1. S48°36'08"W, 1583.50 feet to a cedar fence post;
2. N49°26'16"W, 34.23 feet to a cedar fence post;
3. S25°40'41"W, 39.42 feet to an iron rod with cap stamped "Vickrey";
4. S48°29'40"W, 2127.73 feet to a cedar fence post with "Mag Nail" on the northerly right of way line of Cypress Road (aka Limekiln Road) (width undetermined) at the southeast corner of said 195.14 acre tract from which an iron rod with aluminum cap stamped "Kent McMillian" bears S21°57'46"W, 50.84 feet;

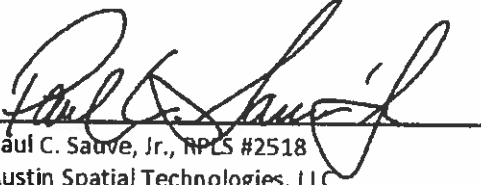
THENCE, with said northerly right of way line, N77°16'32"W, 599.91 feet to a cedar fence post on the easterly line of said 311.56 acre tract;

THENCE, with fence and the easterly line of said 311.56 acre and westerly line of said 195.14 acre tract the following courses and distances:

1. N16°48'19"W, 270.65 feet to a calculated angle point in said line and;
2. N17°13'44"W, 1607.95 feet to the POINT OF BEGINNING and containing 858.70 acres of land, more or less.

SURVEYOR'S STATEMENT

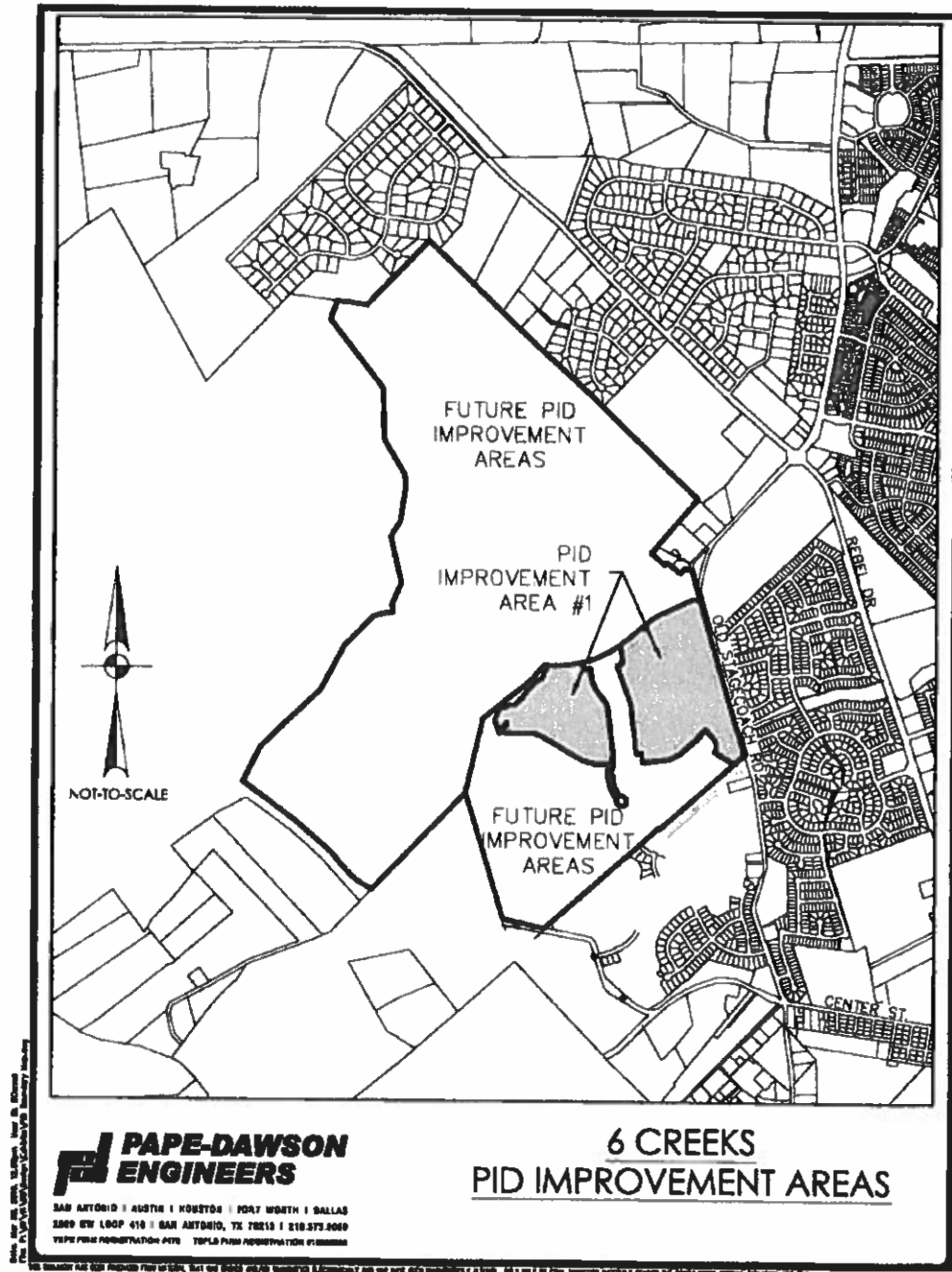
I hereby state that the included field note description was prepared from an actual survey made on the ground under my supervision and is true and correct, to the best of knowledge and belief.


Paul C. Sauve, Jr., RPLS #2518
Austin Spatial Technologies, LLC
December 5, 2016



ATTACHMENT "B"

Exhibit "B-2"



ATTACHMENT "C"

Exhibit "D"

MAJOR IMPROVEMENTS

<u>Major Improvements</u>	<u>Dedicated to the City or County</u>	<u>Estimated Cost</u>
Wastewater Treatment Plant Capacity	City	\$31,651
Lift Station and Force Main	City	\$89,151
Offsite Water Improvements	City	\$340,177
Old Stagecoach Improvements	City	\$255,133
Park and Trail Improvements	City	\$321,468
Entry, Walls and Landscaping	City	\$797,716
Internal Roadway and Grading	County	\$2,853,778
Internal Water Improvements	City	\$1,446,469
Internal Wastewater Improvements	City	\$1,871,035
Internal Drainage Improvements	City	\$1,389,142
Detention/Water Quality Pond	City	\$2,109,226
Total		\$11,504,946

**PARTIAL ASSIGNMENT AND ASSUMPTION OF RIGHTS AND OBLIGATIONS
UNDER 6 CREEKS PUBLIC IMPROVEMENT DISTRICT
FINANCING AGREEMENT**

This Partial Assignment and Assumption of Rights and Obligations Under 6 Creeks Public Improvement District Financing Agreement (this “**Assignment**”) is by and between **HMBRR LP #2**, a Texas limited partnership (“**Assignor**”), and **HM 6 Creeks Development, Inc.**, a Texas corporation (“**Assignee**”) as follows.

RECITALS

WHEREAS, HMBRR Development, Inc., a Texas corporation, HMBRR, L.P., a Texas limited partnership, and Assignor (including their Designated Successors and Assigns, collectively the “**HM Entities**”), and the City of Kyle, Texas (the “**City**”), entered into the 6 Creeks Public Improvement District Financing Agreement dated effective July 18, 2017 (the “**Original Financing Agreement**”) with respect to 858.7 acres in Hays County, Texas more fully described in the Original Financing Agreement (the “**Property**”); and

WHEREAS, as of the Effective Date of the Original Financing Agreement, (i) HMBRR Development, Inc. owned 61.49 acres of the Property more particularly described in the Original Financing Agreement (“**Tract 1**”), (ii) HMBRR LP owned 188.51 acres of the Property more particularly described in the Original Financing Agreement (“**Tract 2**”), and (iii) Assignor owned 608.7 acres of the Property more particularly described in the Financing Agreement (“**Tract 3**”);

WHEREAS, the City and the HM Entities modified the Original Financing Agreement by First Amendment to the 6 Creeks Public Improvement District Financing Agreement (the “**First Amendment**”) dated effective April 16, 2019, and the term “**Financing Agreement**” as used herein, refers to the Original Financing Agreement as modified by the First Amendment; and

WHEREAS, Section 8.03 of the Original Financing Agreement, as modified by the First Amendment, provides that the Owner may, in its sole and absolute discretion, assign the Financing Agreement with respect to all or part of the Project (as defined in the Financing Agreement) so long as the assigned rights and obligations are assumed without modifications to the Financing Agreement; and

WHEREAS, on or about September 23, 2020 (the “**Effective Date**”), Assignor sold and conveyed to Assignee 249.05 acres, more or less, out of Tract 3, which is more particularly described on **Exhibit A** attached to this Assignment (the “**249.05 Acres**”), and wishes to assign to Assignee Assignor’s rights and obligations under the Financing Agreement as to the 249.05 Acres (but not as to the balance of Tract 3) as as of the Effective Date, as more particularly described below.

AGREEMENT

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants contained herein, the parties agree as follows:

1. The Recitals set out above are true and correct and are incorporated into this Assignment for all purposes.

2. Assignor assigns all its rights and obligations under the Financing Agreement *as to the 249.05 Acre Tract only* to Assignee. Assignor retains all rights and obligations under the Financing Agreement as to the remainder of Tract 3.

3. Assignee accepts the assignment of Assignor's rights and obligations under the Financing Agreement as to the 249.05 Acre Tract only.

4. This assignment is to a Designated Assignee.

5. To facilitate execution, this instrument may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Agreement: (a) the signature pages taken from separate, individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (b) a copy of a signature transmitted by facsimile or e-mail (e.g., .pdf or Adobe) will be deemed to be an original signature for all purposes. It is not necessary to confirm the copy transmitted by facsimile or e-mail (e.g., .pdf or Adobe) by delivery of the original. All executed counterparts of this Agreement will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

This Assignment shall be effective from and after the Effective Date.

(Signature Pages Follow)

Assignor:

HMBRR LP #2, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,
General Partner

By: 
Jay A. Hanna, Vice President

Assignee:

HM 6 CREEKS DEVELOPMENT, INC., a Texas
corporation

By: 
Jay A. Hanna, President

EXHIBIT A

County: Hays
Project: 6-Creeks
Job No.: A201302
MB No.: 20-019

FIELD NOTES FOR 249.051 ACRES

Being a 249.051 acre tract of land located in the Samuel Pharras 1/4 League, Survey Number 14, Abstract Number 360 in Hays County, Texas. Said 249.051 acre tract being a portion of a called 608.70 acre tract of land recorded in the name of HMBRR, LP #2 in Document Number 17034180 of the Official Records of Hays County Texas (O.R.H.C.), said 249.051 acre tract of land being more particularly described by metes and bound as follows: *(Bearings are based on the Texas State Plane Coordinate System, South Central Zone).*

Beginning at capped iron rod found stamped "AST" for the most westerly corner of said 608.70 acre tract, said iron rod being the most southerly corner of Waterridge 150 District, Section 2, a subdivision as recorded in Document Number 19038655, O.P.R.H.C., said iron rod also being on the northerly line Waterridge Boulevard, a subdivision as recorded in Document Number 19038635, O.P.R.H.C.;

Thence, with the common line between said 608.70 acre tract and said Waterridge 150 subdivision, North 26 degrees 31 minutes 11 seconds East, passing at a distance of 554.24 the southeasterly corner of said Waterridge subdivision, being the most southerly corner of the remainder portion of a called 1971.29 acre tract of land recorded in the name of Blanco River Ranch, LP in Volume 5230 Page 583 of the Hays County Deed Records (H.C.D.R.), in all, a distance of 563.37 feet to a calculated point;

Thence, with the common line between said 608.70 acre tract and said 1971.29 acre remainder tract, the following four (4) courses and distances;

1. North 46 degrees 09 minutes 29 seconds East, a distance of 1179.39 feet to a calculated point;
2. North 28 degrees 22 minutes 57 seconds East, a distance of 708.36 feet to a calculated point;
3. North 44 degrees 16 minutes 34 seconds East, a distance of 582.28 feet to a calculated point;
4. 297.90 feet along the arc of a curve to the right, said curve having a central angle of 14 degrees 24 minutes 28 seconds, a radius of 1184.66 feet, and a chord that bears North 77 degrees 54 minutes 54 seconds East, a distance of 297.12 feet to a 1/2-inch iron rod found for the southeasterly corner of said 1971.29 acre remainder tract;

Thence, through and across said 608.70 acre tract and following the line established by a 250 acre survey dated 8-10-2020, the following fourteen (14) courses and distances;

1. 386.58 feet along the arc of a curve to the right, said curve having a central angle of 18 degrees 41 minutes 48 seconds, a radius of 1184.66 feet, and a chord that bears South 85 degrees 31 minutes 58 seconds East, a distance of 384.86 feet to a capped iron rod stamped "Atwell" found;
2. North 14 degrees 03 minutes 25 seconds East, a distance of 154.34 feet to a capped iron rod stamped "Atwell" found;
3. North 89 degrees 56 minutes 01 seconds East, a distance of 226.42 feet to a capped iron rod stamped "Atwell" found;

4. North 49 degrees 02 minutes 03 seconds East, a distance of 179.70 feet to a capped iron rod stamped "Atwell" found;
5. North 61 degrees 58 minutes 58 seconds East, a distance of 296.99 feet to a capped iron rod stamped "Atwell" found;
6. North 75 degrees 28 minutes 29 seconds East, a distance of 257.09 feet to a capped iron rod stamped "Atwell" found;
7. South 85 degrees 30 minutes 10 seconds East, a distance of 318.98 feet to a capped iron rod stamped "Atwell" found;
8. North 70 degrees 45 minutes 09 seconds East, a distance of 214.03 feet to a capped iron rod stamped "Atwell" found;
9. North 47 degrees 16 minutes 33 seconds East, a distance of 360.88 feet to a capped iron rod stamped "Atwell" found;
10. North 85 degrees 14 minutes 12 seconds East, a distance of 340.49 feet to a capped iron rod stamped "Atwell" found;
11. South 89 degrees 12 minutes 08 seconds East, a distance of 118.79 feet to a capped iron rod stamped "Atwell" found;
12. 483.09 feet along the arc of a curve to the left, said curve having a central angle of 14 degrees 14 minutes 46 seconds, a radius of 1942.92 feet, and a chord that bears South 06 degrees 19 minutes 30 seconds East, a distance of 481.84 feet to a capped iron rod stamped "Atwell" found;
13. South 13 degrees 23 minutes 08 seconds East, a distance of 751.43 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
14. South 76 degrees 44 minutes 31 seconds West, passing at a distance of a distance of 1.68 feet a northeasterly corner of 6 Creeks Boulevard Phase 1, Section 2 (Right-of-Way Only), a subdivision as recorded in Document Number 19019778, O.P.R.H.C., in all a total distance of 115.68 feet to a 1/2-inch iron rod found for a northwesterly corner of said 6 Creeks Boulevard Subdivision;

Thence, with the common line between said 608.70 acre tract and said 6 Creeks Boulevard Subdivision, the following four (4) courses and distances;

1. South 13 degrees 18 minutes 02 seconds East, a distance of 26.84 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
2. 116.85 feet along the arc of a curve to the right, said curve having a central angle of 92 degrees 59 minutes 02 seconds, a radius of 72.00 feet, and a chord that bears South 33 degrees 11 minutes 23 seconds West, a distance of 104.44 feet to a cotton spindle found;
3. South 80 degrees 21 minutes 31 seconds West, a distance of 34.11 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;

4. South 08 degrees 51 minutes 19 seconds East, passing at a distance of 120.00 feet, a 1/2-inch iron rod found for the southwesterly corner of said 6 Creeks Boulevard Subdivision, in all, a distance of 123.28 feet to a 5/8-inch iron rod set with cap stamped GBI Partners on the southerly line of said 608.70 acre tract, said iron rod being on the northerly line of 6 Creeks, Phase 1, Section 3, a subdivision as recorded in Document Number 19020754, O.P.R.H.C.;

Thence, with the common line between said 608.70 acre tract and said 6 Creeks, Phase 1, Section 3 Subdivision, 418.10 feet along the arc of a curve to the right, said curve having a central angle of 15 degrees 21 minutes 21 seconds, a radius of 1560.00 feet, and a chord that bears South 88 degrees 32 minutes 47 seconds West, a distance of 416.85 feet to a capped iron rod found stamped "AST" for an angle point on the southerly line of said 608.70 acre tract, said iron rod being an angle point in the northerly line of a called 153.0288 acre tract of land recorded in the name of HMBRR Development, Inc. in Document Number 200006092, O.P.R.H.C.

Thence, with the common line between said 608.70 acre tract and said 153.0288 acre tract the following five (5) courses and distances;

1. South 39 degrees 17 minutes 57 seconds West, a distance of 243.43 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
2. South 48 degrees 47 minutes 14 seconds West, a distance of 226.76 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
3. South 51 degrees 36 minutes 39 seconds West, a distance of 699.50 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
4. South 13 degrees 00 minutes 14 seconds West, a distance of 359.30 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
5. South 12 degrees 59 minutes 48 seconds West, a distance of 728.51 feet to capped iron rod stamped "Kent McMillian" for an angle point on the southerly line of said 608.70 acre tract, also being an angle point on the westerly line of said 153.0288 acre tract, said iron rod also being the most northerly corner of a called 311.56 acre tract of land recorded in the names of Robert Scott and Lanah Nance in Document Number 18006670, O.P.R.H.C.;

Thence, with the common line between said 608.70 acre tract and said 311.56 acre tract South 44 degrees 00 minutes 02 seconds West, a distance of 1916.25 feet to a capped iron rod found for the most southerly corner of said 608.70 acre tract, said iron rod being the most easterly corner of aforesaid Waterridge Boulevard Subdivision;

Thence, with the common line between said 608.70 acre tract and said Waterridge Boulevard Subdivision the following eight (8) courses and distances;

1. North 65 degrees 08 minutes 51 seconds West, a distance of 49.49 feet to a 1/2-inch iron rod found;
2. 381.25 feet along the arc of a curve to the right, said curve having a central angle of 23 degrees 36 minutes 54 seconds, a radius of 925.00 feet, and a chord that bears North 53 degrees 30 minutes 43 seconds West, a distance of 378.55 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
3. North 41 degrees 42 minutes 16 seconds West, a distance of 336.00 feet to a capped iron rod found stamped "AST";

4. 151.93 feet along the arc of a curve to the left, said curve having a central angle of 07 degrees 54 minutes 48 seconds, a radius of 1100.00 feet, and a chord that bears North 45 degrees 39 minutes 41 seconds West, a distance of 151.80 feet to a capped iron rod found stamped "AST";
5. North 49 degrees 37 minutes 05 seconds West, a distance of 572.43 feet to a capped iron rod found stamped "Atwell";
6. 75.01 feet along the arc of a curve to the left, said curve having a central angle of 03 degrees 59 minutes 53 seconds, a radius of 1075.00 feet, and a chord that bears North 51 degrees 37 minutes 01 seconds West, a distance of 75.00 feet to a capped iron rod found stamped "Atwell";
7. North 53 degrees 36 minutes 58 seconds West, a distance of 749.01 feet to a capped iron rod found stamped "AST";
8. 93.33 feet along the arc of a curve to the left, said curve having a central angle of 05 degrees 13 minutes 01 seconds, a radius of 1025.00 feet, and a chord that bears North 56 degrees 13 minutes 28 seconds West, a distance of 93.30 feet to the Point of Beginning and containing 249.051 acres of land.

GBI Partners, LP
TBPLS Firm No. 10194150
Ph: 512-296-2675
September 4, 2020



**PARTIAL ASSIGNMENT AND ASSUMPTION OF RIGHTS AND OBLIGATIONS
UNDER 6 CREEKS PUBLIC IMPROVEMENT DISTRICT
FINANCING AGREEMENT**

This Partial Assignment and Assumption of Rights and Obligations Under 6 Creeks Public Improvement District Financing Agreement (this “Assignment”) is by and among **HMBRR LP**, a Texas limited partnership (“**HMBRR LP**”), **HMBRR LP #2**, a Texas limited partnership (“**HMBRR LP #2**”), **HMBRR Development, Inc.**, a Texas corporation (“**HMBRR Development**”), and **HM 6 Creeks Development, Inc.**, a Texas corporation (“**HM 6 Creeks Development**”), as follows.

RECITALS

WHEREAS, **HMBRR Development**, **HMBRR LP**, and **HMBRR LP #2** (collectively the “**Original HM Entities**”), and the City of Kyle, Texas (the “**City**”), entered into the Blanco River Ranch Public Improvement District Financing Agreement dated effective July 18, 2017 (the “**Original Financing Agreement**”) with respect to 858.7 acres in Hays County, Texas, more fully described in the Original Financing Agreement (the “**Property**”); and

WHEREAS, the City and the Original HM Entities modified the Original Financing Agreement by First Amendment to the 6 Creeks Public Improvement District Financing Agreement (the “**First Amendment**”) dated effective April 16, 2019, and the term “**Financing Agreement**” as used herein, refers to the Original Financing Agreement as modified by the First Amendment; and

WHEREAS, Section 8.03 of the Financing Agreement provides that the “**Owner**” (defined in the Financing Agreement as **HMBRR Development**, **HMBRR LP**, **HMBRR LP #2**, and their Designated Successors and Assigns) may, in its sole and absolute discretion, assign the Financing Agreement with respect to all or part of the Project (as defined in the Financing Agreement) so long as the assigned rights and obligations are assumed without modifications to the Financing Agreement; and

WHEREAS, on or about September 23, 2020, **HMBRR LP #2** assigned to **HM 6 Creeks Development**, **HMBRR LP #2**’s rights and obligations under the Financing Agreement to 249.05 acres, more or less, out of Tract 3, which is more particularly described in a deed recorded under Document # 20042658, Official Public Records of Hays County, Texas, (the “**249.05 Acres**”); and

WHEREAS, **HMBRR Development** acquired from **HMBRR LP** all of the 188.51 acres originally owned by **HMBRR LP**, and **HM 6 Creeks Development** acquired from **HMBRR LP #2** all of the 608.7 acres originally owned by **HMBRR LP #2**; and

WHEREAS, as of the Effective Date of this Assignment **HMBRR LP** wishes to assign to **HMBRR Development** all of **HMBRR LP**’s rights and obligations under the Financing Agreement; and

WHEREAS, as of the Effective Date of this Assignment, **HMBRR LP #2** wishes to assign to **HM 6 Creeks Development**, the remainder of **HMBRR LP #2**’s rights and obligations under the Financing Agreement; and

WHEREAS, as of the Effective Date of this Assignment, **HMBRR LP** will have assigned to **HMBRR Development** all of **HMBRR LP**’s rights and obligations under the Financing Agreement, and upon such assignments and assumption by **HMBRR Development** of all such rights and obligations, wishes to cease being an Owner under and party to the Financing Agreement; and

WHEREAS, as of the Effective Date of this Assignment, **HMBRR LP #2** will have assigned to **HM 6 Creeks Development** all of **HMBRR LP #2** rights and obligations under the Financing Agreement, and
{W1167380}

upon such assignments and assumption by HM 6 Creeks Development of all such rights and obligations, wishes to cease being an Owner under the Financing Agreement;

AGREEMENT

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants contained herein, the parties agree as follows:

1. The Recitals set out above are true and correct and are incorporated into this Assignment for all purposes.
2. HMBRR LP assigns all its rights and obligations under the Financing Agreement to HMBRR Development.
3. HMBRR Development accepts the assignment of HMBRR LP's rights and obligations under the Financing Agreement.
4. HMBRR LP #2 assigns all its rights and obligations under the Financing Agreement to HM 6 Creeks Development.
5. HM 6 Creeks Development accepts the assignment of HMBRR LP #2's rights and obligations under the Financing Agreement.
6. From and after the Effective Date of this Assignment, HMBRR LP is no longer a party to, or an "Owner" under, the Financing Agreement.
7. From and after the Effective Date of this Assignment, HMBRR LP #2 will no longer be a party to, or an "Owner" under, the Financing Agreement, and the "Owners" under the Financing Agreement will be only HMBRR Development, HM 6 Creeks Development, and their Designated Successors and Assigns.
8. Each of HMBRR Development and HM 6 Creeks Development is a Designated Successor and Assign, and each assignment herein is made to a Designated Successor and Assign.
9. To facilitate execution, this instrument may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Assignment: (a) the signature pages taken from separate, individually executed counterparts of this Assignment may be combined to form multiple fully executed counterparts; and (b) a copy of a signature transmitted by facsimile or e-mail (e.g., .pdf or Adobe) will be deemed to be an original signature for all purposes. It is not necessary to confirm the copy transmitted by facsimile or e-mail (e.g., .pdf or Adobe) by delivery of the original. All executed counterparts of this Assignment will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

This Assignment shall be effective from and after the date (the "Effective Date") of 10.19.22, 2022.

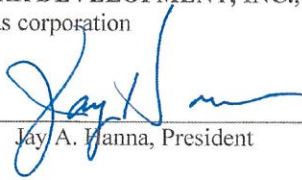
(Signature Pages Follow)

HMBRR LP, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,
General Partner

By: 
Jay A. Hanna, Vice President

HMBRR DEVELOPMENT, INC.,
a Texas corporation

By: 
Jay A. Hanna, President

HMBRR LP #2, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,
General Partner

By: 
Jay A. Hanna, Vice President

HM 6 CREEKS DEVELOPMENT, INC.,
a Texas corporation

By: 
Jay A. Hanna, President

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APPENDIX G

DEVELOPMENT AGREEMENT

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**BLANCO RIVER RANCH (Phase One Residential Area)
DE-ANNEXATION AND DEVELOPMENT AGREEMENT**

THE STATE OF TEXAS §
 §
COUNTY OF HAYS §

This Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (this "Agreement") is entered into between the **CITY OF KYLE**, a Texas home rule city and municipal corporation (the "City"), and **BLANCO RIVER RANCH PROPERTIES LP**, a Texas limited partnership, or its successors and assigns ("Owner"). In this Agreement, the City and Owner are sometimes individually referred to as "a Party" and collectively referred to as "the Parties".

RECITALS

- A. Owner and the City previously entered in the "Blanco River Ranch Interim Annexation and Development Agreement" dated effective as of May 6, 2016 and recorded under Document No. 2016-16014625, Official Public Records of Hays County, Texas (the "IDA") relating to the development of approximately 2,166 acres of land more particularly described therein (the "Blanco River Ranch"). The IDA contemplated, among other things, that the City and Owner would enter into a final development agreement for the Blanco River Ranch, that the City would de-annex a portion of the Blanco River Ranch located within the City's corporate limits (the "Current City Limits Property"), and that the City would create a public improvement district ("PID") and other financing mechanisms for the Blanco River Ranch.
- B. The 858.7 acre tract of land described on the attached **Exhibit "A"** (the "Property") is a portion of the Blanco River Ranch. Owner intends to develop or to sell the Property for development for residential purposes and related amenities and improvements, as more particularly described in this Agreement. The City and Owner have agreed that this Agreement will constitute the final development agreement contemplated by the IDA with respect to the Property, but not with respect to the remainder of the Blanco River Ranch. The remainder of the Blanco River Ranch, being all of the 2,166 acre tract described in the IDA, save and except the Property (the "BRR Remainder"), is and will remain subject to the IDA, and will also be subject to any provision of or obligations under this Agreement that are expressly applicable to the BRR Remainder, including the obligation to dedicate the river park as provided in Section 2.08.
- C. The Property includes the "Current City Limits Property", which is depicted on the attached **Exhibit "B"**. The remainder of the Property is located in the City's extraterritorial jurisdiction ("ETJ"). As provided in the IDA, Owner has requested that the City de-annex the Current City Limits Property and the City

has agreed to do so. Owner and the City now wish to agree on a schedule for such de-annexation.

- D. Owner has petitioned the City for the creation of a PID over the Blanco River Ranch. The City agrees that the Property will be designated as Improvement Areas 1 through 7, inclusive, within the PID. The City acknowledges that the public improvement projects contemplated for the Property and described in this Agreement will confer a special benefit on the Property, and that PID financing is essential for the development of the Property as contemplated by this Agreement.
- E. In the IDA, the City agreed not to annex the portion of the Blanco River Ranch that includes the Property until all PID bonds, each issuance of which is to be for a term not to exceed 25 years, that are to be repaid through assessments have been issued and repaid in full, and there are no further PID assessments against such portion of the Blanco River Ranch. The City desires to confirm such agreement with respect to the Property and emphasize the following qualifications: the payment in full of the PID bonds secured by assessments levied on properties located within a PID Area (the PID Areas within the Property are currently proposed to be areas 1 through 7, the actual PID Areas will be determined at the time of City creation of the PID) constitutes a voluntary request for immediate annexation by the City of the properties within that PID Area; or, should any or all PID Areas be dissolved, the finality of the dissolution of the PID Area or Areas would constitute an immediate voluntary request for annexation into the City for the affected PID Areas. PID Areas established must be adjacent to current City limits (which includes the Spine Road alignment and collector road within the Property).
- F. The City owns, operates, and maintains a water supply system, including groundwater wells and surface water supplies, and a wastewater collection, treatment, and disposal system, including a wastewater treatment plant operating under TPDES Permit Number WQ0011041002, to serve the needs of its customers.
- G. The City has agreed to provide retail water and wastewater services to the Property pursuant to the terms of this Agreement. Owner has agreed to construct and install a potable water distribution system and related facilities and a wastewater collection system and related facilities within the Property (the "*Internal Facilities*") and certain improvements necessary to connect the Internal Facilities to the City's water and wastewater systems (the "*Connecting Facilities*") and to construct and/or cost-participate in certain off-site improvements more particularly described in this Agreement (the "*Offsite Facilities*") in order to enable the City to provide water and wastewater services to the Property.
- H. The City will use the Internal Facilities and the Connecting Facilities, as well as capacity in all Offsite Facilities constructed and/or cost-participated in by Owner, to provide retail water and wastewater services to customers within the Property. The City has agreed that, along with the other public improvements that will

benefit or serve the Property described in this Agreement, the City will issue PID bonds to finance and reimburse Owner for the cost of the Internal Facilities and the Connecting Facilities, and the cost of Owner's cost-participation in the Offsite Facilities.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained in this Agreement, and other good and valuable consideration, the City and Owner agree as follows:

ARTICLE I. RECITALS AND DEFINITIONS

Section 1.01 Recitals. The City Council finds and determines that each of the Recitals contained in this Agreement is true and correct and such Recitals are incorporated into this Agreement for all purposes.

Section 1.02 Defined Terms. In addition to the defined terms set forth in the Recitals and elsewhere in this Agreement, the following terms will have the meanings set forth below when used in this Agreement:

"Applicable City Rules" means the provisions of the City Code in effect on the Vesting Date or any updated Code provision Owner, at its option, elects to take advantage of adopted by the City after the Vesting Date that Owner determines are in the best interests of the Owner without forfeiting vested rights under this Agreement.

"City Charter" means the City Charter of the City, as amended from time to time.

"City Code" means the City's Code of Ordinances, as amended from time to time.

"City Council" means the City Council of the City of Kyle.

"City's Engineer" means a licensed professional engineer selected by the City to provide the engineering services described in this Agreement to the City, or his/her designee.

"City's Service Area(s)" means the City's retail water service area and/or retail wastewater service area, whether or not certificated, as such service areas now exist or are changed by the City hereafter.

"City's Water System" means all water supply, treatment, transmission, and distribution facilities; lines, mains, reservoirs, and pump stations; residential, commercial, and industrial connections; and any other parts or components that comprise the City's public water system, together with all extensions, expansions, improvements, enlargements, betterments and replacements thereof.

“City’s Wastewater System” means all wastewater treatment, disposal, and collection facilities and appurtenances that comprise the City’s wastewater system, together with all extensions, expansions, improvements, enlargements, and replacements thereof.

“Concept Plan” means the concept plan for the Property attached as Exhibit “C”, as amended from time to time.

“County” means Hays County, Texas.

“Customers” mean the City’s retail water and wastewater customers located within the Property.

“Director of Planning” means the duly authorized employee or representative of the City in charge of the City’s planning and/or zoning department(s), or his/her designee.

“Director of Public Works” means the duly authorized employee or representative of the City in charge of the City’s street, water and/or wastewater department(s), or his/her designee.

“Emergency” means a sudden unexpected happening; an unforeseen occurrence or condition, exigency, or pressing necessity; or a relatively permanent condition of insufficiency of service or of facilities. The term includes Force Majeure and acts of third parties that cause either the City’s Water System or the City’s Wastewater System to be unable to provide the services the City has agreed to provide under this Agreement.

“Effective Date” means the date of the latest signature on this Agreement by an authorized representative of a Party.

“Force Majeure” means acts of God; strikes, lockouts, or other industrial disturbances; acts of the public enemy; orders of any kind of any governmental entity or any civil or military authority; acts, orders or delays of any regulatory authorities with jurisdiction over the Parties; insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions or breakages; accidents to machinery, pipelines or canals; or any other conditions that are not within the control of a Party.

“Impact Fees” means water and/or wastewater capital recovery fees or impact fees imposed by the City against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions in accordance with State law.

“Industrial Waste” means waterborne, liquid, gaseous, or solid substances that result from any process of industry, manufacturing, trade or business, including a restaurant.

“**LUE**” means the average daily amount of water required for or wastewater produced by a typical single-family residence, which the City agrees will be 280 gallons for water and 262.5 gallons for wastewater for purposes of this Agreement.

“**Phase One**” means the master-planned residential development of the Property, which will include approximately 2,100 single family homes and garden homes, condominiums and residential cluster units, as well as park land, amenity centers with recreational facilities, and other improvements to serve the residential development. Phase One includes the construction of off-site and on-site utility facilities to be dedicated and conveyed to the City and other infrastructure adequate to serve Phase One consistent with this Agreement. Phase One may include multiple development phases for platting and construction purposes.

“**PID Area**” or, collectively, “**PID Areas**” means an improvement area or, collectively, the improvement areas within the Property, which are currently projected to be designated as PID Areas 1-7, inclusive. The final PID Areas within the Property will be determined at the time of City creation of the PID and, at that time, an exhibit depicting the approved PID Areas within the Property will be incorporated into this Agreement by written amendment of this Agreement, which will be recorded in the Official Public Records of Hays County, Texas.

“**Project Approvals**” means the land use and development standards applicable to Phase One, as set forth on Exhibit “D” and Exhibit “D-1”; all City approvals and variances, waivers and exceptions to the Applicable City Rules granted by the City or necessary for the development of the Property that are contemplated by or set forth in this Agreement; and all future regulatory approvals, variances, waivers and exceptions that are necessary for or are granted with respect to the development of the Property, including plat approvals and site development plan approvals, if applicable.

“**Public Improvements**” means all public improvement projects that benefit the Property and constitute Authorized Improvements under Section 372.003, *Texas Local Government Code*.

“**Reclaimed Water**” means domestic or municipal wastewater that has been treated to a quality suitable for a Type I Reclaimed Water Use pursuant to the requirements of the Commission under 30 *Texas Administrative Code* Section 210.

“**TCEQ**” means the Texas Commission on Environmental Quality or its successor entity.

“**Type I Reclaimed Water Use**” means the use of Reclaimed Water when contact between humans and the Reclaimed Water is likely.

“**Vesting Date**” means the effective date of the IDA: May 6, 2016.

Section 1.03 **Other Definitions.** Any capitalized terms used but not defined in this Agreement will have the meanings given to them in the IDA or, if not defined in the IDA, the City Code.

ARTICLE II.
DEVELOPMENT MATTERS

Section 2.01 **Development Standards and Other Project Approvals.** Because the Property will be developed within the City's ETJ, the City's zoning ordinances are not applicable to the Property; however, Owner agrees that the development of the Property will comply with the land use and development standards set forth on the attached **Exhibit "D"** (the "*Development Standards*") and the design guidelines attached as **Exhibit "D-1"** (the "*Design Guidelines*") and that builders within Phase One will be required to comply with the City's building code in effect on the Vesting Date, attached as **Exhibit "D-2"**. The City approves the development of the Property in accordance with the Project Approvals, including the Development Standards, Design Guidelines, and the Concept Plan; the Applicable City Rules; and this Agreement. This Agreement, including all exhibits hereto, will also serve as guidance for the review and approval of any additional waivers, variances, exceptions or other municipal authorizations not specifically included in this Agreement. If there is any conflict between the Applicable City Rules and the Project Approvals, the Project Approvals will control.

Section 2.02 **De-annexation of Current City Limits Property.** The City acknowledges that it has deemed the IDA to constitute a petition to de-annex the Current City Limits Property pursuant to Section 1.07 of the City Charter. The City acknowledges receipt of such petition and agrees to proceed to de-annex the Current City Limits Property according to the schedule attached as **Exhibit "E"**.

Section 2.03 **Realignment of Spine Road.** Owner and the City have agreed that it is in their mutual best interests that the spine road through the Property (the "*Spine Road*") be included in the City's corporate limits. The City previously annexed the proposed right-of-way for the Spine Road through the Property; however, the alignment of the Spine Road was reconfigured during the land-planning process and will now be as shown on the Concept Plan. Accordingly, the City agrees to de-annex the area shown on page 2 of **Exhibit "F"**, which will no longer be included in the right-of-way for the Spine Road, and Owner agrees to petition the City for annexation of the area shown on page 2 of **Exhibit "F"**, which will now be included in the right-of-way for the Spine Road as reconfigured. The City will proceed with the de-annexation and annexation contemplated by this Section in accordance with the schedule attached as **Exhibit "E"**.

Section 2.04 **Contemplated Schedule of Initial Events.** The sequence of initial events contemplated by this Agreement is as follows:

(a) The City's and Owner's approval of this Agreement, including the City's approval of the Concept Plan;

(b) The finalization of a tri-party agreement between the City, Owner, and the County that provides, among other things, standards for maintenance of roadways within the County prior to annexation by the City;

(c) The City's annexation of the new Spine Road alignment;

(d) The City's de-annexation of the Current City Limits Property as described in **Exhibit "B"** and the prior Spine Road alignment;

(e) All legally required steps for the City to create the PID, approve the service and assessment plan for the Property, and authorize the issuance of related bonds and the levy of assessments; and

(f) Owner's submittal and the City's review and approval of preliminary plats, construction plans and final plats of the Property.

The events described in subsection (f) may occur concurrently with the events described in subsections (a) through (e). Owner may submit final plats and construction plans for Phase One for City review prior to City approval of a preliminary plan. The City agrees to use good faith, diligent efforts to respond to submittals and schedule hearings and meetings in a timely manner so that the events contemplated by this Section can be obtained in accordance with the schedule attached as **Exhibit "E"**.

Section 2.05 Development; Phasing.

(a) The City acknowledges that Owner may submit preliminary and final plats of the Property in multiple phases, and that the phases set forth on the Concept Plan or any preliminary plat may not reflect the portion of the Property that Owner will ultimately include in a particular final plat. Owner may include all or a portion of one or more phases reflected on the Concept Plan or on any preliminary plat within a final plat provided that the final plat is otherwise in accordance with the Concept Plan, the preliminary plat, and the Applicable City Rules.

(b) Although the Concept Plan sets forth the current development plan for the Property, the City acknowledges that, because the Property consists of a significant land area that will be developed in phases over a number of years, the actual development of the Property may ultimately vary from the Concept Plan due to changes in market conditions or other factors. Any preliminary plat or final plat may include variations from the Concept Plan, such as minor modifications of street alignments, minor changes in lot lines, or changes in the phasing of development and, provided that those changes do not increase the overall density of development of the Property over 2,100 LUEs or eliminate any Public Improvements required by this Agreement, those variations will constitute "minor changes" under this Agreement and will not require an amendment to the Concept Plan. Any such minor changes may be approved by the City's Director of Planning and will not require City Council approval. Any changes that are not minor changes will require City Council approval. No change or amendment to the Concept Plan will require an amendment of this Agreement.

Section 2.06 Creation and Purposes of PID.

(a) The City's requirements for approving the creation of a PID, as adopted by the City and in effect on the Vesting Date, are attached as **Exhibit "G"**. Owner agrees that, in consideration of this Agreement and the City's performance of its obligations hereunder, the additional PID requirements set forth on the attached **Exhibit "G-1"** will also apply to the PID created for the Blanco River Ranch. The City agrees that Owner may, at its option, elect to take advantage of any changes to the requirements set forth on **Exhibit "G"** adopted by the City after the Vesting Date that Owner determines are in the best interests of Phase One without forfeiting any vested rights under this Agreement. Subject to Owner's submittal of a petition and otherwise satisfying the applicable City PID creation requirements, the City agrees to cooperate with Owner in good faith and to take all action necessary to create the PID covering the Blanco River Ranch, incorporating the terms attached hereto as **Exhibit "H"**, in accordance with the schedule attached as **Exhibit "E"**; to designate the Property as separate PID Areas within the PID; to approve a service and assessment plan for such PID Areas; and to levy assessments and issue bonds to fund Public Improvements for Phase One. The PID bonds for the PID Areas within the Property will be secured by the levy and collection of special assessments against the PID Areas. The payment of the last PID bonds secured by special assessments within a PID Area constitutes a voluntary request for immediate annexation of that PID Area by the City.

(b) The purposes of the PID will include (a) to pay for the PID-qualified costs associated with the construction of on-site Public Improvements that are permitted under Chapter 372, *Texas Local Government Code*; (b) to pay for the PID-qualified costs associated with the construction of off-site Public Improvements that are permitted under Chapter 372, *Texas Local Government Code*; and (c) to reimburse the City for administrative and/or operational costs resulting from the creation and operation of the PID.

Section 2.07 Signage and Landscaping on Public Rights-of-Way. Owner is hereby authorized to install permanent signage and/or landscaping improvements meeting the standards set forth in the Design Guidelines attached as **Exhibit "D-1"** within portions of the City's public right-of-way in the locations generally depicted on the schematic plan attached **Exhibit "I"**. Owner agrees to comply with any license agreement that may be required under the Applicable City Rules for areas within the City's right-of-way; provided, however, that, any required license agreement may be assigned to a homeowners association ("*HOA*") formed for the administration of all or a portion of the Property and, upon such an assignment, Owner will be released from all obligations under the license agreement and the City will look solely to the HOA for the performance of all obligations thereunder.

Section 2.08 Park Land Dedication and Park Improvements. Phase One will be developed as a master-planned community with substantial park land, open space, greenbelts, trails, park improvements, and amenity center(s) as indicated on the Concept Plan. Owner agrees to provide park land, open space land and amenity areas and park improvements for Phase One as summarized on the attached **Exhibit "J"** and

to pay a park fee of \$150 per lot at the time of recordation of each final plat for Phase One. In addition, Owner agrees to dedicate ten acres of land out of the BRR Remainder for a river park amenity that will provide access to the Blanco River. The City acknowledges that such land, fees and improvements far exceed the applicable park land, park fee and park improvement requirements under the Applicable City Rules and therefore agrees that the private and public park land, open space, greenbelts, trails and improvements described on Exhibit "J" to be constructed, installed and provided by Owner and the park fees provided for by this Section will be accepted by the City in satisfaction of all City park land dedication, park improvement and park fee requirements for Phase One, and that no additional dedication of park land, provision of park improvements or payment of park-related fees will be required from Owner for the Property. The City expressly waives any right to require other or additional park land dedications, park improvements or park fees for the Property under the Applicable City Rules. Unless otherwise agreed by Owner and the City, all park land within the Property will be dedicated in parcels as the adjacent residential property is final platted.

ARTICLE III. PUBLIC IMPROVEMENTS

Section 3.01 Public Improvements, Generally. Owner will construct and install or cost-participate in the construction and installation of certain Public Improvements that are necessary for the City to provide water and wastewater service to the Property and in the construction and installation of certain road and transportation improvements; landscaping, lighting and signage improvements; park land dedications and park improvements; drainage improvements; and other Public Improvements in connection with the development and improvement of the Property. The City agrees to reimburse Owner for all sums advanced and paid by Owner for such Public Improvements through bonds issued by the PID to the maximum extent permitted by Chapter 372, *Texas Local Government Code*, and this Agreement.

Section 3.02 Park Land and Park Improvements. All park land provided by Owner, all park and recreational improvements that are open to the public, and all related infrastructure provided by Owner will constitute Public Improvements for which Owner will be reimbursed through the issuance of PID bonds as provided in Section 3.01. Owner will not be reimbursed for any park and recreational improvements not open to the public.

Section 3.03 Roadways and Transportation Improvements. The City and Owner agree that the roadways and transportation improvements set forth on the attached Exhibit "K" constitute Public Improvements that will be funded through the issuance of PID bonds as provided in Section 3.01. In consideration of Owner's dedication of land for and construction of the roadways and transportation improvements listed on Exhibit "K", the City agrees that Owner will not be required to construct or cost-participate in any other offsite transportation improvements for the Property and will not be required to provide a traffic impact analysis for the Property. Owner will not be reimbursed for any roadway improvements not open to the public.

Section 3.04 **Inspections.** Following City approval of each plat of a portion of the Property and prior to the commencement of construction, Owner will give written notice to the Director of Public Works in order to allow the City to assign an inspector. Within the City's incorporated city limits, the City will inspect street, water and wastewater, and drainage Public Improvements and collect related inspection fees. Within the City's ETJ, the City will inspect water and wastewater Public Improvements only and collect related inspection fees.

ARTICLE IV.
WATER AND WASTEWATER SERVICES, GENERALLY

Section 4.01 **Service Level.** Subject to the terms and conditions set forth herein, the City commits and agrees to provide retail water and wastewater service to the Property, as and when required by Customers within Phase One and/or for development of the Property, in an aggregate amount not to exceed 2,100 LUEs, at flow rates and pressures and in quantities, including fire flow, sufficient to meet the minimum requirements of the TCEQ, in the same manner and on the same terms and conditions as the City provides service to similarly situated retail customers inside its corporate limits. The City confirms that it currently has and will maintain an adequate raw water supply and water treatment and wastewater treatment capacity to meet its service obligations, including its obligations under this Agreement. Subject to Owner's performance of its obligations hereunder, the City will plan for, permit and construct any improvements to the City's Water System and the City's Wastewater System, including its treatment facilities, necessary to provide water and wastewater services to the Property as and when contemplated by this Agreement.

Section 4.02 **Planning and Coordination.** The City will plan for and manage its overall utility service obligations, including its obligations under this Agreement. The City will coordinate and collaborate with Owner and other developers and landowners with land in the area of the Property in order to maximize the efficiency and cost effectiveness of the City's provision of services, provide certainty as to the availability of services, and minimize the duplication of facilities, including requiring oversizing of planned water and wastewater lines and facilities as necessary to provide services to the Property as contemplated by this Agreement in an economical and timely manner.

Section 4.03 **Modifications of City Regulations.** If the City modifies: (i) the definition of an LUE from the definition contained in this Agreement; (ii) water pressure requirements for service connections within Phase One; (iii) fire flow requirements; or (iv) any other aspect of the City's water and wastewater service standards, the City will be responsible for the timely design and construction of any modifications to the City's Water System and/or the City's Wastewater System necessary for the City to meet its water and wastewater service obligations under this Agreement, unless the modification required due to an increase in the LUEs required by Owner for Phase One or is mandated by Federal or State law or regulation. If any modification is required by Federal or State law or regulation, the Parties will cooperate in order to

provide for the required modifications while preserving, to the maximum extent possible, the benefits of the Parties' agreements hereunder.

Section 4.04 Quality of Water Delivered to Customers. All water delivered by the City hereunder will be potable water of a quality, volume and pressure conforming to the requirements of all applicable Federal and State laws, rules, regulations and orders applicable to water for human consumption and other domestic uses; provided, however, that temporary excursions from such requirements that may occur from time to time will not give rise to a claim for breach of this Agreement, provided that the City complies with all notice and other requirements applicable to the excursion under the rules of the TCEQ and any other regulatory entity with jurisdiction, and corrects the cause of the excursion within a reasonable time.

Section 4.05 Curtailments, Conservation Restrictions, and Environmental.

(a) The City may curtail or limit service to Customers within Phase One in the same manner that service is curtailed or limited to similarly situated customers within the City's incorporated limits, but to no greater extent, unless the curtailment or rationing is required by law or a State or Federal regulatory authority with jurisdiction over the City's delivery of water or wastewater service, is adopted in response to an order or finding by a State or Federal regulatory authority with such jurisdiction, or the curtailment is authorized by Subsection b., below.

(b) If, during the term of this Agreement, the City becomes unable to provide adequate water or wastewater services to its Service Area due to an Emergency or shortage of water supply, production, treatment, storage or transportation capability in the City's Water System or the City's Wastewater System, or if modifications, improvements, or repairs to the City's Water System or the City's Wastewater System are necessary in order to maintain or improve the level of service to the City's customers, then the City will have the right to curtail or limit service to Customers within Phase One for the same time period and on the same basis as service is curtailed or limited to similarly situated customers within the City's incorporated limits. The City agrees to provide the Customers with notice of any proposed curtailment or limitation as soon as reasonably practicable. In the event of an Emergency, the priority of and the restrictions on usage will be the same as those established from time to time for customers within the City's incorporated limits. Notwithstanding anything herein to the contrary, if it is ever determined by any governmental or regulatory authority with jurisdiction that provision of water and/or wastewater services by the City under this Agreement or the curtailment or limitation of water or wastewater services by City to any of its customers, including the Customers, is in violation of applicable law, then the City, after giving reasonable notice to the Customers and providing an opportunity for consultation, may take such action as will best effectuate this Agreement and comply with applicable law. Owner will include written notice to all future Customers that they will be required to comply with the City's water conservation and use restrictions and the City will have the right to curtail or limit service to Customers for the same time period and on the same basis as service is curtailed or limited to similarly situated

customers within the City's incorporated limits due to an Emergency or shortage of water supply through including such notice in the restrictive covenants applicable to the Property, which will be recorded in the Official Public Records of Hays County, Texas.

(c) All Customers that receive water service from the City will be required to comply with the City's water conservation and use restrictions and ordinances in the same manner and to the same extent as customers located within the City's incorporated limits. All Customers with a connection to the City's Water System, including property owners, lessees and lessors, will be subject to all of the City's rights and remedies, including fines, fees, interruption of service and disconnection of service, for any failure to comply with any applicable water conservation or use restriction or ordinance.

(d) Any Industrial Waste received by the City from Customers will be subject to the provisions of the City's Industrial Waste Ordinance, as adopted and amended by the City Council from time to time and uniformly applied throughout the City's Service Area.

Section 4.06 **Nondiscrimination.** Water and wastewater service provided to the Customers by the City will be nondiscriminatory and consistent with City's policies, tariffs and regulations applicable to customers of the City's Water System and the City's Wastewater System located within the City's incorporated limits, as such policies, regulations and tariffs may be amended from time to time in accordance with applicable law.

ARTICLE V. WATER AND WASTEWATER FACILITIES

Section 5.01 **Approval of Water Facilities Plan and Wastewater Facilities Plan; Design Requirements.** The City approves the Water Facilities Plan attached as **Exhibit "L"** and the Wastewater Facilities Plan attached as **Exhibit "M"** for the Property. The City confirms and agrees that, except as set forth on the attached **Exhibits "L" and "M"** or as otherwise provided in this Agreement, Owner will have no obligation to construct, cost participate in, and/or oversize any Internal Facilities, Connecting Facilities or Offsite Facilities. The foregoing notwithstanding, if Owner materially modifies its development plan for Phase One in a manner that increases the level of service required for Phase One above 2,100 LUEs, then Owner may be required to construct any additional or oversized facilities that are required to serve the additional LUEs.

Section 5.02 **Initial Water Service.** The City agrees to provide 500 LUEs of initial water service for Phase One through the City's existing water main located on Old Stagecoach Road, as depicted on the Water Facilities Plan, subject to Owner's construction of any required Internal Facilities and any Connecting Facilities necessary to connect to the water main. No additional facilities will be required for this initial 500 LUES of water service.

Section 5.03 Permanent Water Service.

(a) The City has entered into a Retail Water and Wastewater Services Agreement dated September 20, 2016 (the "Anthem Contract") with Mountain City 150 LP ("MC 150") under which MC 150 has agreed to construct an elevated water storage tank with a capacity of approximately 2.039 million gallons (the "Anthem Storage Tank"). The Anthem Contract also provides that, in connection with the construction of the Anthem Storage Tank, MC 150 will construct a water line from the Anthem Storage Tank to the main entryway into the MC 150 development (the "Anthem Water Main") and a water line from the main entryway along FM 150 to a point of connection with the City's Water System, as depicted on the Water Facilities Plan (the "FM 150 Water Main"). The City agrees to require MC 150 to oversize the Anthem Water Main from 12 inches to 16 inches.

(b) Provided that MC 150 commences the construction of the Anthem Storage Tank, the Anthem Water Main (oversized to 16 inches) and the FM 150 Water Main (collectively, the "Anthem Facilities") on or before the time that 350 LUEs of water service have been connected within the Property and completes the construction of the Anthem Facilities on or before June 30, 2019, Owner agrees to advance and pay a pro-rata portion of the cost of the Anthem Storage Tank, based on 2,100 LUEs out of 4,221 LUEs being reserved for the Property, and the incremental cost of oversizing the Anthem Water Main from 12 inches to 16 inches (the "Phase One Cost Share"), subject to Owner's right to reimbursement as provided in Section 7.05, below.

(c) The City agrees that, if MC 150 has not sooner commenced the design and construction of the Anthem Facilities, the City will give written notice to MC 150 under the Anthem Contract to proceed with the design and construction of the Anthem Facilities at such time as 250 LUEs of water service have been connected within the Property. If MC 150 has not (i) commenced construction of the Anthem Facilities at such time as 350 LUEs of water service have been connected within the Property, or (ii) completed the construction on or before June 30, 2019, the City agrees that Owner will have the right to proceed as provided in Subsection (d). in lieu of any cost participation in the Anthem Facilities.

(d) If the Anthem Facilities are not commenced and completed as provided in Subsections (b) and (c), Owner may proceed with the design and construction of alternative facilities consisting of a 12-inch water line to be constructed in the FM 150 right-of-way from a point of connection to the City's existing 12-inch water line at the intersection of FM 150 and Old Stagecoach Road to a booster pump station to be constructed at the location depicted on the Water Facilities Plan (the "Alternative Facilities"). The proposed booster pump station will include a connection to allow the future extension of the 12-inch water line to the west and the water line will also be extended to the south, to the site of a future, approximately 580,978 gallon elevated storage tank to be constructed at the location depicted on the Water Facilities Plan. If these Alternate Facilities are designed and constructed by Owner, the City agrees that Owner's costs will be reimbursed to Owner as provided in Section 7.05, below

Section 5.04 Initial Wastewater Service. The City agrees to provide 286 LUEs of initial wastewater service for Phase One through the City's existing 8-inch gravity main located in Old Stagecoach Road as depicted on the Wastewater Facilities Plan, subject to Owner's construction of any required Internal Facilities and the Connecting Facilities to the gravity main. No additional facilities will be required for this initial 286 LUES of wastewater service.

Section 5.05 Permanent Wastewater Service. To provide wastewater service to Phase One in excess of 286 LUEs, the City agrees to complete the construction of an appropriately sized gravity interceptor along Elliot Branch as depicted on the Wastewater Facilities Plan (the "Elliot Branch Interceptor") on or before June 30, 2019. In order to connect to the Elliot Branch Interceptor, Owner agrees to construct a lift station sufficient to serve 1,814 LUEs (the "Phase One Lift Station") as depicted on the Wastewater Facilities Plan and a six-inch force main along Cypress Road from the Phase One Lift Station to the Elliot Branch Interceptor as depicted on the Wastewater Facilities Plan. Owner further agrees that the Phase One Lift Station will be constructed on a site that is sufficient to accommodate the expansion of the Phase One Lift Station to serve up to an additional 2,200 LUEs in the future. The City acknowledges that Owner is relying on the City's timely completion of the design of, easement acquisition for, and construction of the Elliot Branch Interceptor in order to make permanent wastewater service in excess of 286 LUEs available as and when required for Customers within Phase One and/or for the development of the Property. Accordingly, the City agrees that, if the Elliot Branch Interceptor is not complete and available to provide wastewater service to the Property on or before June 30, 2019, the City will provide pump-and-haul wastewater service as needed for connections within the Property until the Elliot Branch Interceptor is completed, accepted by the City, and placed into service. Pump-and-haul service will be provided by the City contracting to have all wastewater that is delivered from Customers within the Property to the Phase One Lift Station pumped from the Phase One Lift Station wet well and transported off the Property for treatment and disposal. All costs associated with this pump-and-haul service will be borne by the City; however, the Customers within the Property receiving wastewater service through the pump-and-haul program will be required to pay all usual and customary City wastewater service fees and rates.

Section 5.06 City's Supply and Owner's Use of Reclaimed Water. Provided that the City extends Reclaimed Water facilities to a point at the intersection of the Spine Road and Old Stagecoach Road within Phase One as depicted on the Water Facilities Plan and makes Reclaimed Water available to Phase One for irrigation purposes, Owner agrees to use Reclaimed Water for irrigation within open space areas, medians, and landscaping within the right-of-way for the Spine Road within the Property where such use is economically feasible. Owner will not be required to install transmission pipelines for Reclaimed Water in the right-of-way of any roadways within Phase One that are constructed prior to the date that the City makes Reclaimed Water services available to Phase One, but will install Reclaimed Water distribution pipelines (commonly referred to as "purple pipe") in areas of the right-of-way of the Spine Road and collector roads within Phase One where irrigation is required.

**ARTICLE VI.
CONSTRUCTION, OPERATION AND MAINTENANCE**

Section 6.01 Owner's Obligation for Design and Construction. Owner, at its cost and expense, but subject to Owner's right to receive reimbursements as provided in this Agreement, will construct or cause to be designed and constructed or will cost-participate in the design and construction of the Internal Facilities, Connecting Facilities and Offsite Facilities that are described in the Water Facilities Plan (the "Water Facilities") and in the Wastewater Facilities Plan (the "Wastewater Facilities") and this Agreement.

Section 6.02 Oversizing. The City reserves the right to request Owner to oversize Water Facilities, including elevated tanks, storage tanks, pumping stations, vaults, and transmission lines, and Wastewater Facilities, including lift stations, force mains, and gravity collection lines, subject to the requirements of this Section. If the City requests oversizing of any of such facilities beyond the sizes specified in the Water Facilities Plan and/or Wastewater Facilities Plan, then, provided that accommodating such request would not result in a delay in the timing of construction of any facilities required for service to Phase One or require Owner to advance any additional costs, Owner agrees to negotiate with the City in good faith in order to accommodate the City's request. For any requested oversizing, Owner will be responsible for Owner's portion of the cost of the design, permitting and construction of the facility sized as shown on the Water Facilities Plan or Wastewater Facilities Plan, as applicable, and the City will be responsible for the City's incremental portion of the cost of the design, permitting and construction of the facility as oversized. The costs and capacities of any oversized facility will be allocated based on engineering estimates. For example, if a 10-inch line is necessary to serve Phase One, and the City requests that Owner construct a 15-inch line, then the City will be required to advance and pay the incremental cost associated with increasing the line from 10" to 15" and the incremental cost will be determined based on the difference between an engineering cost estimate for the construction of a 10" line, and an engineering cost estimate for construction of a 15" line. The incremental cost will be determined, in good faith, by the City Engineer. Owner will maintain its allocated capacity in any facility that is oversized based on the size of facility as originally planned.

Section 6.03 Design; Plan Approval. All Water Facilities and Wastewater Facilities will be designed and constructed in accordance with Applicable City Rules as well as any applicable regulations of the TCEQ. The plans and specifications will be subject to review and approval by the City prior to the commencement of construction, and the City will be entitled to collect its standard review fees in accordance with applicable City policies, as modified by this Agreement. The City agrees to review all plans and specifications submitted on a timely basis and, if the City disapproves any submitted plans, it will provide a written explanation of the basis for such disapproval.

Section 6.04 Utility Design Guidelines. The utility design guidelines attached as Exhibit "N" will apply to water and wastewater facilities within Phase One.

If any of the guidelines attached as **Exhibit "N"** conflict with otherwise applicable City requirements, the design guidelines on **Exhibit "N"** will control.

Section 6.05 Construction Contracts, Insurance and Bonds. All contractors selected by Owner for the Water Facilities and Wastewater Facilities will be required to provide performance and payment bonds in the amount of the contract price. Each construction contract must require the contractor to provide insurance in amounts customary for similar projects, naming Owner and the City as additional insureds, and a contractor's warranty of the work and materials for a period of two years from the date of completion. Owner must provide City with a copy of each construction contract, a copy of the required performance and payment bonds, and a certificate evidencing the required insurance before notice to proceed is given to the contractor. The City will have the right to stop work by a contractor if the contractor starts work before Owner complies with the requirements of this Section, and the City will have no liability to Owner or any contractor for any claims or causes of action arising from any properly issued stop-work order.

Section 6.06 Easement Acquisition.

- (a) **Use of City Easements.** The City hereby grants to Owner the license and right to use the use any City rights-of-way, sites or easements that may be reasonably necessary for construction of the Water Facilities and/or the Wastewater Facilities, or for Owner to perform its obligations under this Agreement; provided, however, that the City has approved the plans and specifications for and the location of the facilities in question.
- (b) **Easements from Third Parties.** The City acknowledges that the Water Facilities and Wastewater Facilities, and any easements required for such facilities, are necessary in order for the City to provide water and wastewater services to the Property as contemplated by this Agreement and that there exists a public necessity for the construction of the Water Facilities and Wastewater Facilities. Accordingly, the City agrees to cooperate with Owner to facilitate Owner's acquisition of any necessary easements from third parties.
- (c) **Use of Condemnation.** If Owner is unable to obtain any easement required for the Water Facilities and/or Wastewater Facilities that are located outside of the Property through good faith negotiation, Owner may request that the City proceed with the acquisition of the easement through condemnation, in compliance with applicable law. The City agrees to consider any such request within 60 calendar days and, provided that the City Council finds that the requested easement is necessary to accomplish a public purpose, the City Council may elect to exercise the City's power of eminent domain to acquire the requested easement. The Parties agree to cooperate in order to enable Owner to proceed with construction within any easement being acquired by the City under this Section at the earliest time lawfully permitted. Owner agrees to reimburse the City for any out-of-pocket costs incurred for the acquisition of an easement under this Subsection, whether by condemnation or conveyance in lieu thereof;

provided, however, that, if the easement in question is required for facilities that will serve land in addition to the Property, Owner will only be required to reimburse the City for its proportionate share of such costs, determined based on LUEs. Owner will be entitled to receive reimbursement for any costs paid or reimbursed by Owner for easement acquisition out of the proceeds of the PID bonds.

Section 6.07 Construction of Water and Wastewater Facilities.

(a) Owner may begin construction of the Internal Facilities located within a portion of the Property after City approval of the preliminary plat covering that portion of the Property and the City Engineer's approval of the related plans and specifications. All Water Facilities and Wastewater Facilities must be constructed in strict accordance with the plans and specifications approved by the City's Engineer.

(b) Owner's engineer will provide construction observation services during construction of all Water Facilities and Wastewater Facilities and, upon completion of construction, will provide the City with a signed and sealed certificate of completion stating that construction of the Water Facilities and/or Wastewater Facilities in question was accomplished in substantial accordance with the plans and specifications approved by the City's Engineer.

Section 6.08 Conveyance, Ownership, Operation, and Maintenance of Water Facilities and Wastewater Facilities. Upon completion of construction and City acceptance of each phase of the Water Facilities and Wastewater Facilities, Owner will promptly convey those facilities to the City, subject to the City's obligation to provide service as provided in this Agreement and the Owner's right to reimbursement out of PID bonds. Any conveyance contemplated by this Agreement will be subject to a reservation of capacity in the facilities in question as required to serve Phase One, but Owner will have no right to any excess capacity created by oversizing or any capacity in excess of 2,100 LUEs. At the time of conveyance, Owner will assign the City all contractor's warranties, guarantees and payment and/or performance bonds related to the facilities conveyed. The City agrees that its acceptance of such facilities and the related assignments will not be unreasonably withheld, conditioned, or delayed. Upon such conveyance and acceptance, the City agrees to operate and maintain such facilities to provide service to Customers within Phase One and/or for development of the Property in accordance with this Agreement.

Section 6.09 Record Drawings. Following completion of each phase of the Water Facilities and/or Wastewater Facilities, Owner's engineer will provide one set of record drawings of those facilities to the City. Owner will use good faith efforts to obtain and furnish such drawings to the City within 30 days of the date of the City's acceptance of the facilities in question. Owner's engineer will also obtain GPS/GIS data captured in the field for the material, size, location and depth of all lines, valves and manholes as such facilities are being constructed and deliver such data to the City's mapping division with the record drawings.

Section 6.10 Initiation of Retail Service. The City will initiate retail service, whether for temporary water service for construction purposes or for water service to a home or business within Phase One, upon receipt of the City's standard application for service and the applicant's compliance with the requirements for such service, including performance of required inspections and payment of standard inspection fees, service initiation fees, and deposits.

ARTICLE VII. FEES AND FINANCIAL MATTERS

Section 7.01 City Fees. Except as otherwise provided in this Agreement, the City's standard water and wastewater Impact Fees, rates, charges, and other fees, including engineering review and inspection fees, that are applicable within the City's incorporated limits will be applicable to facilities constructed, connections made, and services provided within the Property. Since the County does not have building code authority or building inspectors and the Project is receiving a special benefit to develop residential uses outside of the City's corporate limits, builders within the Project will be subject to compliance with the provisions of the City's building code in effect on the Vesting Date, as set forth on the attached **Exhibit "D-2"**, and will be required to pay the City's standard building inspection fees.

Section 7.02 Impact Fees. Section 7.01 hereof notwithstanding, for the first 300 lots platted out of the Property, the water and wastewater Impact Fees will be those fees in effect as of the Vesting Date, \$2,216 per LUE for wastewater and \$2,115 for water, as provided in this Section. Owner agrees to pre-purchase the 300 wastewater Impact Fees vested at the amount of \$2,216 per LUE on or before March 31, 2018 and to purchase an additional 400 wastewater Impact Fees at the amount of \$2,826 per LUE on the first to occur of (i) the City's approval of the final plat or plats including first 300 lots within Phase One, or (ii) March 31, 2020. After the water and wastewater Impact Fees described in the preceding sentences of this Section are applied by Owner, the Impact Fees payable for the remainder of Phase One will be adjusted to the City's Impact Fees in effect at the time of City approval of each subsequent final plat out of the Property and will be payable by the homebuilders at the time of the City's issuance of each residential building permit for lots within those platted sections, as required by Section 7.01. The Impact Fees prepaid by Owner under this Section will not be eligible for reimbursement out of PID bonds.

Section 7.03 Adjacent Streets Fee. In consideration of Owner's improvement of Old Stagecoach Road along the perimeter boundary of the Property at an estimated costs of \$1,200,000 and participation in the construction of the Spine Road, the City's Adjacent Streets Fee for Phase One is waived, and Owner will not be required to pay any "Adjacent Streets Fee", "perimeter road fee", "road mile fee" or similar fee for Phase One.

Section 7.04 Reimbursements. The City agrees to reimburse Owner for all eligible costs that are permitted under Chapter 372, *Texas Local Government Code* for the Internal Facilities, Connecting Facilities, City Facilities and Offsite Facilities and/or

Owner's cost participation in such facilities through the PID bonds. Eligible costs will include, but not be limited to, engineering and legal fees, costs of easement and access acquisition, costs of design, permitting and inspection, and construction costs, including the costs of required utility extensions, screening and landscaping. The costs and capacity of any oversized facilities will be allocated, per Section 6.02 above, to Owner and the City and/or a third party that will utilize the additional capacity, and the City or third party will be required to advance its share of the costs of such oversizing.

Section 7.05 **City's Allocation of Net PID Bond Proceeds**. The City will be entitled to receive 10% of the net proceeds of the PID bonds issued by the City for Public Improvements benefitting Phase One (the "City Allocation") either in the form of a payment at the time of funding of such bond issue or, if Owner advances costs of water and wastewater treatment plant Public Improvements including costs for the Phase One Cost Share of the Anthem Storage Tank and the Anthem Water Main, or the Alternative Facilities, as defined in Section 5.03, as provided below in this Section 7.05, through Owner's advancing costs of or completion and conveyance of such Public Improvements to the City at no cost to the City.

(a) The City agrees to defer the City Allocation that would otherwise be payable to the City out of the proceeds of the first issuance of PID bonds (the "Deferred Initial Allocation") and, accordingly, no portion of the proceeds of that first bond issuance will be paid to the City; however, at the time of second issuance of PID bonds, the City will, subject to subsection (b), below, receive the City Allocation payable out of the proceeds of those bonds, plus an amount equal to the Deferred Initial Allocation, subject to Subsection (c), below.

(b) At the time of the second issuance of PID bonds, the City will be entitled to receive a City Allocation of \$1,500,000 in City Allocations for use by the City for water treatment and wastewater treatment plant Project Improvements. The foregoing notwithstanding, if the second issuance of PID bonds has not occurred on or before March 31, 2020, the Owner agrees to advance the sum of \$1,200,000 to the City for use for wastewater treatment plant Project Improvements and any such advance (the "Allocation Credit") will be credited against and reduce the \$1,500,000 in City Allocation(s) otherwise payable out of the second issuance of PID bonds and, therefore, the City will receive the remaining \$300,000 out of the second issuance of PID bonds. The Owner will be entitled to reimbursement for the Allocation Credit, if advanced, out of the proceeds of subsequent issuances of PID bonds.

(c) After the City has received \$1,500,000 in City Allocations (or, if Owner advances the Allocation Credit under Subsection (b), above, the Allocation Credit plus an additional \$300,000 City Allocation), the City Allocation(s) out of the next PID Bond issuance or issuances will be paid to Owner to reimburse Owner for the Allocation Credit, the Phase One Cost Share of the Anthem Storage Tank and the Anthem Water Main, if advanced by Owner as provided in Section 5.03(b), or, if applicable, the cost of the Alternative Facilities described in Section 5.03(d).

(d) After Owner has been reimbursed for the Allocation Credit, the Phase One Cost Share of the Anthem Storage Tank and the Anthem Water Main, or the Alternative Facilities, as applicable, the City will utilize the next City Allocation(s) paid to the City for reimbursement of the City's costs of construction of the Elliot Branch wastewater interceptor and, thereafter, for the reconstruction of Old Stagecoach Road as a two lane road with bike lane within existing right of way from FM 2770 to the roundabout at the entrance of Phase One and for related intersection improvement.

(e) After the City's completion of the Old Stagecoach Road improvements described in (d), above, additional City Allocations may be utilized by the City for any other public purpose. If, however, the County funds the reconstruction of Old Stagecoach Road as described in Subsection (e), then the portion of the City Allocation that would otherwise have been utilized for that reconstruction may be utilized by the City for any other public purpose.

ARTICLE VIII. OTHER DEVELOPMENT MATTERS

Section 8.01 Interlocal Cooperation.

(a) Pursuant to the City's interlocal agreement with the County, the City will be the common point of contact for submittals for approvals for Phase One, however, Owner will be subject to payment of all applicable County review fees.

(b) The City will cooperate with Owner to facilitate Owner's obtaining a license agreement from the County that will allow landscaping, signage and related improvements in any rights-of-way and medians for collector roads and the portion of FM 150 within Phase One that is owned by or under the jurisdiction of the County.

(c) The City will cooperate with Owner to negotiate and enter into a tri-party agreement between the City, Owner and the County confirming utility assignments and maintenance obligations within any rights-of-way owned by or under the jurisdiction the County within Phase One. Final approval of this Agreement by the City will be conditioned upon the approval and execution of such tri-party agreement by the City, the County and Owner.

Section 8.02 Owner's Right to Continue Development. In consideration of Owner's agreements hereunder, the City agrees that it will not, during the term of this Agreement, impose or attempt to impose (a) any moratorium on building or development within the Property, or (b) any land use or development regulation that limits the rate or timing of land use approvals, whether affecting preliminary plats, final plats, site plans, or other necessary approvals, within the Property unless the moratorium is mandated by an agency of the State of Texas or the United States, or is applicable to the City in its entirety. The City may impose temporary moratoria provided that any such moratorium is applicable to the City's entire jurisdiction and is due to an emergency constituting an imminent threat to the public health or safety,

provided that any such moratorium may continue with respect to the Property only during the duration of the emergency.

**ARTICLE IX.
REPRESENTATIONS AND WARRANTIES**

Section 9.01 Representations and Warranties of Owner.

- (a) **Organization and Good Standing.** Owner is a duly organized and validly existing limited partnership with full power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all of its obligations under this Agreement for the Property.
- (b) **Authority; No Conflict.** This Agreement constitutes a legal, valid and binding obligation of Owner, enforceable against Owner in accordance with its terms. Owner has the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement and to perform its obligations under this Agreement with respect to the Property.

Section 9.02 Representations and Warranties of the City.

- (a) **Organization and Good Standing.** The City is a duly organized and validly existing municipal corporation in good standing under the laws of the State of Texas, with full power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all of its obligations under this Agreement.
- (b) **Authority; No Conflict.** This Agreement constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms. The City has the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement and to perform its obligations under this Agreement.

**ARTICLE X.
AUTHORITY; FRUSTRATION OF PURPOSE**

Section 10.01 Legal Authority. This Agreement is entered into under, among other authority, the statutory authority of Sections 42.042 and 212.172, *Texas Local Government Code*. Subject to compliance with the terms of this Agreement, the Parties intend that this Agreement guarantee the continuation of the extraterritorial status of the Property for the period of time provided in this Agreement; provide for Public Improvements and other infrastructure to serve the Property; and provide other lawful terms and considerations relating to the Property. The City acknowledges that the IDA constituted an application by Owner for the subdivision and development of the Property, initiated the subdivision and development permit process for the Property, and constitutes a development plan as provided in Section 212.172, *Texas Local*

Government Code. Subject to the terms and conditions of this Agreement, the City confirms, acknowledges and agrees that Owner has vested authority to develop the Property in accordance with the Applicable City Rules, as modified by Phase One Approvals, notwithstanding subsequently adopted ordinances, rules or regulations, or changes or modifications to the City Code or the City's ordinances, rules and regulations, which will only be applicable to the extent allowed by Chapter 245, *Texas Local Government Code* (the "*Vested Rights*"). If there is any conflict between the Applicable City Rules and the terms of this Agreement, the terms of this Agreement will control.

Section 10.02 Negotiated Development Procedures. Owner has voluntarily elected to enter into and accept the benefits of this Agreement, which include the certainty and assurance of the development and use of the Property in accordance with this Agreement; the establishment and confirmation of the regulations applicable to the development of the Property; and the water and wastewater services that will be made available to the Property pursuant to the terms of this Agreement. Owner has voluntarily agreed to pay certain fees, and to facilitate, among other things, the construction of Offsite Facilities and other Public Improvements that may exceed the requirements that would be applicable to the Property if Owner had elected to follow standard City development procedures. The City will benefit from this Agreement by virtue of its control over the development standards for the Property and the extension of its water and wastewater systems as provided by this Agreement. The parties agree that development of the Property will be best accomplished through this Agreement and that such development will substantially advance the legitimate interests of the City. The City, by approval of this Agreement, further finds the execution and implementation of this Agreement is not inconsistent or in conflict with any of the policies, plans, or ordinances of the City.

Section 10.03 Frustration of Purpose. If any word or other part of this Agreement is affected, in whole or in part, as a result of amendments to the underlying statutory authority for this Agreement or a final judicial decree for which all appeals have expired or been exhausted, or if the Texas Legislature amends State law in a manner that limits or curtails any right or obligation of the Parties under this Agreement, then the Parties acknowledge that the purpose of this Agreement may be frustrated. In such case, the Parties agree to work in good faith to amend this Agreement so that the purpose of this Agreement may be fully realized.

Section 10.04 Cooperation. The City and Owner agree to execute such further documents or instruments as may be reasonably necessary to evidence their agreements hereunder. In the event of any third party lawsuit or other claim relating to the validity of this Agreement or any actions taken hereunder, then to the extent permitted by law, the City and Owner agree to cooperate in the defense of such suit or claim and to use their respective best efforts to resolve the suit or claim without diminution in their respective rights and obligations under this Agreement.

**ARTICLE XI.
DEFAULT AND REMEDIES FOR DEFAULT**

Section 11.01 Default; Notice of Default; Opportunity to Cure. If a Party defaults in the performance of any obligation under this Agreement, the non-defaulting Party may give written notice to the other Party specifying the alleged event of default and extending to the defaulting Party 30 days from the date of the notice in order to cure the default complained of or, if the curative action cannot reasonably be completed within 30 days, 30 days to commence the curative action and a reasonable additional period, not to exceed 90 days, to diligently pursue the curative action to completion.

Section 11.02 Dispute Resolution. If any default is not cured within the curative period specified in Section 11.01, the Parties agree to use good faith, reasonable efforts to resolve any dispute among them by agreement, including engaging in mediation or other non-binding alternative dispute resolution methods, before initiating any lawsuit to enforce their respective rights under this Agreement. The Parties will share the costs of any alternative dispute resolution method equally.

Section 11.03 Legal or Equitable Remedies. If the Parties are unable to resolve any dispute through alternative dispute resolution methods, a non-defaulting Party will have the right to pursue all remedies existing at law or in equity. The Parties acknowledge that a default in the performance of the City's obligations hereunder could not be adequately compensated in money damages alone and that the curtailment or discontinuance of water and/or wastewater service to a residential subdivision is often an unattainable remedy because of the potential threat to the health, safety, and welfare and property of the residents of the subdivision; therefore, the City agrees, in the event of any default on its part as admitted by City or adjudicated by a Court as part of any proceeding in which Owner pursues legal or equitable remedies, that Owner will have available to it the equitable remedies of mandamus and specific performance in addition to any other legal or equitable remedies that may also be available.

Section 11.04 Non-Waiver. 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 of such provision or of any other provision of this Agreement, and such Party will have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement. The Owner acknowledges and agrees that the City is a governmental entity engaging in a governmental function. By entering into this Agreement the City does not waive its governmental immunity, except as provided by Section 271.152, *Texas Local Government Code*.

Section 11.05 Applicable Law and Venue. The construction and validity of this Agreement will be governed by the laws of the State of Texas (without regard to conflicts of law principles). Venue for any dispute arising from or related to this Agreement will be in a Hays County, Texas State District Court in accordance with the Texas Civil Practice and Remedies Code.

Section 11.06 Reservation of Rights. To the extent not inconsistent with this Agreement, each Party reserves all rights, privileges and immunities under applicable laws.

**ARTICLE XII.
MISCELLANEOUS PROVISIONS**

Section 12.01 Amendments to Agreement. This Agreement may be amended only by a written agreement signed by the City and Owner.

Section 12.02 Term and Termination. The term of this Agreement will commence on the Effective Date and continue until the first to occur of (i) 45 years from the Effective Date; (ii) the date all of the Property is annexed by the City pursuant to the terms of this Agreement, which the City confirms and agrees will not occur until all PID bonds that are to be repaid through assessments against the Property have been issued and repaid in full, and there are no further PID assessments against the Property; or (iii) written agreement of the Parties. Upon termination of this Agreement, the Parties agree to execute and record in the Official Public Records of Hays County, Texas, a document confirming the termination of this Agreement. In no event will any termination of this Agreement entitle the City to terminate water and/or wastewater service to any existing Customer, or to refuse service for a connection for which an Impact Fee has been paid.

Section 12.03 Agreement Binds Successors and Runs with the Property. Within ten business days after the Effective Date, this Agreement will be recorded by Owner in the Official Public Records of Hays County, Texas and a copy of this Agreement complete with recording information will be provided to the City's City Secretary. This Agreement will bind and inure to the benefit of the Parties, their successors and assigns. The terms of this Agreement will constitute covenants running with the land comprising the Property and be binding upon Owner, its successors and assigns. The foregoing notwithstanding, as provided in Section 212.172(f), *Texas Local Government Code*, this Agreement is not binding on, and does not create any encumbrance to title as to, any end-buyer of a fully developed and improved lot within the Property, except as to any land use and development regulations and City fees provided for by this Agreement that may apply to a specific lot developed out of the Property.

Section 12.04 Force Majeure. If any Party is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this Agreement other than an obligation to pay or provide money, the obligations of that Party, to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, will be suspended during the continuance of the inability to the extent provided above, but for no longer period. The cause, as far as possible, must be remedied with all reasonable diligence; however, the settlement of strikes and lockouts will be entirely within the discretion of the Party affected, and the requirement that any Force Majeure be remedied with all reasonable dispatch will not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties if settlement is unfavorable to it in the judgment of the affected Party.

Section 12.05 Owner Assignment of Agreement.

(a) Owner's rights and obligations under this Agreement may be assigned, in whole or in part, by Owner to one or more purchasers of all or part of the Property. Except as provided in Subsection (b), the City Council must first approve and consent to any such assignment by Owner, which consent will not be unreasonably withheld, conditioned or delayed. Any assignment must be in writing, specifically set forth the assigned rights and obligations and be executed by Owner and the proposed assignee. A copy of the executed assignment document must be provided to the City.

(b) The City hereby expressly approves and consents to Owner's assignment of its rights and obligations under this Agreement to Hanna/Magee LP #1, a Texas limited partnership ("Hanna/Magee"), or to an entity controlling, controlled by or under common control with Hanna/Magee. No further City consent to any such assignment will be required; however, the assignment must be in writing, specifically set forth the assigned rights and obligations, be executed by Owner and Hanna/Magee, and a copy of the executed assignment document must be provided to the City.

(c) If Owner assigns its rights and obligations hereunder as to a portion of the Property, then the rights and obligations of any assignee and Owner will be severable, and Owner will not be liable for the nonperformance of the assignee and vice versa. In the case of nonperformance by one Owner, the City may pursue all remedies against that nonperforming Owner, but will not pursue any remedies with respect to or impede development activities of any performing Owner as a result of that nonperformance.

(d) Owner may collaterally assign its rights and obligations, including the right to receive sums payable to Owner through PID bonds, under this Agreement to a lender providing financing for all or a portion of Phase One. No City consent to such a collateral assignment will be required, but Owner will give the City written notice of the name and address of any lender to whom a collateral assignment is made.

Section 12.06 Notice. Any notice given under this Agreement must be in writing and may be given: (i) by depositing it in the United States mail, certified, with return receipt requested, addressed to the Party to be notified and with all charges prepaid; or (ii) by depositing it with Federal Express or another service guaranteeing "next day delivery", addressed to the Party to be notified and with all charges prepaid; (iii) by personally delivering it to the Party; or (iv) by facsimile or email with confirming copy sent by one of the other described methods of notice set forth above. Notice by United States mail will be effective on the earlier of the date of receipt or three days after the date of mailing. Notice given in any other manner will be effective only when received. For purposes of notice, the addresses of the Parties will, until changed by notice as provided in this Section, be as follows:

City:

City of Kyle
Attn: City Manager
100 W. Center Street
Kyle, TX 78640

With a copy to:

Davidson, Troilo, Ream & Garza, PC
Attn: Frank Garza, City Attorney
601 NW Loop 410, Suite 100
San Antonio, TX 78216

Owner:

Blanco River Ranch Properties LP
Attn: Gregg Reyes
1901 Hollister Road
Houston, Texas 77080

With a copy to:

Hanna/Magee LP#1
Attn: Blake Magee
1011 North Lamar Blvd.
Austin, Texas 78703

Section 12.07 Lender Protection. This Agreement will not affect the right of Owner to encumber any portion of the Property owned by it by mortgage, deed of trust or other instrument to secure financing for development of that land. The City understands that a lender providing financing for Phase One (a "Lender") may require interpretations of or modifications to this Agreement and agrees to cooperate with Owner and its Lender's representatives in connection with any requests for interpretations or modifications. The City agrees not to withhold or delay unreasonably its approval of any requested interpretation or modification if the interpretation or modification is consistent with the intent and purposes of this Agreement. The City further agrees as follows:

(a) Neither entering into this Agreement, nor any breach of this Agreement, will affect any lien upon all or any portion of the Property.

(b) The City will, upon written request of a Lender given in compliance with this Agreement, provide the Lender with a copy of any written notice of default given to Owner under this Agreement within ten days of the date such notice is given to Owner.

(c) In the event of default by Owner under this Agreement, a Lender may, but will not be obligated to, cure any default during any cure period extended to Owner, either under this Agreement or under the notice of default.

(d) Any Lender who comes into possession of any portion of the Property by foreclosure or deed in lieu of foreclosure will take such property subject to the terms of this Agreement. A Lender will not be liable for any defaults or monetary obligations of Owner arising prior to the Lender's acquisition of title, but the Lender will not be entitled to obtain any permits or approvals with respect to that portion of the Property until all delinquent fees and other obligations of Owner under this Agreement that relate to the property in question have been paid or performed.

(e) From time to time upon written request by Owner, the City shall execute a written estoppel certificate stating, if true, that the City has not given or received any written notices alleging any events of default under this Agreement provided, however, the City may require payment in advance of its estimated charges for preparing the requested estoppel certificate.

Section 12.08 Severability. If any part of this Agreement or its application to any person or circumstance is held by a court of competent jurisdiction to be invalid or unconstitutional for any reason, the Parties agree that they will cooperate to amend or revise this Agreement to accomplish, to the greatest degree practical, the same purpose as the part determined to be invalid or unconstitutional. It is the intent of the Parties to preserve and protect, to the maximum extent possible, the Parties' contractual rights and benefits under this Agreement.

Section 12.09 Effect of Agreement.

(a) With respect to the Property only, this Agreement supersedes the IDA. The IDA will remain in full force and effect as to the BRR Remainder except as provided in Subsection (b), below. The City and Owner agree that the phasing of development of and the designation of the Improvement Areas within the PID for the BRR Remainder will be specified in a final development agreement for the BRR Remainder to be negotiated and entered into by Owner and the City. Until such time as the final development agreement for the BRR Remainder is finally approved and executed, the BRR Remainder will be subject to the IDA, as modified by this Agreement.

(b) Owner and the City mutually agree that Section 8.03 of the IDA is replaced with the following:

"Deannexation. If (1) the PID is not created as contemplated by Section 2.06 of this Agreement, or (2) despite the intentions of the Parties described in Section 2.02 above, the City Council does not approve deannexation of the Current City Limits Property, Owner may petition for deannexation of the Commercial Land pursuant to Section 1.07 of the City Charter and the City agrees, in good faith, to take action to deannex the Commercial Land promptly upon receipt of such petition."

Section 12.10 Good Faith. Each Party agrees that, notwithstanding any provision herein to the contrary, it will not unreasonably withhold or unduly delay any consent, approval, decision, determination or other action required or permitted under the terms of this Agreement, it being agreed and understood that each Party will act in good faith and will at all times deal fairly with the other Party.

Section 12.11 Authority. By their execution hereof, each individual signing this Agreement on behalf of a Party represents and warrants that he or she has the authority to execute this Agreement on behalf of the Party and in the capacity shown below.

Section 12.12 No Third Party Beneficiary. This Agreement is for the benefit of the City and Owner and shall not be construed to confer any benefit on any third party other than the Customers.

Section 12.13 Counterparts. To facilitate execution, this Agreement may be executed in any number of counterparts, and it will not be necessary that the signatures of all Parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Agreement: (a) the signature pages taken from separate, individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (b) a facsimile or electronic signature will be deemed to be an original signature for all purposes. All executed counterparts of this Agreement will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

Section 12.14 Headings, Construction. The paragraph headings contained in this Agreement are for convenience only and do not enlarge or limit the scope or meaning of the paragraphs. Wherever appropriate, words of the masculine gender include the feminine or neuter, and the singular includes the plural, and vice-versa. The Parties acknowledge that each of them has been actively and equally involved in the negotiation and drafting of this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting party will not be employed in interpreting this Agreement or any exhibits hereto. If there is any conflict or inconsistency between the provisions of this Agreement and the Applicable City Rules, the terms of this Agreement will control.

Section 12.15 Time. Time is of the essence of this Agreement. 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 extended to the next day that is not a Saturday, Sunday or legal holiday.

Section 12.16 Interested Parties. Owner acknowledges that Section 2252.908, Texas Government Code ("Section 2252.908") requires disclosure of certain matters by business entities entering into a contract with a local government entity such as the City. Owner confirms that it has reviewed Section 2252.908 and that Owner will 1) complete Form 1295, using the unique identification number specified on page 1 of this Agreement, and electronically file it with the Texas Ethics Commission ("TEC"); and 2)

submit to the City the signed and notarized Form 1295, including the certification of filing number of the Form 1295 with the TEC, at the time the Owner executes and submits this Agreement to the City. Form 1295 is available at the TEC's website: https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm. This Agreement is not effective until the requirements listed above are satisfied and approval of this Agreement by the City is expressly made contingent upon Owner's compliance with such requirements.

Section 12.17 Conflicts of Interest. Owner acknowledges that Texas Local Government Code Chapter 176 ("Chapter 176") requires the disclosure of certain matters by persons who enter into or seek to enter into a contract with local government entities such as the City. Owner confirms that it has reviewed Chapter 176 and, if it is required to do so, it will complete and return Form CIQ promulgated by the TEC, which is available on the TEC website at <https://www.ethics.state.tx.us/forms/CIQ-New-2015.pdf>, within seven days of the date of submitting this Agreement to the City or within seven days of becoming aware of a matter that requires disclosure under Chapter 176, whichever is applicable.

Section 12.18 City has no Liability to Contractors of Owner. It is expressly understood and agreed by all Parties hereto that, in performing its services hereunder, Owner will at no time will be acting as an agent of the City or and that all consultants or contractors engaged by Owner will be independent contractors of Owner, and not of the City. The Parties hereto understand and agree that the City will not be liable for any claims that may be asserted by any third party occurring in connection with Owner's performance under this Agreement, unless any such claims are due to the fault of the City.

Section 12.19 Exhibits. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

<u>Exhibit "A"</u>	Description of the Property
<u>Exhibit "B"</u>	Depiction of Current City Limits Property
<u>Exhibit "C"</u>	Concept Plan
<u>Exhibit "D"</u>	Development Standards and Project Approvals, including exceptions and variances
<u>Exhibit "D-1"</u>	Design Guidelines
<u>Exhibit "D-2"</u>	City's Current Building Code in effect on vesting date
<u>Exhibit "E"</u>	Schedule for De-Annexation, Annexation and Other Project Approvals

<u>Exhibit “F”</u>	Spine Road Alignment, including areas to be annexed and de-annexed
<u>Exhibit “G”</u>	City PID Requirements
<u>Exhibit “G-1”</u>	Additional PID Requirements Approved by Owner
<u>Exhibit “H”</u>	PID Agreement Term Sheet
<u>Exhibit “I”</u>	Permitted Locations for Signage and Landscaping Improvements
<u>Exhibit “J”</u>	Park Land and Park Improvements
<u>Exhibit “K”</u>	Roadway and Transportation Improvements
<u>Exhibit “L”</u>	Water Facilities Plan
<u>Exhibit “M”</u>	Wastewater Facilities Plan
<u>Exhibit “N”</u>	Utility Design Guidelines

EXECUTED in multiple counterparts, each of which shall constitute an original, to be effective as of the Effective Date.

(The remainder of this page has been intentionally left blank, and the signature page or pages follow.)

**SIGNATURE PAGE TO BLANCO RIVER RANCH (Residential Area)
DE-ANNEXATION AND DEVELOPMENT AGREEMENT.**

CITY:

City of Kyle, Texas, a municipal corporation

By: _____

Todd Webster, Mayor

Date: _____

5/16/2017

STATE OF TEXAS

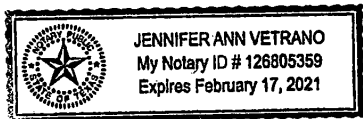
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COUNTY OF HAYS

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This instrument was acknowledged before me on the 16th day of May, 2017, by Todd Webster, Mayor of the City of Kyle, Texas, a municipal corporation, on behalf of said municipal corporation.



Jennifer A. Vetrano
Notary Public, State of Texas

**SIGNATURE PAGE TO BLANCO RIVER RANCH (Residential Area)
DE-ANNEXATION AND DEVELOPMENT AGREEMENT.**

OWNER:

BLANCO RIVER RANCH PROPERTIES LP,
a Texas limited partnership

By: 

Name: Gregg T. Reyes

Title: Manager

STATE OF TEXAS

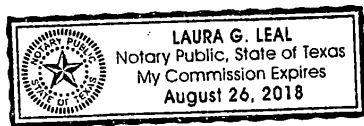
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COUNTY OF TRAVIS

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This instrument was acknowledged before me on the 16th day of
May, 2017, by Gregg T. Reyes,
Manager of Blanco River Ranch Properties LP, a Texas limited
partnership, on behalf of said limited partnership.



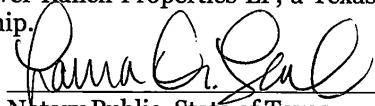

Notary Public, State of Texas

EXHIBIT "A"
DESCRIPTION OF THE PROPERTY

Blanco River Ranch
858.70 acres

PROPERTY DESCRIPTION
EXHIBIT A

BEING 858.70 ACRES OF LAND LOCATED IN THE SAMUEL PHARASS ¼ LEAGUE NO. 14, ABSTRACT 360, AND THE CALEB W. BAKER SURVEY, ABSTRACT 31 HAYS COUNTY, TEXAS AND BEING A PORTION OF TRACT I, A CALLED 1,971.29 ACRE TRACT AND ALL OF TRACT II, A CALLED 195.14 ACRE TRACT AS DESCRIBED IN A DEED FROM THE STATE OF TEXAS TO BLANCO RIVER RANCH, LP AND RECORDED IN VOLUME 5230, PAGE 583 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 858.70 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS WITH ALL BEARING REFERENCED TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE.

BEGINNING at an iron rod with aluminum cap stamped "Kent McMillian" found marking the most northerly corner of a called 311.56 acre tract described in a deed to Robert Nance recorded in Volume 4459, Page 137 of said Deed Records, same being the northwest corner of a called 195.14 acre tract described in the aforementioned deed to Blanco River Ranch as Tract II and being on the southeasterly line of said 1,971.29 acre Tract I;

THENCE, with the southerly line of said 1,971.29 acre tract, same being the northeasterly line of said 311.56 acre tract S43°59'58"W, 1916.27 feet to a ½-inch iron rod with cap stamped "AST" set on the northerly line of proposed RM 150;

THENCE, leaving said southerly line and crossing said 1,941.29 acre tract with the proposed northerly line of RM 150 the following courses and distances:

1. N65°08'51"W, 49.48 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the right;
2. with a curve to the right, 381.25 feet, having a radius of 925.00 feet, a central angle of 23°36'54" and a chord bearing and distance of N53°30'43"W, 378.55 feet to a ½-inch iron rod with cap stamped "AST" set for point of tangency;
3. N41°42'16"W, 336.00 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the left;
4. with the arc of said curve to the left, 151.93 feet, having a radius of 1100.00 feet, a central angle of 07°54'48" and a chord bearing and distance of N45°39'41"W, 151.81 feet to a ½-inch iron rod with cap stamped "AST" set for point of tangency;
5. N49°37'05"W, 572.43 feet to a ½-inch iron rod with cap stamped "AST" set for an angle point in said line;
6. N51°37'01"W, 75.00 feet to a ½-inch iron rod with cap stamped "AST" set for an angle point in said line;
7. N53°36'58"W, 749.01 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the left;

8. with the arc of said curve to the left, 93.33 feet, having a radius of 1025.00 feet, a central angle of 05°13'01" and a chord bearing and distance of N56°13'28"W, 93.30 feet to a ½-inch iron rod with cap stamped "AST" set for the most westerly southwest corner of the herein described tract;

THENCE leaving said proposed right of way line and with a dry creek, the following courses and distances:

1. N26°31'11"E, 563.37 feet to a calculated point;
2. N46°09'29"E, 1179.39 feet to a calculated point;
3. N28°22'57"E, 708.36 feet to a calculated point;
4. N44°16'34"E, 582.28 feet to a calculated point at the beginning of a curve to the right;
5. with a curve to the right, 297.90 feet, having a radius of 1184.66 feet, a central angle of 14°24'28" and a chord bearing and distance of N77°54'54"E, 297.12 feet to a calculated point;
6. N04°51'54"W, 125.14 feet to a calculated point;
7. N23°10'37"E, 321.60 feet to a calculated point;
8. N13°08'23"W, 681.62 feet to a calculated point;
9. N31°45'00"E, 255.79 feet to a calculated point;
10. N08°23'37"E, 473.49 feet to a calculated point;
11. N02°33'01"W, 195.07 feet to a calculated point;
12. N30°53'10"W, 576.14 feet to a calculated point;
13. N01°26'31"W, 729.89 feet to a calculated point;
14. N38°05'39"W, 1250.80 feet to a calculated point;
15. N20°33'26"E, 282.73 feet a ½-inch iron rod with cap stamped "AST" set for the most westerly northwest corner of the herein described tract on the northerly line of said 1,971.29 acre tract, same being on the southerly line of Park Land Lot 23 of Arroyo Ranch, Section One, a subdivision of record in Volume 10, Page 180 of the Hays County Official Public Records;

THENCE, with the northerly line of said 1,971.29 acre tract, S82°42'45"E, 432.46 feet to a point located in the centerline of the remains of an old stone fence corner for an angle point in the north line of the herein described tract, from which a ½"-inch iron rod bears S88°19'W, 37.5 feet;

THENCE, continuing with said northerly line, N43°55'32"E, 1271.63 feet to a 2-inch metal fence post at the most northerly northwest corner of said 1,971.29 acre tract and being the common corners of Lots 12, 13 and 19, Block D of said Arroyo Ranch Section One subdivision;

THENCE, with the easterly line of said 1,971.29 acre tract the following courses and distances:

1. S46°19'30"E, at 185.02 feet passing the south line of said Arroyo Ranch subdivision and north line of a 20.3-acre tract described in a deed to F. Javier, Jr et al and recorded in Volume 2813, Page 359 of said Official Public Records and continuing for a total distance of 887.68 feet to a found ½-inch iron rod for the south corner of said Javier tract, same being the westerly corner of

a 21.15 acre tract described in a deed to Nancy L. Russell and Randall W. Russell and recorded in Volume 4385, Page 135 of said Official Public Records;

2. S46°48'04"E, 579.01 feet to a found ½-inch iron rod for the south corner of Russell and being the westerly corner of Quail Meadows Subdivision as recorded in Volume 7, Page 47 of the Hays County Plat Records;
3. With the southwesterly line of said subdivision, S46°06'19"E, 409.08 feet to ½-inch iron rod for angle point;
4. S47°09'10"E, 405.41 feet to ½-inch iron rod for angle point;
5. S47°52'54"E, 295.90 feet to ½-inch iron rod for angle point;
6. S47°18'52"E, 296.88 feet to ½-inch iron rod for angle point;
7. S47°21'24"E, 132.10 feet to ½-inch iron rod for angle point;
8. S47°07'34"E, 179.01 feet to ½-inch iron rod for angle point;
9. S46°55'27"E, 248.69 feet to ½-inch iron rod for most southerly corner of said subdivision and the westerly corner of a called 57.26 acre tract described in a deed to Kyle Mortgage Investors, LLC and recorded in Volume 3416, Page 789 of said Official Public Records;
10. S45°43'31"E, 436.59 feet to a fence post for angle point;
11. S46°32'55"E, 1447.00 feet to an iron rod with aluminum cap stamped "Kent McMillian" at an interior ell corner of said 1,971.29 acre tract;
12. Continuing with the easterly line of said 1,971.29 acre tract, S40°23'35"W, 1023.40 feet to a ½-inch iron rod found at the westerly corner of a called 1.259 acre tract described in a deed to Robin Robinson and recorded in Volume 5358, Page 587 of said Official Public Records;
13. S50°23'48"E, 255.70 feet to a fence post for angle point;
14. N40°43'43"E, 42.89 feet to a ½-inch iron rod with cap stamped "AST" set;
15. S52°09'40"E, at 85.22 feet passing a ½-inch iron rod found at the westerly corner of a called 0.72 acre tract described in a deed to Robin and Gale Robinson and recorded in Volume 4689, Page 363 of said Official Public Records and continuing for a total distance of 244.62 feet to a ½-inch iron rod with cap stamped "AST" set;
16. N43°53'50"E, 92.19 feet to a ½-inch iron rod with cap stamped "AST" set;
17. S78°26'49"E, 101.27 feet ½-inch iron rod found on the westerly right of way line of N. Old Stagecoach Road (width varies);

THENCE, with said westerly right of way line the following course and distances:

1. S16°21'49"E, 511.37 feet to a ½-inch iron rod with cap stamped "AST";
2. S16°20'38"E, 1420.21 feet to a 60d nail found next to a cedar fence post and
3. S16°48'53"E, 800.20 feet to a ½-inch iron rod with cap stamped "AST" set for the most easterly southeast corner of this tract;

THENCE, leaving said westerly right of way line and with fence along the southeasterly line of said 195.14 acre tract, S36°01'23"W, 42.36 feet to a cedar fence post;

THENCE, continuing with said southeasterly line, same being the northwesterly line of a called 132.59 acre tract described in a deed to Felder CND, LLC and recorded in Volume 5224, Page 246 of the Hays County Official Public Records the following courses and distances:

1. S48°36'08"W, 1583.50 feet to a cedar fence post;
2. N49°26'16"W, 34.23 feet to a cedar fence post;
3. S25°40'41"W, 39.42 feet to an iron rod with cap stamped "Vickrey";
4. S48°29'40"W, 2127.73 feet to a cedar fence post with "Mag Nail" on the northerly right of way line of Cypress Road (aka Limekiln Road) (width undetermined) at the southeast corner of said 195.14 acre tract from which an iron rod with aluminum cap stamped "Kent McMillian" bears S21°57'46"W, 50.84 feet;

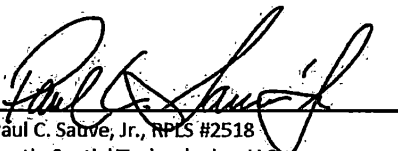
THENCE, with said northerly right of way line, N77°16'32"W, 599.91 feet to a cedar fence post on the easterly line of said 311.56 acre tract;

THENCE, with fence and the easterly line of said 311.56 acre and westerly line of said 195.14 acre tract the following courses and distances:

1. N16°48'19"W, 270.65 feet to a calculated angle point in said line and;
2. N17°13'44"W, 1607.95 feet to the **POINT OF BEGINNING** and containing 858.70 acres of land, more or less.

SURVEYOR'S STATEMENT

I hereby state that the included field note description was prepared from an actual survey made on the ground under my supervision and is true and correct, to the best of knowledge and belief.

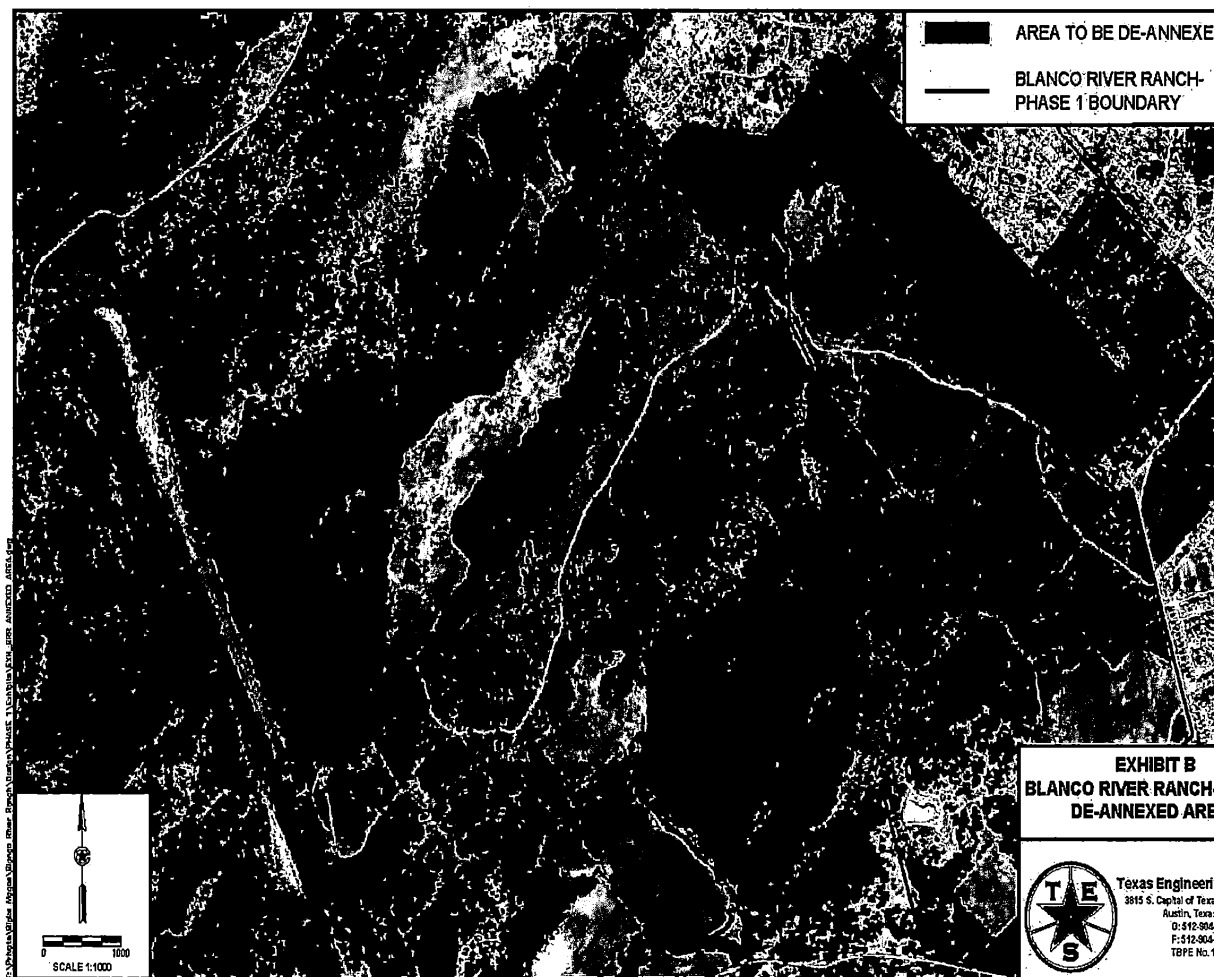

Paul C. Sauve, Jr., RPLS #2518
Austin Spatial Technologies, LLC
December 5, 2016



Instrument # 17018505 Number: 37 of 77 Filed and Recorded: 5/31/2017 4:40 PM
Liz Q. Gonzalez, Hays County Clerk, Texas Rec \$330.00 Deputy Clerk: KBOGGUS

{W0724190.7}
4-25-17

Exhibit "B" - Page 1 of 1



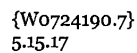


EXHIBIT "D"
BLANCO RIVER RANCH LAND
USE AND DEVELOPMENT
STANDARDS

1. Table A: Land Use Chart:

Single-Family and Garden Homes/Cluster

USE	Lot Width*	Minimum Lot Size	Minimum Living Area SF	Total Lots/Units	% of Total	Min/Max %
Single-Family	50	5500	1200	540 Lots	26%	max
Single-Family	55	5750	1200	460 Lots	22%	max
Single-Family	60	7200	1500	600 Lots	29%	max
Single-Family	70-80	9000	2000	350 Lots	17%	min
Garden Homes/Cluster			1000	150 Units	7%	max
Total				2100	100%	

*Lot Width measured at front Building Line

2. Site Area = 858.7 Acres
3. Single-family lot width distribution will be in accordance with Table A.
4. **Exhibit "C"** - Concept Plan: This plan illustrates the proposed general layout of Phase One.
5. Phase One will be limited to 2,100 single-family lots and garden homes/cluster units.
6. Impervious Cover on each lot will be limited to 60% of the lot area.
7. Phase One will contain a minimum of 100 acres of parkland, amenity center lots, trail corridors and open space.
8. A 6-foot decorative masonry wall will be built along the rear or sides of homes backing or siding to collector roads (roads without lots fronting on them) within a 25-foot landscaped parkway (10-feet of right-of-way with a 15-foot Wall and Landscape Easement/Lot).
9. Over three miles of joint use 8-foot and 10-foot concrete trails within 10-foot to 20-foot Trail Corridor/ROW/Easement will be provided within Phase One as shown on **Exhibit "J"**. Additional native trails (not ADA compliant) will be provided within open space and floodplain areas, as shown conceptually on **Exhibit "J"**, subject to topographic and drainage constraints.
10. No homes will front on collector roads and all street-facing sides of homes abutting collector roads will be 100% masonry, excluding doors, windows, etc. Masonry will

be defined as natural stone, brick and/or stucco. The stucco percentage of any structure will not exceed 50%.

11. **Garage Placement:** For lots less than 60 feet wide (or less than 70 feet wide on corner lots), residential street-facing garages will be located no closer to the street than five feet in front of the dwelling or roof of a covered porch, with such dwelling or porch structure being not less than seven feet wide for all portions of the structure adjacent to the garage. For all other lots, residential street-facing garages will be located no closer to the street than the dwelling. The minimum front building setback will be 20 feet from the property line (25 feet for street-facing garages). For purposes of this provision on garage placement, lot width will be determined based on the width of the lot at the front building setback line of the lot for all lot sizes. Measurement of corner lots will be ten feet wider to account for a 15-foot street side setback.
12. All building fronts will have a minimum of three architectural features. The following are examples of the types of architectural features that will be utilized: horizontal off-sets, recesses or projections; porches; breezeways; porte-cocheres; courtyards; awnings; canopies; alcoves; recessed entries; ornamental cornices; display or other ornamental windows; vertical "elevation" off-sets; peaked roof forms; arches; outdoor patios; architectural details such as tile work or moldings integrated into the façade; integrated planters or wing walls; accent materials; and varied roof heights.
13. **Building Setback Table:**

Interior Width	Lot Width	Corner Lot Width	Side Setback	Yard Setback *	Rear Setback	Yard Setback *	Front Garage Setback	Minimum Front Setback	Street Building Setback	Side Street Garage
50		60	5		15		25	20	15	20
60		70	5		20		25	20	15	20
70		80	5		20		25	20	15	20
80+		90	7.5		20		25	20	15	20

*Open and Covered Porches may encroach up to 10 feet into the rear yard setbacks.

14. The street lighting plan for Phase One will require minimum spacing of 500 feet along all collector and public streets. Decorative street lighting will be permitted but not required. The design of any decorative street lighting will be subject to approval by the City. Any decorative street lighting will be maintained by the homeowners association for Phase One. All street lighting will utilize energy-efficient LED light fixtures.
15. Decorative street signs will be permitted. Any decorative street signs will be subject to approval by the City.
16. Primary subdivision signage will be located at the main entry to Phase One at the intersection of Old Stagecoach Road and the Spine Road and may include a

maximum of 200 square feet of signage or graphics. Tertiary entrance signs will be stone or masonry and each sign may be a maximum of 100 square feet in size, with a maximum of 30 square feet of signage or graphics.

17. Marketing signage/Burma Shave signs will be allowed within Blanco River Ranch within rights-of-way of the Spine Road and collector roads. Marketing signage, as updated and modified from time to time, will be consistent throughout Blanco River Ranch. The approximate size and quantity of permitted marketing signs is shown on **EXHIBIT "I"**.
18. Section 41-136(C) - Lot Width depth to average lot width ratio of the City's Subdivision Ordinance is waived. Lot width will be measured at the front building line.
19. Section 41-137(D) of the Subdivision Ordinance will be amended with respect to Phase One as follows: Offset intersection spacing along collector, local and residential streets will be a minimum of 125 feet measured from roadway street centerline to roadway centerline. Such intersection spacing along arterials will be a minimum of 180 feet.
20. Flag lots will be permitted within Phase One. Flag lots will be a minimum of 20 feet at the right-of-way intersection and substantially perpendicular to the right-of-way.
21. Block lengths may generally not exceed 1,000 feet within Phase One; however, block lengths that exceed this criteria will be permitted when the block includes creeks, natural drainage ways, open space and steep topography.
22. Cul-de-sac maximum lengths may not exceed 800 feet measured from the center of the turnaround to centerline of the connecting road and a maximum of 30 units may be serviced from each cul-de-sac; however, cul-de-sac lengths that exceed this criteria for cul-de-sac lengths and serviced units when the land serviced by the cul-de-sac is restricted by creeks, natural drainage ways, steep topography and external property boundaries. In such cases, the maximum number of units served may not exceed 50 units.
23. Phase One Roadway Cross Sections:

Standard Category	Pavement Width (in Feet)	Right-of-Way Width (in Feet)
Residential Lane	30' FOC-FOC	50'
Residential Collector (W/ Bike Lanes)	37' FOC-FOC	60'
Undivided Arterial (Internal Loop w/ Bike Lanes)	61' FOC-FOC	85'
Divided Arterial (Internal Loop w/ Bike Lanes)	2 at 32' FOC - FOC	114'
Major Thoroughfare (FM 150)	To be Determined	Varies - 120' Minimum

24. Site and Architectural components for garden home/cluster site(s):

- A. Maximum Number of Detached Units: 150 Units
- B. Access Drives: Driveway access from collector roads to residential units is prohibited. Internal private drives will be a minimum of 26 feet wide, with curb and gutter measured from face of curb to face of curb.
- C. Residential Setbacks: Front building setbacks will be a minimum of 15 feet from back of curb. Side building separation will be a minimum of 10 feet. When the rear of one unit is immediately adjacent to the side of another unit, the minimum setback will be 10 feet. Rear building separation, when the rear yards of two units are immediately adjacent to one another, will be a minimum of 20 feet. Patios (covered or uncovered), decks and eave overhang are not included in the determination of rear building separation. A minimum of seven foot clear zone between building roof lines will be provided.
- D. Sidewalks: A four foot sidewalk is required along all public streets. No sidewalks are required along internal private drives.
- E. Units may have single-car garages with driveways at least 18 feet long and nine feet wide. Garages will be setback at least 20 feet from the back of curb. Garages may be flush with the primary façade as long as primary façade is located 20 feet from the back of curb. Porches will be considered part of the primary façade as long as they are a minimum of seven feet wide and six feet deep).
- F. Lighting: Street lighting is required along all public streets, but is optional along interior private drives within Phase One.
- G. Minimum landscape requirements for garden homes/cluster residential structures will be two two-inch caliper significant trees such as oak, elm, pecan, walnut, hickory, cherry, cypress, redbud and any rare species, with diameter measured 18 inches above finished grade immediately after planting; three one-gallon shrubs; three five-gallon shrubs; and turf grass or an alternative material as defined in this section from the front property line to the front two corners of the structure and a minimum coverage area extending three feet from the slab/foundation to protect against water runoff from the roof dripline. If lawn grass is not used in this area, rain gutter systems will be required. One three-and-one-half inch caliper tree may be substituted for two two-inch trees, if the tree is planted in the front yard. Existing trees and shrubs that are retained in healthy condition will be counted toward fulfillment of these requirements.

EXHIBIT "D-1"
DESIGN GUIDELINES

BLANCO RIVER RANCH

DESIGN GUIDELINES
[RESIDENTIAL]

Submittals

Requests for approval of proposed new construction, landscaping or exterior modifications must be made by submitting the information and materials outlined in the Plan Review Process, set forth herein. The Blanco River Ranch Reviewer will attempt to review all applications and submittals within thirty (30) days. Please allow at least thirty (30) days prior to installation or construction for the Blanco River Ranch Reviewer to review the related applications.

Timing of Completion

The construction of a residence or improvement by a Homebuilder must be started promptly after receiving approval from the Blanco River Ranch Reviewer and completed with due diligence. Unless otherwise approved in advance by the Blanco River Ranch Reviewer, each single family residence must be completed on or before the expiration of one hundred and eighty (180) days after commencement of construction.

Architectural and Aesthetic Standards

A. Required Architectural Elements

All single family residences are required to have the following architectural elements:

- At least seventy-five percent (75%) of the exterior surface area of walls, including all stories of a residence, shall consist of unpainted clay brick, ledge stone, fieldstone, cast stone, marble, granite, tile, painted or tinted stucco, nonreflective glass facade, and glass block (or alternative glazing e.g. Kalwall). The remaining exterior wall surface shall be comprised of those materials listed or cementitious-fiber planking. Panels are strictly prohibited. Solid wood planking and decorative cementitious-fiber panels may be used for accent features;
- Windows shall have a maximum exterior reflectivity of twenty percent (20%);
- All residence fronts shall have least five different design features to break the wall plane. The following is a list of design features that shall be utilized:
 - o Horizontal offsets;
 - o Recesses or projections;
 - o Porches;

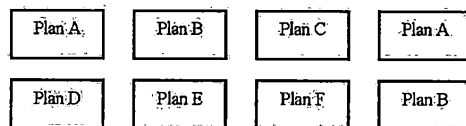
- o Breezeways;
- o Porte-cocheres;
- o Courtyards;
- o Awnings;
- o Canopies;
- o Alcoves;
- o Recessed entries;
- o Ornamental cornices;
- o Display or other ornamental windows;
- o Vertical "elevation" offsets;
- o Peaked roof forms;
- o Arches;
- o Outdoor patios;
- o Architectural details, such as tile work or moldings integrated into the façade;
- o Integrated planters or wing walls;
- o Varied roof heights; or
- o Premium roofing materials such as tile or standing seam metal;

- All roofs shall be peaked and have at least a 6:12 pitch except for porches and shed roofs which may be constructed to a minimum pitch of 2:12.

B. Plan Repetition

Blanco River Ranch Reviewer may, in its sole and absolute discretion, deny a plan or elevation proposed for a particular Lot if a substantially similar plan or elevation exists on a Lot in close proximity to the Lot on which the plan or elevation is proposed. The Blanco River Ranch Reviewer may, in its sole and absolute discretion, deny a plan and elevation proposed for a particular Lot, if the same plan and elevation exists across the street or diagonal from the plan and elevation that is proposed. The Blanco River Ranch Reviewer may adopt additional requirements concerning substantially similar plans or elevations constructed in proximity to each other, and reserves the right to reject an elevation that closely resembles that of a nearby home or in any way detracts from the overall street scene. For Example:

- *Same Plan and Elevation can be repeated every third Lot (example: Plan A, Plan B, Plan C, and Plan A below).*



- *Across the Street: Same Plan and Elevation cannot be placed on a Lot across the street or diagonal from any other plan.*
- *Same Plan, different elevation, same and opposite side of the street, must have two (2) full Lot separation (repeated every three (3) Lots).*

BLANCO RIVER RANCH [RESIDENTIAL]
DESIGN GUIDELINES

4822-1662-8285v.2 52991-7 12/28/2016

- *The number of combinations of plans and elevations shall, at a minimum, equal at least twenty-five percent (25%) of the total Lots in any final plat section, but is not required to exceed fifteen (15). (For example, five floor plans with three different elevation options for each floor plan results in fifteen different floor plan/elevation combinations).*

C. Brick Color and Masonry Stone Repetition

Blanco River Ranch Reviewer may, in its sole and absolute discretion, deny a proposed brick or masonry color for a particular Lot if a substantially similar brick color or masonry stone exists on a Lot in close proximity to the Lot on which the brick color or masonry stone is proposed. The Blanco River Ranch Reviewer may adopt additional requirements concerning substantially similar brick or masonry stone constructed in proximity to each other, and reserves the right to reject a brick color or masonry stone that closely resembles that of a nearby home or in any way detracts from the overall street scene. For Example:

- *Similar brick color or masonry stone can be repeated every third Lot (example: Plan A, Plan B, Plan C, and Plan A).*

Brick A	Brick B	Brick C	Brick A
Brick D	Brick E	Brick F	Brick B

- *Across the Street: Same brick color or masonry stone cannot be placed on a Lot across the street or diagonal from any other brick color or masonry stone (example above: Brick B).*

D. Exterior Finishing Materials

The exterior of each primary residence on a Lot shall consist of the following exterior finishing materials:

- New Materials. All building materials must be approved in advance by Blanco River Ranch Reviewer, and only new building materials (except for antique brick if approved in writing) may be used for constructing any Improvements. Brick, stone, cast stone, or other similar masonry product shall not be painted.
- Exterior Wall Standards.
 - At least seventy-five percent (75%) of the exterior surface area of walls, including all stories of a residence, shall consist of unpainted clay brick, ledge stone, fieldstone, cast stone, marble, granite, tile, painted or tinted stucco, nonreflective glass façade, and glass block (or alternative glazing e.g. Kalwall). The remaining exterior wall surface shall be comprised of those materials listed or cementitious-fiber planking. Panels are strictly prohibited. Solid wood planking and decorative cementitious-fiber panels may be used for accent features.
 - *Calculation of Percentages*. In calculating percentage of exterior wall area, the area of windows and window frames, doors and door frames, eaves, soffits, dormers, columns,

BLANCO RIVER RANCH [RESIDENTIAL]
DESIGN GUIDELINES

4822-1662-8285v.2 52991-7 12/28/2016

recessed entry ways, foundation and similar areas are excluded from the calculations and may utilize any of the materials listed in the applicable component exterior wall standards, when construction with the required masonry materials is not reasonably feasible.

- o Stucco. Blanco River Ranch Reviewer must approve in advance the composition and method of application of all stucco proposed to be applied.
- o Accessories. Roofs, eaves, soffits, windows, gables, doors, garage doors and trim work are not required to be constructed of masonry.
- Public View Corridors. Any residence facing, abutting, or adjacent to important public view corridors such as, a collector road, as determined by the Blanco River Ranch Reviewer in its sole and absolute discretion, shall use 100% masonry and attempt to provide design detail, approved by the Blanco River Ranch Reviewer, that avoids a "flat front" look.
- Exposed Foundations. Exposed portions of the foundation on each front, side and rear elevation, visible from any street, must be concealed by extending the exterior masonry to within at least twenty-four inches (24") of the finished grade. If the exterior of the elevation adjacent to the exposed foundation is constructed of stucco, Blanco River Ranch Reviewer will have the authority to require the use of masonry, in a color approved in advance by Blanco River Ranch Reviewer, to conceal the exposed portion of the foundation. Remaining exposed slab area must be parged/sand finished. Exposed areas of slabs visible from streets may require textured/painted finish at the sole discretion of the Blanco River Ranch Reviewer. Exposed slab on the front of the house and, on corner Lots the entire exposed side of the slab facing the street, must have textured, painted finish.
- Projections and Accessories. All projections from a dwelling or other structure, including but not limited to chimney flues, vents, gutters, downspouts, porches, railings and exterior stairways, must match the color of the surface from which they project, unless otherwise approved by the Blanco River Ranch Reviewer. Roofs, eaves, soffits, windows, gables, doors, garage doors and trim work are not required to be constructed of masonry.
- Prohibited Elements:
 - o Vertical siding or wood shake siding (wood siding accents may be permitted if approved by Blanco River Ranch Reviewer).
 - o Highly reflective finishes on exterior surfaces (other than non-mirrored glass or on surfaces of hardware fixtures).
 - o Mirrored glass.
 - o No vivid/bright colors.
 - o Gray brick or other masonry.

BLANCO RIVER RANCH [RESIDENTIAL]
DESIGN GUIDELINES

4822-1662-8285v.2 52991-7 12/28/2016

Landscape Guidelines

A. Landscape

General landscaping guidelines for each Lot are set forth below. Notwithstanding the subsequent provisions, the installation of drought-resistant landscaping or water-conserving turf on a residential lot, which is a landscaping procedure known as xeriscaping ("Xeriscaping"), will be permitted upon written approval by the Blanco River Ranch Reviewer in accordance with those certain Xeriscaping provisions set forth in the Development Area Declaration. All landscapes and landscaping must be approved in writing prior by the Blanco River Ranch Reviewer prior to installation.

- **Plans.** A detailed landscape plan for the minimum landscape package for each Lot size must be submitted to the Blanco River Ranch Reviewer for consideration at least ninety (90) days before completion of the residence. The minimum landscape package must be in conformance with the landscape sections of the Zoning Ordinance (Chapter 53, Article V, Landscaping and Screening Requirements of the City of Kyle Code of Ordinances). No significant (*i.e.*, major changes in the plant list, plant and plant bed locations, plant count, hardscape design, materials) revisions that would be considered to lower the quality or look of the package may be made to the approved plan without submission to, and further approval by the Blanco River Ranch Reviewer of the revised plan. Landscape plans must include vegetative screening for above ground utility connections visible from the street or adjacent properties in accordance with the plan approved in advance by the Blanco River Ranch Reviewer. Hardscape elements in the landscaping must be in scale with the home and associated structures.
- **Materials.** All introduced vegetation shall be trees, shrubs, vines, ground covers, seasonal flowers or sodded grasses which are recommended by the Grow Green Plant Guide, a copy of which is available online at the City's website, and which are routinely and generally accepted landscape practices for the region and which are approved by the Blanco River Ranch Reviewer. An emphasis should be placed on utilizing native plants that are drought-tolerant. A minimum of 2" of mulch is required for all shrub and bed areas. Caliche is not considered soil. An Owner must plant grass within three (3) days after top-soil for planting grass has been delivered to the Lot. Buffalo grass, zoysia grass or Bermuda grass are recommended for sunny sections of the landscape. Bermuda and Buffalo grass should be maintained at a height of two to two and one-half inches.
- **Installation and Maintenance.** Landscaping of new homes must be installed within thirty (30) days of completion and in any event, landscaping in accordance with the approved plans shall be completely installed prior to occupancy of a residence. Extensions to the time limit may be granted by the Blanco River Ranch Reviewer. After installation, landscaping (including temporary landscaping) shall be properly maintained at all times.
- **Minimum Landscape Requirements.** Landscaping of a new home must conform to the following minimum requirements:

BLANCO RIVER RANCH (RESIDENTIAL)
DESIGN GUIDELINES

4822-1662-8285v.2 52991-7 12/28/2016

- o Full sodded front and side yards (in front of fences), with backyards to be fully sodded by the Owner within thirty (30) days after acquiring occupancy of the Lot for residential purposes;
- o On all Lots other than corner Lots, two (2) three-inch caliper significant trees such as oak, elm, pecan, walnut, hickory, cherry, cypress, redbud and any rare species, measured eighteen inches above finished grade immediately after planting. On all corner Lots, four (4) three-inch caliper trees (with two (2) in the front portion of the Lot and two (2) in the side of the Lot adjacent to the street).
- o Ten (10) five-gallon shrubs;
- o Turfgrass or alternative materials which can include native and adaptive landscape plants as specified in the Grow Green Guide, mulch, or similar materials. No more than fifty percent (50%) of the Lot may consist of non-plant material, from the front property line to the front two (2) corners of the residence and minimum coverage area extending 3' from the slab/foundation to protect water runoff from the roof drip line. If lawn grass is not used in this area, then rain gutter systems shall be installed. The use of rock or crushed rock as a ground cover shall not be permitted. See Section 3.13 of the Development Area Declaration for further guidelines on Xeriscaping.

Trees and shrubs should be pruned to avoid blocking clear view of signs, address markers, the flow of air conditioner compressors as well as pedestrian and vehicular traffic.

- Gardens, Sculptures and Fountains. Any Owner who wishes to modify their landscaping upon their Lot must obtain the approval of the Blanco River Ranch Reviewer. Sculptures and fountains are subject to approval by Blanco River Ranch Reviewer.
- Landscape Screening. Approved screening techniques including fences, evergreen vegetative screens, landscape berms, existing vegetation or any combination thereof.
 - o Fencing. The finished side of all fences built to comply with screening shall face away from the screened object. All posts shall have concrete footings.
 - o Evergreen Vegetative Screens. Evergreen plant materials shall be shrubs, at least thirty inches (30") in height and at a minimum spacing of 48 inches (48") at the time of installation, in combination with shade trees not more than fifty feet apart.
 - o Landscape Berms. In combination with trees, shall fulfill the screening requirements of this section if the berms are at least feet (3') in height and have a maximum side slope of four feet (4') of horizontal run for every one foot (1') in vertical rise.
 - o Existing on-site vegetation demonstrating significant visual screening capabilities, including but not limited to evergreens.
- Tree Protection. Protection and preservation of trees is of significant important to the aesthetics of the community and the environment of Blanco River Ranch.

BLANCO RIVER RANCH [RESIDENTIAL]
DESIGN GUIDELINES

4822-1662-8285v.2 52991-7-12/28/2016

- o Tree Removal. All existing trees shall be preserved to the best extent possible. As used herein, the term "Building Envelope" shall be defined as the area of the Lot that is allowed for construction of a residence as defined by the setbacks of the Lot. Within the Building Envelope, a Homebuilder may remove any existing tree less than 18" in diameter as measured 24" off the ground. Within the Building Envelope, any existing tree greater than or equal to 18" in diameter as measured 24" off the ground shall require prior written approval from the Blanco River Ranch Reviewer before removal. Any existing trees should be shown on the plot plan that is submitted by the Homebuilder to the Blanco River Ranch Reviewer for review and prior approval. All existing trees outside the Building Envelope shall be preserved regardless of size.

BLANCO RIVER RANCH [RESIDENTIAL]
DESIGN GUIDELINES

4822-1662-8285v.2 52991-7 12/28/2016

EXHIBIT "D-2"
CITY'S CURRENT BUILDING CODE IN EFFECT ON VESTING DATE

Chapter 8 – Building Regulations Including

- 2009 International Building Code
- 2009 International Residential Code
- 2009 International Plumbing Code
- 2009 International Mechanical Code
- 2000 International Electrical Code
- 2009 International Fire Code
- 2009 International Energy Conservation Code
- 2009 International Property Maintenance Code

Chapter 26 – Parks and Recreation

Chapter 29 – Sign Standards and Permits

Chapter 32 – Site Development

Chapter 38- Streets, Sidewalks and Other Public Places

Chapter 41- Subdivisions

Chapter 50- Utilities

EXHIBIT "E"
SCHEDULE FOR DE-ANNEXATION, ANNEXATION AND OTHER PROJECT
APPROVALS

RESOLUTION NO. 1060

A RESOLUTION TO PROVIDE FOR THE POSSIBLE EXTENSION OF THE KYLE MUNICIPAL BOUNDARIES BY THE ANNEXATION OF APPROXIMATELY 119.20 ACRES WHICH IS LOCATED WEST OF N. OLD STAGECOACH RD IN THE BLANCO RIVER RANCH; AND THE DE-ANNEXION OF APPROXIMATELY 242.12 ACRES WHICH IS LOCATED WEST OF THE INTERSECTION OF N. OLD STAGECOACH RD AND W. RR 150 IN THE BLANCO RIVER RANCH; AND SETTING THE DATES AND TIMES OF TWO PUBLIC HEARINGS FOR THE PURPOSE OF ANNEXING AND DE-ANNEXING PROPERTY AND SETTING AN EFFECTIVE DATE

WHEREAS, City of Kyle is a Home Rule city that has the legal authority under Chapter 43 of the Texas Local Government code to annex property in accordance with state law and City Charter; and

WHEREAS, City Kyle is a Home Rule city that has the legal authority under Chapter 43 of the Texas Local Government code and state law requires a home rule city to comply with their City Charter to de-annex property in their city limits; and

WHEREAS, City Kyle City Charter, Section 1.07 requires the Council to adopt an ordinance to unilaterally annex or de-annex any land upon its own initiative when in the best interest of the city and the procedure for the annexation or de-annexation may not be inconsistent with state law; and

WHEREAS, Section 43.063(a) of the Texas Local Government Code and Section 1.07 of the City Charter require the City to conduct two public hearings to be held at least ten (10) days but not more than twenty (20) days after notice of such public hearings are published, and

WHEREAS, Section 43.0561(c) of the Texas Local Government Code and Section 1.07 of the City Charter require the publication of notice of each hearing in a newspaper of general circulation in the City of Kyle at least once on or after the 10th day but before the 20th day before the date of the hearing; and

WHEREAS, the property to be annexed is approximately 119.20 acres located west of N. Old Stagecoach Rd in the Blanco River Ranch; and

WHEREAS, the property to be de-annexed is approximately 242.12 acres located west of the intersection of N. Old Stagecoach Rd and W. RR 150 in the Blanco River Ranch; and

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL
OF THE CITY OF KYLE, HAYS COUNTY, TEXAS:**

Section 1. City of Kyle will publish the notice of the first public hearing on or about April 26, 2017 in compliance with Section 43.0561(c) of the Texas Local Government Code.

Section 2. City will hold its first public hearing during a special called council meeting on May 6, 2017.

Section 3. City of Kyle will publish the notice of the second public hearings on or about April 26, 2017 in compliance with Section 43.0561(c) of the Texas Local Government Code.

Section 4. City will hold its second public hearing during a scheduled council meeting on May 16, 2017.


Section 5. City will consider for adoption the annexation of approximately 119.20 acres located west of N. Old Stagecoach Rd in the Blanco River Ranch.

Section 6. On May 16, 2017, if Council elects to annex the land described in Section 5, City will accomplish the annexation by Ordinance that will include the metes and bounds for all parcels and include the Service Delivery Plan for the area.

Section 7. This Resolution shall become effective upon passage.

PASSED, APPROVED AND RESOLVED in KYLE, Texas, this the 2nd day of May, 2017.

CITY OF KYLE, TEXAS

By: 
Todd Webster, Mayor

ATTEST


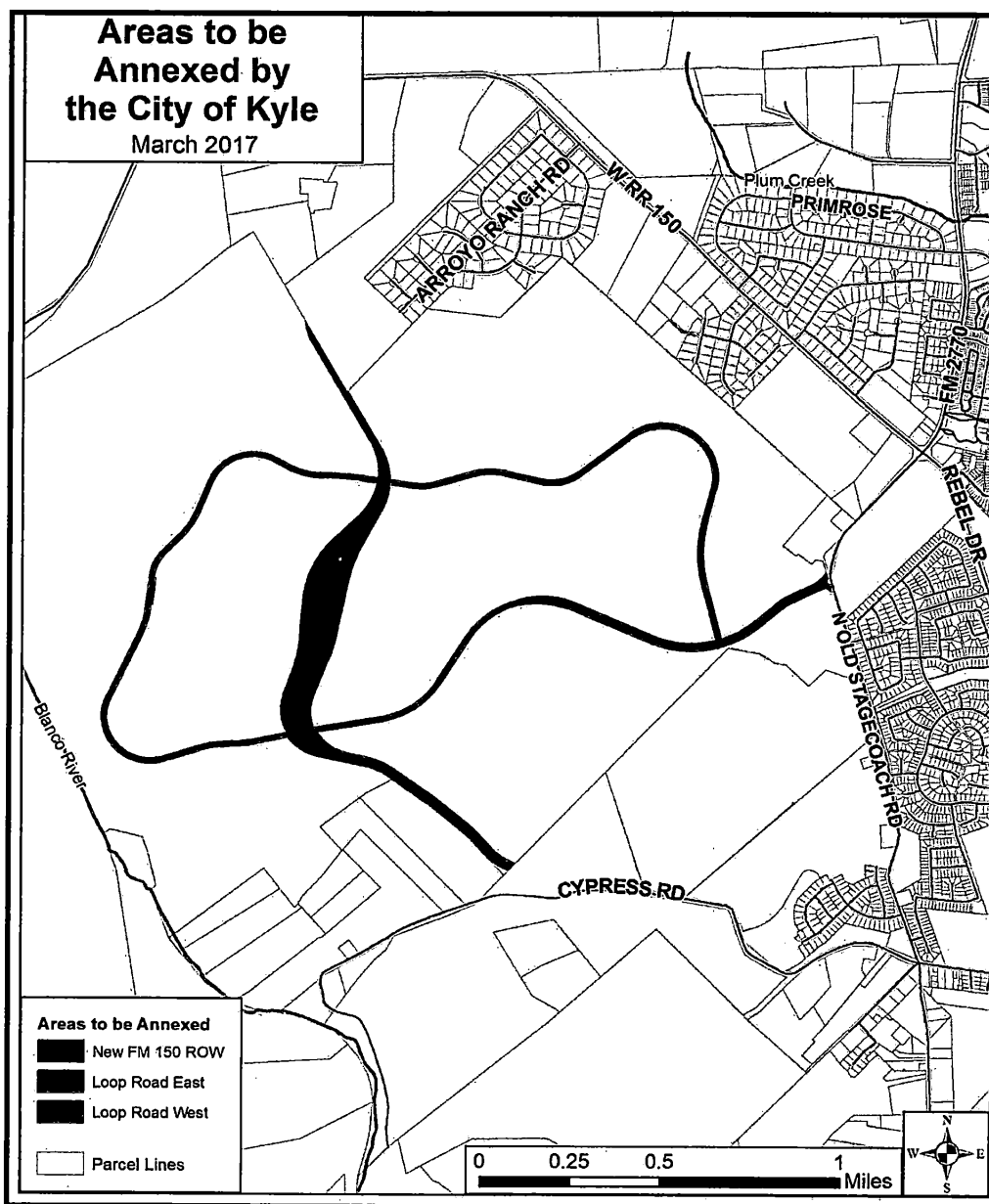
By: 
Jennifer Vetrano
City Secretary

EXHIBIT "F"
SPINE ROAD ALIGNMENT, INCLUDING AREAS TO BE ANNEXED AND DE-ANNEXED



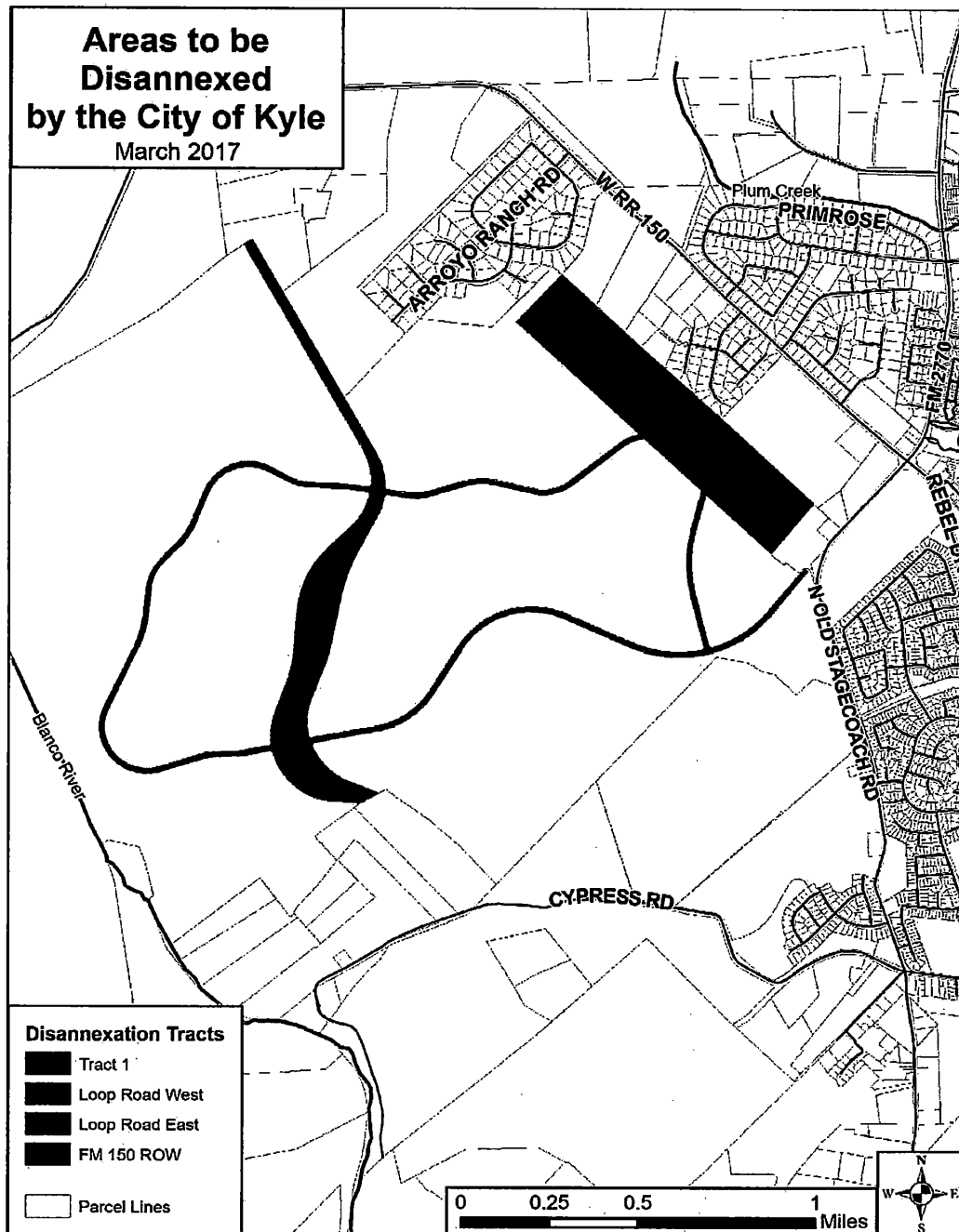


EXHIBIT "G"
CITY PID REQUIREMENTS
CITY OF KYLE

Public Improvement District Policy

OVERVIEW

Public Improvement Districts ("PIDs"), per the Texas Local Government Code Chapter 372 ("the code" or "PID Act"), provide the City of Kyle ("the City") an economic development tool that permits the financing of qualified public improvement costs which confer a special benefit on a definable part of the City, including property both within its corporate limits as well as property that may be located within its extra-territorial jurisdiction. Proceeds from bonds issued by a PID can finance capital costs and fund supplemental services to meet the community needs which could not otherwise be constructed or provided. The bonds issued by the PID to fund the costs of eligible capital improvements and/or supplemental services are paid entirely by property owners within the Public Improvement District ("PID") who receive special benefits from the capital improvements or services. **A PID may only be used to pay for public improvements.**

A PID is comprised of properties, whose owners have petitioned the City to form a PID. The City Council establishes a PID by adoption of a resolution after a public hearing. Written notification of the public hearing is published and mailed to all property owners in the proposed PID. By petition, the owners pledge to pay an assessment in order to receive enhanced services and/or improvements within the District. The PID must demonstrate that it confers a benefit, not only to the properties within the district, but also to the "public" which includes the City.

The purpose of this PID policy is to outline the issues to be addressed by the owner of the taxable real property liable for assessment petitioning for creation of a PID ("Petitioner") before the City Council can support the establishment of a PID. The PID policy outlines such things as petition requirements, qualified costs, financing criteria, information disclosures to property owners, and the determination of annual plans, budgets and assessments.

GENERAL

1. A PID may be created and utilized to construct qualified public improvements and/or reimburse a Developer's actual and documented costs required to serve the development. Such incremental costs shall be associated with the construction of qualified public improvements.
2. PIDs must be self-sufficient and not require the City to incur any costs associated with the formation of the PID, bond issuance costs, PID administration or the construction of PID improvements.
3. PID petition signatures should reflect that a reasonable attempt was made to obtain the full support of the PID by the majority of the property owners located within the proposed PID. Priority will be given to PIDs with the support of 100% of the landowners within a PID.

City of Kyle
Public Improvement District Policy

4. Priority will be given to PID improvements:
 - a. In support of development that will generate economic development benefits to the City;
 - b. In the public right of way (e.g., entryways, landscaping, fountains, specialty lighting, art, decorative and landscaped streets and sidewalks, bike lanes, multi-use trails, signage); and
 - c. Which meet community needs (e.g., enhanced drainage improvements, parks and off-street public parking facilities, wastewater and/or water on or off-site improvements).
5. A PID's budget shall include sufficient funds to pay for all costs, including additional administrative and/or operational costs.
6. A Landowner's Agreement must be recorded in the Official Public Records of the County in which the PID is located which, among other things, will notify any prospective owner of the existence or proposal of special assessments on the property. All closing statements and sales contracts for lots must specify who is responsible for payment of any existing PID assessment or a *pro rata* share thereof until such time as the PID assessment is paid in full.
7. Any requested adjustments or deviations from the terms of this Policy for a PID shall be clearly requested and explained in the PID petition for that PID. Any adjustments or deviations granted are at the sole discretion of the City Council.
8. A PID must be identified as a PID with use of signage along the main entry/exits located at the boundaries of the PID. All signage shall be clearly visible to all motorists entering and exiting the PID.
9. Property owned by the City of Kyle that is located in the boundaries of the PID shall not be subject to any assessment by the PID.
10. No PIDs will be allowed to be created that overlap the boundaries of another PID.
11. Annual Service and Assessment Plan updates, as required by chapter 372 of the PID Act, shall be provided for if a PID is created in response to a petition.

PETITION REQUIREMENTS

In addition to the requirements of Texas Local Government Code §372.005(a) the petition must include the following:

1. PID petitions shall include this additional note: "With respect to community property, the City may accept the signature of a spouse as a representation of both spouses that they support the creation or renewal of the PID absent a separate property agreement. *However, if City staff is made aware of any disagreement among owners of community property, those petitions will not be counted.*
2. Signatures for PID petitions must be gathered not more than six months preceding submittal of the PID Application.
3. PID petitions shall include this language: The City shall, upon reasonable prior written notice to the Developer and during normal business hours, have the right to audit and inspect the Developer's records, books, and all other relevant records related to

ty of Kyle
Public Improvement District Policy

Reimbursable. Amounts under this Agreement. The Parties agree to maintain the appropriate confidentiality of such records, unless disclosure of such records and information shall be required by a court order, a lawfully issued subpoena, State Law, municipal ordinance, or at the direction of the Office of the Texas Attorney General.

4. All PID Agreements shall include Indemnification language for construction of public improvements as follows:

Indemnification. DEVELOPER 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 CONSTRUCTION OF THE PUBLIC IMPROVEMENTS 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 DEVELOPER OR DEVELOPER'S CONTRACTORS' NEGLIGENCE, WILLFUL MISCONDUCT OR CRIMINAL CONDUCT IN ITS ACTIVITIES, INCLUDING ANY SUCH ACTS OR OMISSIONS OF DEVELOPER OR DEVELOPER'S CONTRACTORS, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT OR SUBCONSULTANTS OF DEVELOPER OR DEVELOPER'S CONTRACTORS AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES, 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. DEVELOPER SHALL PROMPTLY ADVISE CITY IN WRITING OF ANY CLAIM OR DEMAND AGAINST CITY, RELATED TO OR ARISING OUT OF DEVELOPER OR DEVELOPER'S CONTRACTORS ACTIVITIES UNDER THIS AGREEMENT AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT THE 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

City of Kyle
Public Improvement District Policy

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 DEVELOPER 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.

For a district to be established, a petition shall include the following:

1. Evidence that the petition's signatures meet the state law requirements or the petition must be accompanied by a reasonable fee to cover the City's costs of signature verification. If the proposed district is an expansion of an existing district, a petition for the new portion of the district must identify each subdivision, or portion thereof, within the proposed boundaries of the new district, and each subdivision or portion thereof that is not currently in an existing PID shall individually satisfy the requirements for a petition under Section 372.005 of the Texas Local Government Code. Subdivision has the meaning assigned by Section 232.021 of the Texas Local Government Code.
2. Map of the area, a legal description of the boundaries of the district for the legal notices and a "commonly known" description of the area to be included in the district.
3. Statement that the petitioners understand that the annual Service and Assessment Plan for the district is subject to review by City staff with final approval by the City Council.
4. Unless otherwise approved by City Council in acceptance of the PID Petition as provided in Item 7 under General above, upon approval of the PID, the boundaries of the PID will be immediately annexed into the City of Kyle.

In addition, the following issues must be addressed before the City Council will take action on a petition.

1. A non-refundable application fee of \$15,000.00 will be required with the filing of a petition to create a PID. This fee is regulatory in character and approximates the costs of evaluating the PID petition. Any other related upfront City-required cost, limited to actual costs as are documented by the City, is the responsibility of the Developer.
2. A petition must include a current tax roll with notations indicating the owners registering support for the petition.
3. A copy of the Preliminary PID Finance Plan shall be submitted with the petition. This Finance Plan shall include at minimum:
 - a. Targeted gross bond amount;
 - b. Estimated *ad valorem* revenue generated;
 - c. Annual assessment per unit;
 - d. Estimated number of bond issuances;
 - e. Proposed maturity dates for PID Bonds; and

City of Kyle
Public Improvement District Policy

- f. Any other such supporting information related to the success of the PID.

PID ADMINISTRATION

1. The City may contract with a qualified third party company to manage and administer the PID, subject to appropriate oversight by City staff.
2. Any management firm for a PID shall be required to submit quarterly reports of all activities and expenditures to the City until the project is 80% build out.
3. The City may request an independent audit at any time.

PROJECT CRITERIA

In agreeing to form a PID for which debt will be issued to fund the costs of constructing qualified public improvements, the City will require the following:

1. The property owner must demonstrate to the City that it has the expertise to complete the new development that the PID will support.
2. The property owner must provide the City with its sources of funding the public improvements not being funded by the PID unless such improvements have already been constructed by the property owner prior to the PID funding.
3. The proposed development must be consistent with the entitlements on the property. All required zoning must be in place for the development of the portion or phase of the Property to be assessed by the PID Bond issue prior to the issuance of any PID bonds for that portion of the property.
4. The property owner must provide evidence to the City that the utility service provider has or will have sufficient capacity to provide all necessary utility services for the development of the portion or phase of the Property to be assessed by the PID Bond issue prior to the issuance of any PID bonds for that portion of the property.
5. All reasonable estimated costs must be identified before a decision is reached on a request to issue bonds for a PID. Costs to be identified include costs related to establishing the district, costs for construction and/or the acquisition of improvements, the maintenance and operation of improvements (if any) and PID administrative costs.
6. If the City elects to hire a qualified third party PID administrator to administer the PID, the costs for such administration shall be paid for with PID funds.
7. The PID Financing Agreement (or other applicable PID documentation) shall contain a section which clearly identifies the benefit of the PID to the affected property owners and to the City as a whole (i.e., public purpose) and also evidence of insurance.
8. The Service and Assessment Plan shall describe, if applicable, all City-owned land within the district.

BOND SIZE LIMITATIONS

The following limitations and performance standards shall apply to a PID debt issue approved by the City:

City of Kyle
Public Improvement District Policy

1. Minimum appraised value to lien ratio at date of each bond issue: 3:1
2. Minimum annual permitted increase for the debt service component of the annual assessment installment: 0%
3. Maximum maturity for each series of bonds (to extent allowed by law): 30 years

The aggregate principal amount of bonds required to be issued shall not exceed an amount sufficient to fund: (i) the actual costs of the qualified public improvements; (ii) required reserves and capitalized interest during the period of construction and not more than 12 months after the completion of construction and in no event for a period greater than three (3) years from the date of the initial delivery of the bonds; and (iii) any costs of issuance. 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 bond issuances.

FINANCING CRITERIA

1. The PID may seek bond issues in advance of construction of an individual phase of a project subject to compliance with these standards.
2. No City backing or moral obligations will be utilized to fund or support the PID bonds.
3. All proposed subsequent PID bond issues for a project, if any, will be subject to approval by the City Council.
4. Special assessments on any given portion of the property may be adjusted in connection with subsequent bond issues as long as an agreed-upon maximum annual assessment rate is not exceeded for a project or phase, and the special assessments are determined in accordance with the Service and Assessment Plan and the PID Act. Special assessments on any portion of the property will bear a direct proportionate relationship to the special benefit of the public improvements to that improvement area. In no case will assessments be increased for any parcel unless the property owner of the parcel consents to the increased assessment.
5. The City shall not be obligated, but may choose to do so at its sole discretion, to provide funds for construction of any improvement except from the proceeds of the PID bonds and PID assessments.
6. Each PID Bond Indenture will contain language precluding the City from making any debt service payments for the PID bonds other than from available special assessment revenues.
7. A PID will be responsible for payment of all the City's reasonable and customary costs and expenses including the cost of any appraisal.
8. Any PID bond issued will include a Reserve Fund in an amount equal to the lesser of: (i) the maximum annual debt service on the bonds; (ii) 10 percent of the Bond Par Amount; or (iii) 125 percent of the average annual debt service and that such Reserve Fund will be funded from bond proceeds at the time bonds are issued.
9. All public infrastructure within the PID that is to be reimbursed must include a minimum of three (3) bidders approved by the City and the Developer.

City of Kyle
Public Improvement District Policy

10. All Developers and significant landowners will provide any required continuing disclosure obligations associated with the issuance of PID bonds as required under the Indenture or any other regulatory agreement or regulatory agency.
11. All construction of improvements is subject to City review and provision shall be made for dedication to City or to another appropriate entity.

MISCELLANEOUS

1. Severability: If any section, subsection, sentence, clause, phrase, or word of this policy is declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected.
2. No Personal Liability of Public Officials. No public official or employee shall be personally responsible for any liability arising under or growing out of any approved PID. Any obligation or liability of the Developer whatsoever that may arise at any time under the approved PID or any obligation or liability which may be incurred by the Developer pursuant to any other instrument transaction or undertaking as a result of the PID shall be satisfied out of the assets of the Developer only and the City shall have no liability.

EXHIBIT "G-1"
ADDITIONAL PID REQUIREMENTS APPROVED BY OWNER

GENERAL

1. Priority will be given to PID improvements:
 - (a) Improvements or services that advance City's adopted Master Plan; and
 - (b) Projects that increase or enhance City's multimodal transportation and roadway plans.
2. All purchasers of property within a PID that elect to set up an escrow account to pay for mortgage payments, property taxes, insurance and/or other related expenses; shall be required to include the payment of any PID annual installments in the amounts collected via such escrow account.
3. Developer contracts with builders will require that builders who use the Multiple Listing Service (or other comparable mass distribution service of available properties for sale) include within such listing the presence of the PID and the estimated annual installments due.
4. In the case of any conflict between **Exhibit "G"** and **Exhibit "G-1"**, **Exhibit "G-1"** controls.

PETITION REQUIREMENTS

1. In accordance with Texas Local Government Code §372.005(a) the petition must include the following:
 - (a) the general nature of the proposed improvements;
 - (b) the estimated cost of the improvements;
 - (c) the boundaries of the proposed assessment district;
 - (d) the proposed method of assessment, which may specify included or excluded classes of assessable property;
 - (e) the proposed apportionment of costs between the public improvement district and the municipality or county as a whole;
 - (f) whether the district will be managed by the municipality or county, by the private sector, or by a partnership of the two;
 - (g) that the persons signing the petition request or concur with the establishment of the district; and
 - (h) that an advisory body may be established to develop and recommend an improvement plan to the governing body of the municipality or county.

BOND SIZE LIMITATIONS

1. Minimum overall appraisal by an independent 3rd party appraiser, provides for a value to lien ratio at date of each bond issue of 3:1.
2. Maximum annual permitted increase in annual assessment installment: 2%

FINANCING CRITERIA

1. The PID may seek bond issues in advance of construction of an individual Phase of a Project subject to compliance with these standards. All such PID bond issue will be subject to approval of the City Council.
2. The City shall not be obligated to provide any funds for any improvement except from the proceeds of the PID Bonds and PID assessments.
3. Improvements funded with PID proceeds will be exempt from any public bidding or other purchasing and procurement policies per Texas Local Government Code Section 252.022(a) (9) which states that a project is exempt from such requirements if "paving drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements."
4. Pursuant to the PID Act, the interest rate for assessments may exceed the interest rate of the bonds by no more than one half of one percent (0.50%). The City may allocate up to 0.50% of the interest rate component to fund a delinquency reserve, prepayment reserve, or for any other use that provides a direct benefit to the PID.
5. Developer will demonstrate committed capital (by proof of bank financing) to the City, on the closing date of PID Bonds issued in advance of construction of the first phase of Public Improvements for the Project, in an amount confirmed by an engineer's estimate of probable cost, which represents the difference between the budgeted cost to complete the public improvements assumed to be complete in the appraisal and the net proceeds of the PID bonds.
6. Improvements to be funded by the PID are limited to those defined as Authorized Improvements under Texas Local Government Code Section 372.003(b):
 - (a) Landscaping and irrigation in public rights of way;
 - (b) Erection of fountains, distinctive lighting, backlit street signs and way finding signs;
 - (c) Acquiring, constructing, improving, widening, narrowing, closing or rerouting sidewalks, streets or any other roadway or their rights-of-way;
 - (d) Construction or improvement of pedestrian malls;
 - (e) Acquisition and installation of pieces of public art;

- (f) Acquisition, construction or improvement of libraries;
- (g) Acquisition, construction or improvement of public off-street parking facilities;
- (h) Acquisition, construction, improvement or rerouting of mass transportation facilities;
- (i) Acquisition, construction or improvement of water, wastewater or drainage improvements;
- (j) The establishment or improvement of parks;
- (k) Acquisition, by purchase or otherwise, of real property in connection with an authorized improvement:
- (l) Acquisition, by purchase or otherwise, of real property that shall be designated as conservation habitat, protected with a conservation easement, or used in furtherance of the protection of endangered species, or aquifer recharge features;
- (m) Special supplemental services for improvement and promotion of the district, including services related to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and culture enhancement;
- (n) Payment of expenses incurred in the establishment, administration, and operation of the district, including expenses related to the operation and maintenance of mass transportation facilities; and
- (o) The development, rehabilitation, or expansion of affordable housing.

EXHIBIT "H"
PID AGREEMENT TERM SHEET

The following limitations and performance standards will apply to the Blanco River Ranch Public Improvement District (the "PID") agreed to by Blanco River Ranch Properties LP or its affiliates and assignees ("Owner"), and the City of Kyle, Texas (the "City") in connection with the development of the 858.7 acre portion of the 2,166 acre Blanco River Ranch master planned community (the "Project"):

FINANCING CRITERIA – PUBLIC IMPROVEMENT DISTRICT

1. Maximum Authorized Improvements (including hard costs, soft costs, contingency, and a construction management fee) for the PID: \$225,000,000. Maximum Project Improvements (including hard costs, soft costs, contingency, and a construction management fee) for Improvement Areas 1A, 1B and 1C (i.e., the Project): \$100,000,000.
2. Minimum appraised value to lien ratio for each PID Bond issued: 3:1
3. Maximum total equivalent tax rate including PID annual installment: \$3.10/\$100 Assessed Value
4. Maximum years of capitalized interest : 2
5. Maturity of PID Bonds (to extent allowed by law): 25 yrs.
6. It is agreed that the improvements to be funded by the PID are limited to those defined as Authorized Improvements under Texas Local Government Code Section 372.003.
7. The aggregate principal amount of PID Bonds required to be issued shall not exceed an amount sufficient to fund: (i) the actual costs of the qualified Authorized Improvements (ii) required reserves and capitalized interest during the period of construction and not more than 12 months after the completion of construction and in no event for a period greater than 2 years from the date of the initial delivery of the bonds and (iii) any costs of issuance. 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 actual bond issuance.

MISCELLANEOUS

1. **Owner may request the issuance of PID Bonds in advance of construction of Public Improvements for the Project subject to compliance with these standards. No PID Bonds will be issued without the approval by the City of a Service and Assessment Plan for the Project.**

2. **No General Obligation or Certificate of Obligation bonds will be utilized by the City to fund the PID's Authorized Improvements.**
3. Special assessments on any given portion of the Project may be adjusted in connection with subsequent PID Bond issues as long as the maximum annual assessment rate is not exceeded, and the special assessments are determined in accordance with the Service and Assessment Plan. Special assessments on any portion of the Project will bear a direct proportionate relationship to, and will not exceed, the special benefit of the Authorized Improvements to that improvement area.
4. The City shall not be obligated to provide funds for any Authorized Improvement except from the proceeds of the PID Bonds.
5. The PID Bonds' Trust Indenture will contain language precluding the City from making any debt service payments for the PID Bonds other than from available special assessment revenues.
6. The PID will be responsible for payment of all of the City's reasonable and customary costs and expenses associated with the financing and administrative activities of the PID.
7. It is agreed that the PID will be exempt from any public bidding or other purchasing and procurement policies per Texas Local Government Code Section 252.022(a) (9) which states that a project is exempt from such policies for "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."
8. No additional security or surety will be provided by the Owner, or its assignees, for the construction of the Authorized Improvements beyond typical performance bond or other similar surety agreements.
9. It is agreed that all principal landowners will provide any required continuing disclosure obligations associated with the issuance of PID Bonds as required under the Trust Indenture or any other regulatory agreement or regulatory agency.
10. This term sheet shall remain in place and in force until such time and date that a Final Financing Agreement is executed by both the City and the Owner.
11. In the case of any conflict between **Exhibit "G"** and **Exhibit "H"**, **Exhibit "H"** controls.

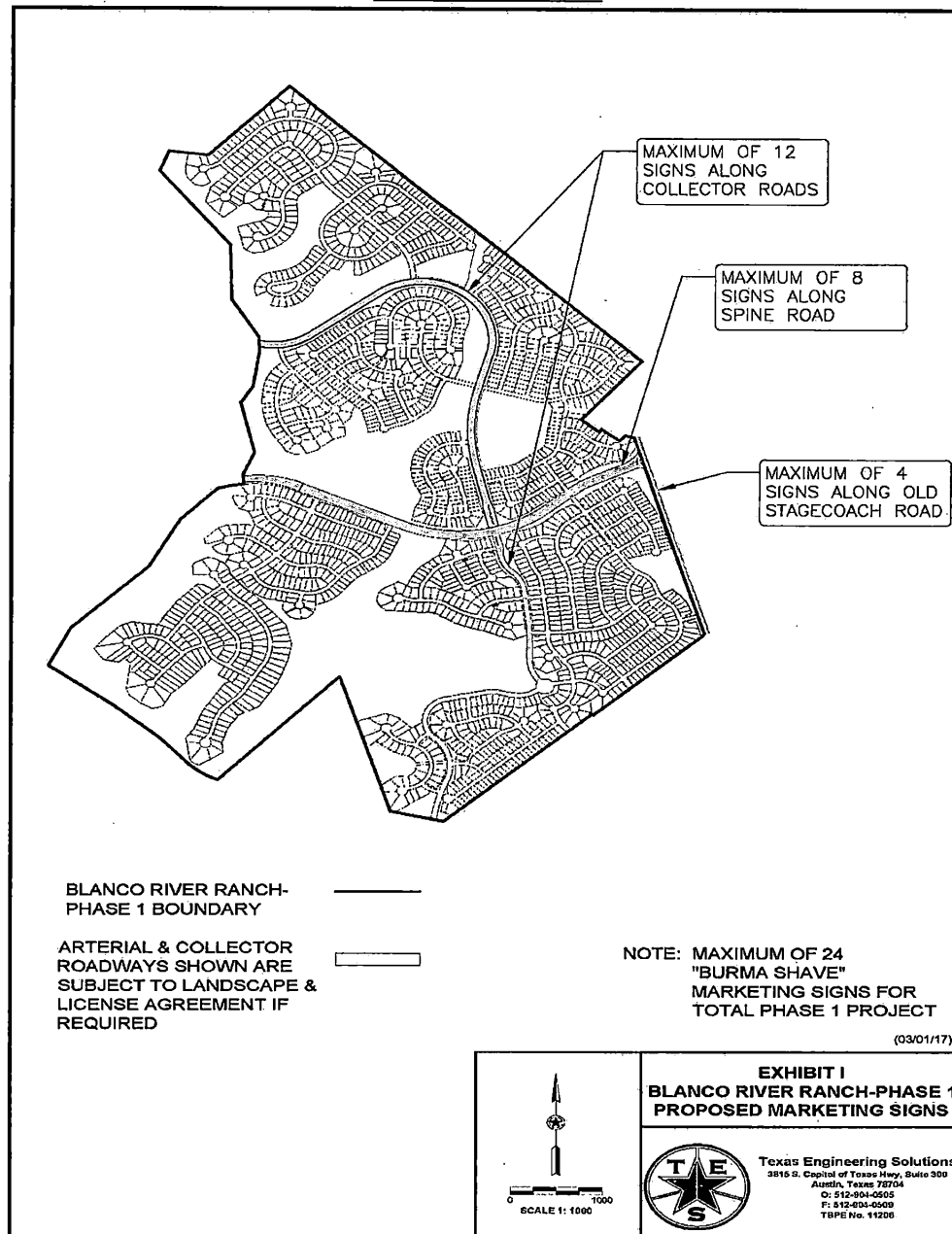
ADDITIONAL CRITERIA FOR PROPERTY

1. Owner agrees that an amount not to exceed 10 percent of the net PID Bond proceeds otherwise payable for actual costs of Authorized Improvements under this Agreement, exclusive of cost of issuance, interest, and contingency (the "City PID Payment"), will be retained by the City out of each PID Bond issuance to fund the City's actual expenditures or reimbursements to third parties for the cost of construction and/or acquisition of the following Authorized Improvements that benefit the Property: offsite water storage facilities, off-site booster pump facilities, and other off-site water system improvements serving the Property; off-site wastewater system improvements serving the Property; realignment and improvement of (including roundabout for) Old Stagecoach Road; realignment and improvement of FM 150; and trails and parks serving the Property (the "City PID Improvements"). Any costs incurred or advanced by Owner for the City PID Improvements will be credited against and reduce the amount of the City PID Payment at the time of each PID Bond issuance. If any City PID Improvements will serve property in addition to the Property, only a prorata share of the costs of such improvements will be eligible to be funded through the City PID Payment and such prorata share will be calculated based on the ratio of the total LUES within the Property to be served by the facility in question to the total LUES to be served by the facility or, for roadway improvements, based on the estimated impact to the roadway as determined by a trip generation or traffic impact analysis. At such time as the cost of all City PID Improvements, or the eligible portions thereof, have been funded through PID Bonds, no further City PID Payment will be retained by the City.
2. The City and the Owner agree that the cost estimates for and timetable for construction and funding of the specific improvement projects that will be classified as the City PID Improvements will be agreed upon prior to approval of the service and assessment plan for the Project and that the total City PID Payment will not exceed 10% of the amount of the PID Bonds issued for hard and soft costs of Authorized Improvements (net of interest, costs of issuance and contingency). Any sums advanced or paid by Owner for costs associated with the City PID Improvements prior to the issuance of PID Bonds not previously reimbursed to Owner will be credited against and reduce the amount of the City PID Payment at the time of each issuance of PID Bonds.
3. The City agrees to defer annexation of each phase of the Residential Component of the Project until all PID bonds that are to be repaid through assessments against that phase have been issued and repaid in full, there are no further PID assessments applicable to or payable through assessments against that phase, and the City has discharged all of its PID obligations for that phase.
4. The amount of PID bonds issued that will be secured by assessments against the Property will not exceed \$100,000,000 (the "Project PID Bonds"). The proceeds of the Project PID Bonds, net of costs of issuance (the "Net Proceeds"), will be

receive up to 90% of the Net Proceeds and the City will be eligible to receive up to 10 of the Net Proceeds. Only Public Improvements that benefit the Project will be eligible for funding out of the Project PID Bonds.

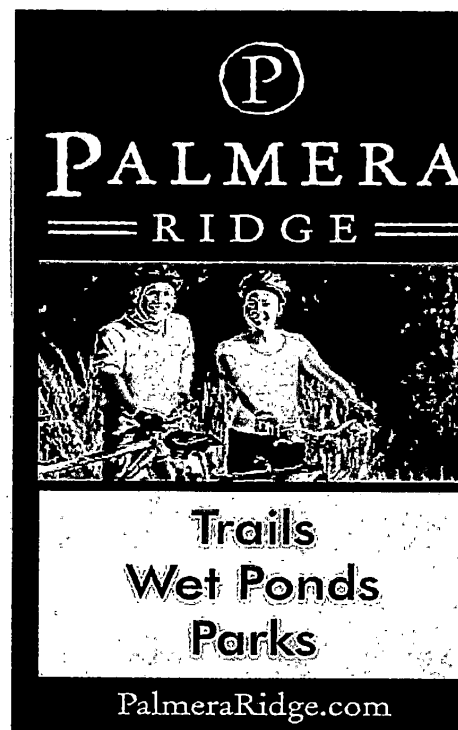
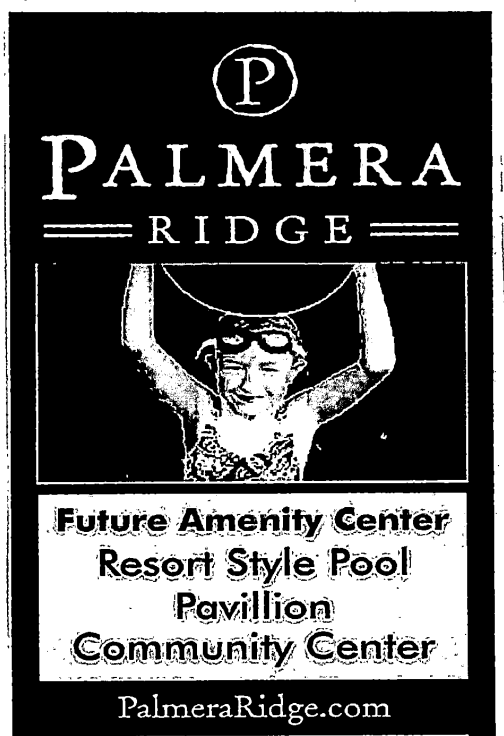
5. The City agrees to enter into an acquisition and reimbursement agreement providing that (i) Owner will be eligible for reimbursement of soft costs for Public Improvements that serve the first phase of the Project upon the City's approvals of the design plans for the water and wastewater facilities that serve that phase for operation and maintenance, which approval will not be unreasonably withheld or delayed; and (ii) Owner will be eligible for reimbursement of hard costs for Public Improvements that serve the first phase of the Project upon the City's acceptance of the water and wastewater facilities that serve that phase for operation and maintenance, which acceptance will not be unreasonably withheld or delayed. After reimbursement for the first phase of the Project Improvements, Owner will be eligible for subsequent reimbursement payments as additional Project Improvements design plans and construction are completed by Owner and approved or accepted by the City. The City agrees to proceed with the issuance of Project PID Bonds on a schedule and in a manner that allows Owner to receive reimbursement in a timely manner following completion of the first phase of the Project Improvements as additional phases are completed thereafter.
6. The City agrees to enter into a financing agreement providing that within 30 days of the City's receipt of the proceeds of the sale of Project PID Bonds, the City will reimburse the Owner for the costs of Public Improvements advanced by Owner and eligible for payment out of the Net Proceeds. Eligible costs will include design, engineering, construction management, and professional services; road, utility, streetscape, park and other public improvements; land acquisition; and any other costs that may be financed under Chapter 372, Local Government Code.
7. Owner agrees to submit documentation of the hard and soft costs incurred by Owner for which reimbursement is requested as a condition to such reimbursement.
8. In the case of any termination of the Development Agreement and/or dissolution of the District, the obligation of the City to pay or reimburse the costs of Public Improvements expended by the Owner prior to such termination or dissolution, and remaining unpaid, shall survive such termination or dissolution.

EXHIBIT "I"
PERMITTED LOCATIONS FOR SIGNAGE AND LANDSCAPE
IMPROVEMENTS





Instrument # 17018505 Number: 70 of 77 Filed and Recorded: 5/31/2017 4:40 PM
Liz Q. Gonzalez, Hays County Clerk, Texas Rec \$330.00 Deputy Clerk: KBOGGUS

Samples of Similar "Burma Shave" Marketing Signs For Blanco
River Ranch – Phase 1




- Maximum Height of Sign – 8 FT
- Maximum Size of Sign – 32 SF
- Signs To Be Constructed Of Metal Or Wood


PALMERA
RIDGE

 **at&t** Connected Communities

AT&T U-Verse
TV, High Speed Internet,
Home Phone or Wireless
ATT.com/uverseconnect
866-636-6686
PalmeraRidge.com



HIGHLANDS
AT MAYFIELD RANCH

Builders

Homes →
Homes →
Homes →
Homes →


HIGHLANDS
AT MAYFIELD RANCH

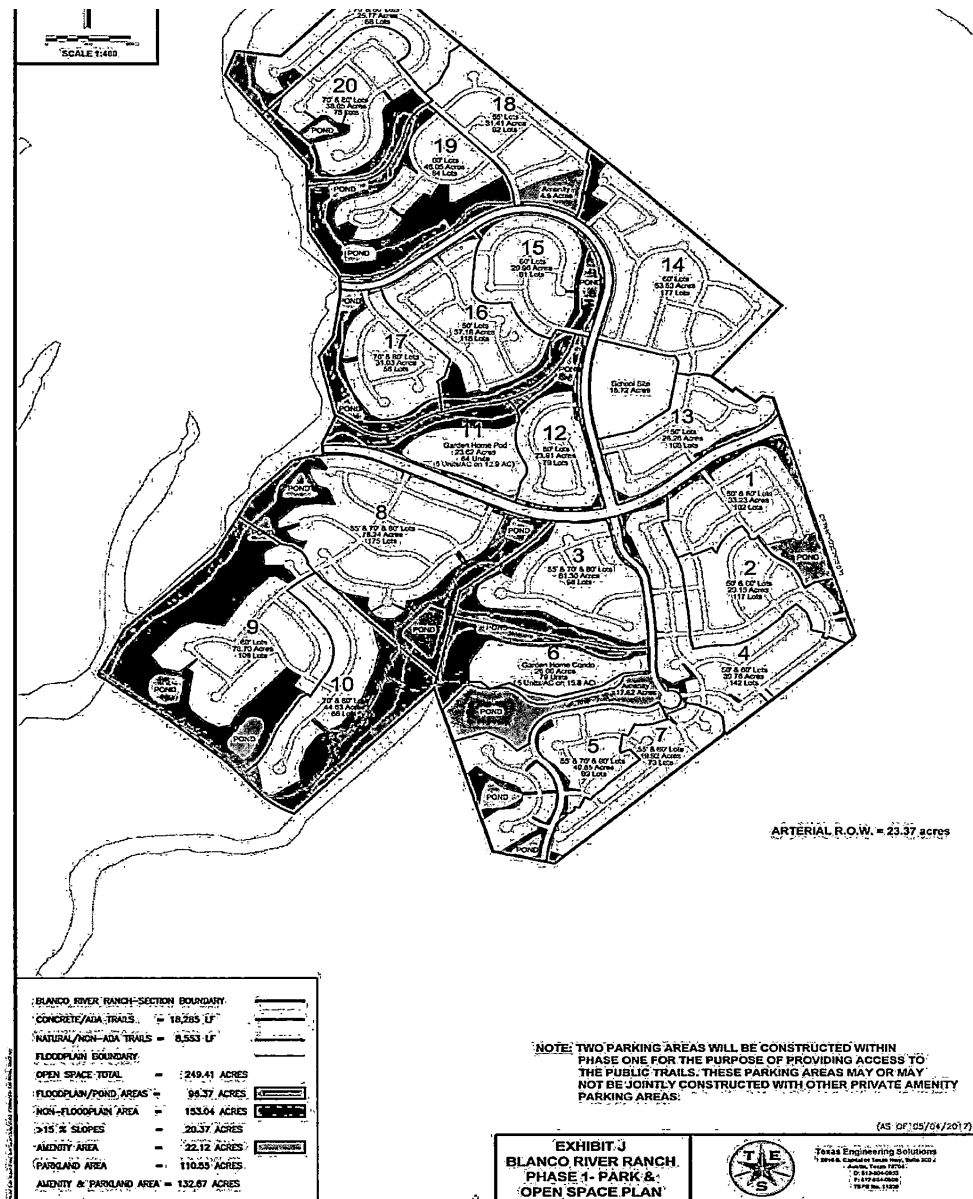
Amenities
Community Center
Resort Style Pool
Pool Toys
Pavilion


HIGHLANDS
AT MAYFIELD RANCH

Utilities
Natural Gas Provided
by Atmos Energy
Pedernales Electric Co.
City of Georgetown Water
AT&T U-Verse

Exhibit "T" - Page 3 of 3

{W0724190.7}
4-25-17



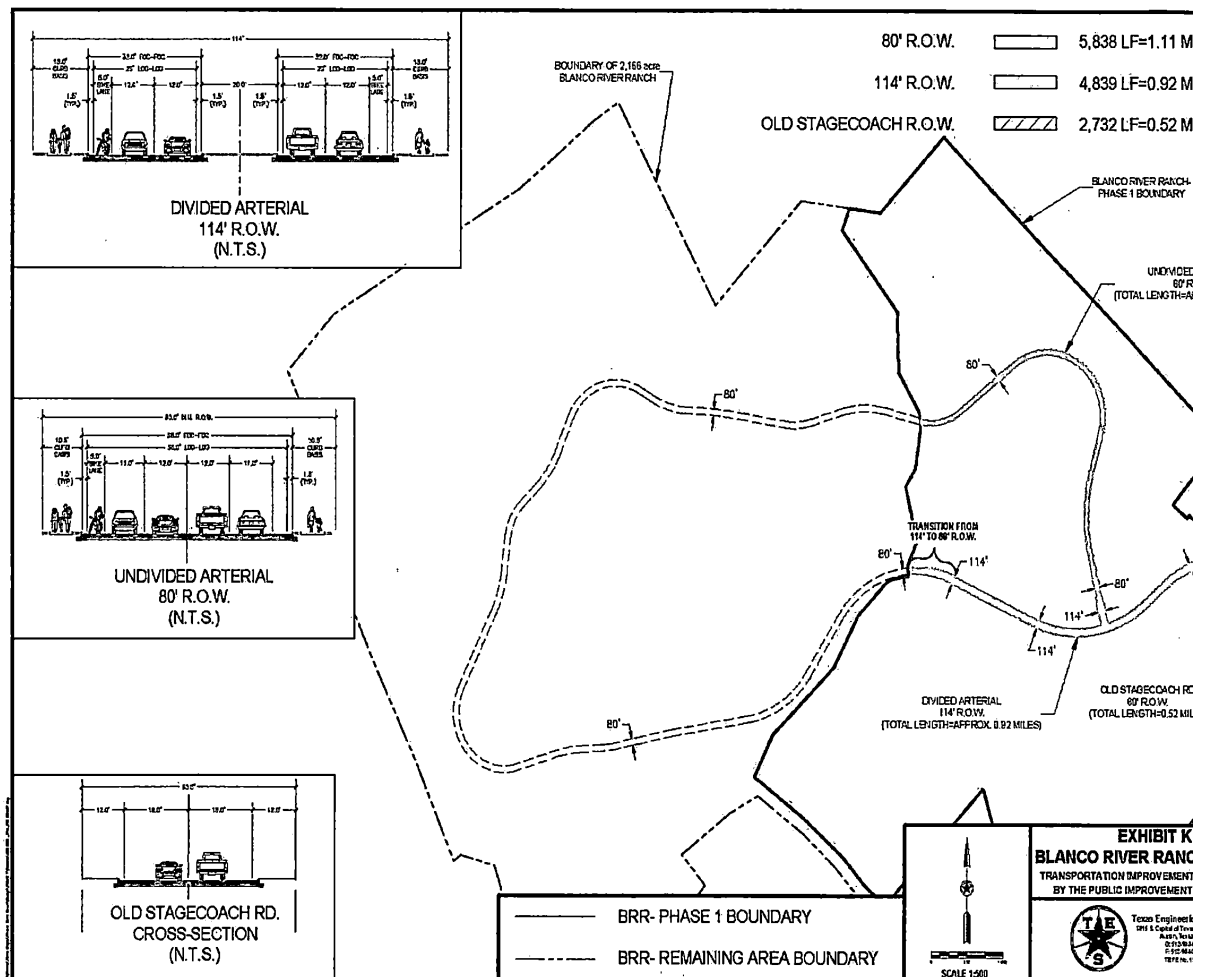
{W0724190.7}
 5.15.17

Exhibit "J" - Page 1 of 1

Instrument # 17018505 Number: 73 of 77 Filed and Recorded: 5/31/2017 4:40 PM
 Liz Q. Gonzalez, Hays County Clerk, Texas Rec \$330.00 Deputy Clerk: KBOGGUS

{W0724190.7}
 4.25.17

Exhibit "K" - Page 1 of 1



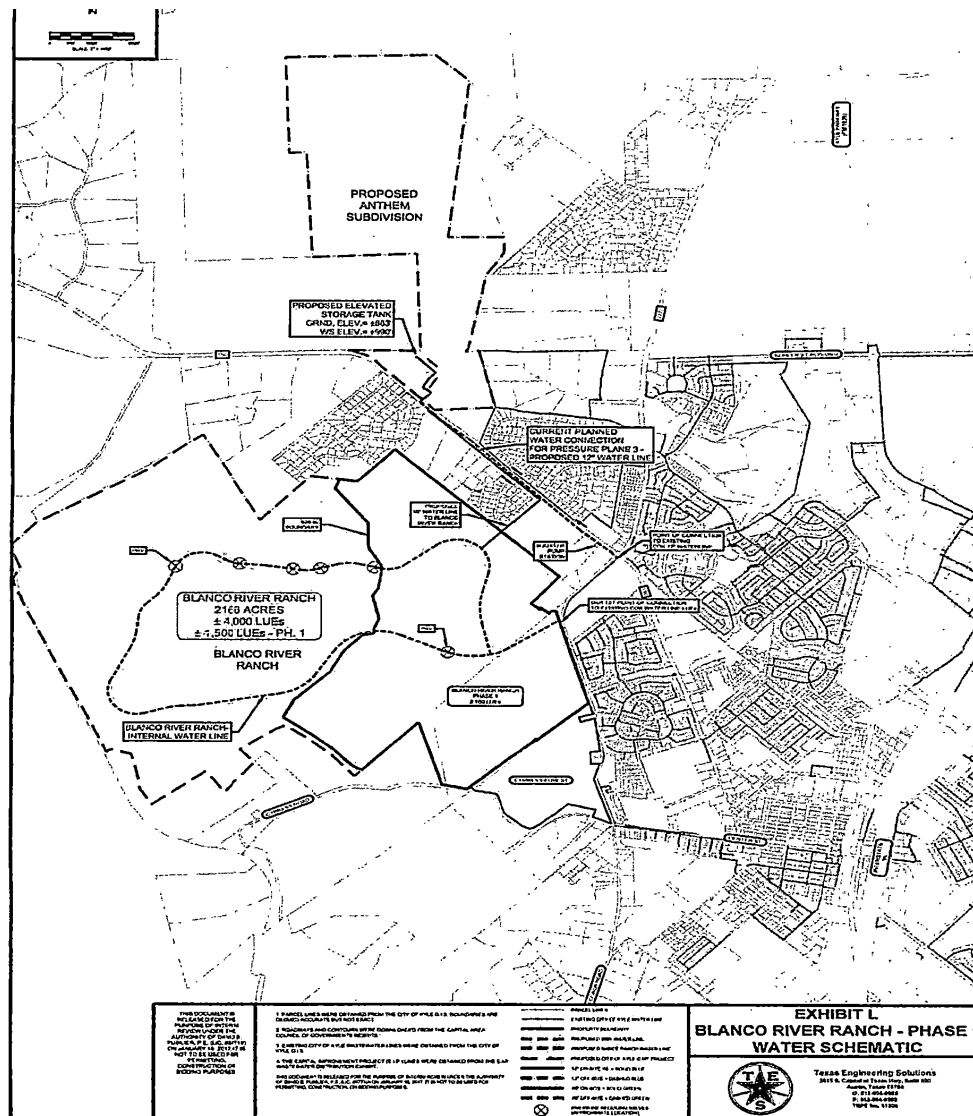
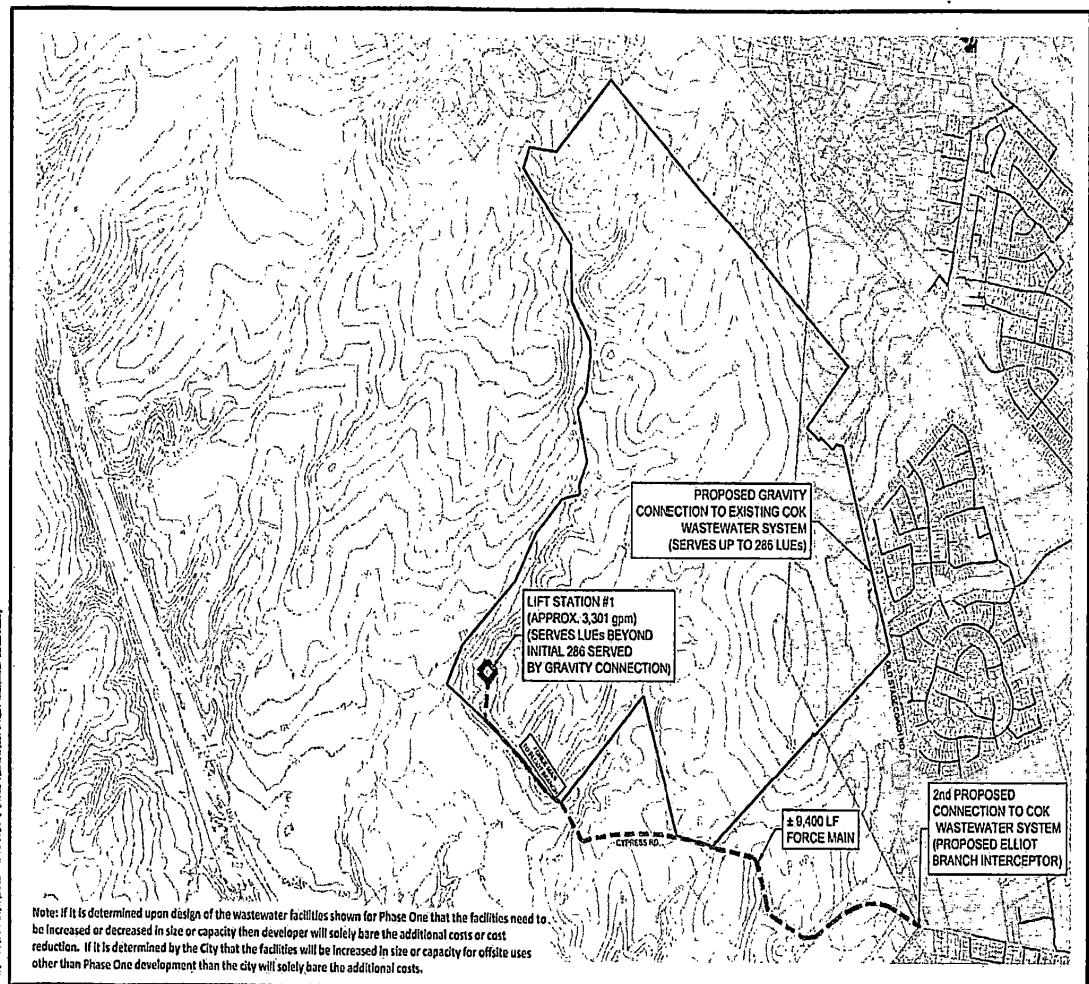


EXHIBIT "M"
WASTEWATER FACILITIES PLAN



NOTE:
 1. WASTEWATER WILL BE THE CITY
 2. CONSIDER DOWNLOADED TO THE CITY FOR CONFORMANCE WITH UTILITIES AND SERVICES

CON:
 City of K

SCALE:
 THIS DOCUMENT IS THE PROPERTY OF THE CITY OF KANSAS CITY, MISSOURI. IT IS TO BE USED FOR THE PROJECT ONLY AND NOT BE REPRODUCED OR COPIED FOR ANY OTHER PURPOSE.

BI RIVER

1. Fencing will be 8' tall commercial grade chain link fence.
2. Fencing will be installed 5 feet inside property line for maintenance outside the fenced area.
3. A 12"x12" sign identifying the name of the facility, operator, and contact phone number will be placed on entrance gates.
4. Lift Stations will include pumps and controls with soft starts or VFDs from manufacturers acceptable to the City Engineer or the Director of Public Works.
5. A safety grate will be included on Lift Station wet well access doors.
6. A shade cover with lighting will be installed over outdoor Lift Station controls.
7. The Lift Station will be connected to the City's SCADA system for remote monitoring of Lift Station wet well levels.
8. The Lift Stations will be designed with a peak factor calculated based on the population served.
9. Water service provided at each Lift Station by City at no cost to developer.
10. Site lighting to be LED per City of Kyle ordinances.
11. Access driveway will be gravel/road base material, minimum 8 inches in depth.



TRANSMITTAL COVER LETTER

TO: Mr. Scott Sellers
City of Kyle
City Manager

FROM: Amy Lynn Payne
Blake Magee Company

DATE: May 15, 2017

SUBJECT: Blanco River Ranch Development Agreement (DA)

ENCLOSED: Two originals with incorporated revisions as detailed below.
PLEASE FIND

Via Courier

Scott, please find the final DA ready for execution by the Mayor. As we discussed the following scrivener's errors have been corrected:

The blank under Section 5.05 was filled in to say, "an appropriately sized gravity interceptor";
Exhibit C- Concept Plan was updated to correct the text errors on the face of the drawing that conflicted with the table in Exhibit C;
Exhibit D – Item 9 referenced Exhibit C. That was corrected to reference Exhibit J;
Exhibit H- PID Agreement Term Sheet- The blank on page 3 of 4, Item 1 was filled in to say, "the estimated impact to the roadway as determined by a trip generation or traffic impact analysis";
Exhibit J- Park and Open Space Plan was corrected to match the park plan that was approved on the 1/23/17 Parks Meeting.

☐ For your information

☐ In accordance with your request

☒ Please sign the attached documents

☐ Please contact me

1011 North Lamar Blvd.
Austin, Texas 78703
☎ 512.481.0303 ☎ 512.481.0333
www.blakemageeco.com

GF # 01021-11157-46P
Stewart Title

**ASSIGNMENT AND ASSUMPTION OF RIGHTS AND OBLIGATIONS
UNDER BLANCO RIVER RANCH (Phase One Residential Area)
DE-ANNEXATION AND DEVELOPMENT AGREEMENT**

This Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (this “**Assignment**”) is by and between Blanco River Ranch Properties, LP, a Texas limited partnership (“**Assignor**”), and HMBRR Development, Inc., a Texas corporation (“**HMBRR Inc.**”), HMBRR, LP, a Texas limited partnership (“**LP #1**”), and HMBRR LP #2, a Texas limited partnership (“**LP #2**”) (individually, an “**Assignee**” and, collectively, the “**Assignees**”), as of the 20th day of September, 2017 (the “**Effective Date**”) and is as follows.

RECITALS

WHEREAS, the City of Kyle (the “**City**”) and Assignor previously entered into the Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective as of May 16, 2017 and recorded as Document No. 17018505, Official Public Records of Hays County, Texas (the “**Development Agreement**”) with respect to the 858.7 acres in Hays County, Texas, more fully described in the Development Agreement (the “**Property**”); and

WHEREAS, Section 12.05 of the Development Agreement provides that, without the consent of City, Assignor may assign its rights and obligations under the Development Agreement to Hanna/Magee LP #1, a Texas limited partnership (“**Hanna/Magee**”), or to an entity controlling, controlled by or under common control with Hanna/Magee; and

WHEREAS, on the date of this Assignment, Assignor has sold and conveyed the Property to the Assignees, each of which is an entity under common control with Hanna/Magee;

AGREEMENT

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants contained herein, the parties agree as follows:

A. Assignor hereby assigns all of its rights and obligations under the Development Agreement to the Assignees as follows:

(1) to HMBRR Inc: all of Assignor’s rights and obligations under the Development Agreement relating to the 61.49 acre tract or portion of the Property more fully described on the attached **Exhibit A**, which tract or portion of the Property has, concurrently with this Assignment, been conveyed to HMBRR, Inc. (“**Tract 1**”);

(2) to LP #1: all of Assignor’s rights and obligations under the Development Agreement relating to the 188.51 acre tract or portion of the Property more fully described on the attached **Exhibit B**, which tract or portion of the Property has, concurrently with this Assignment, been conveyed to LP #1 (“**Tract 2**”); and

(3) to LP #2: all of Assignor’s rights and obligations under the Development Agreement relating to the 608.7 acre tract or portion of the Property more fully described on the attached **Exhibit C**, which tract or portion of the Property has, concurrently with this Assignment, been conveyed to LP #2 (“**Tract 3**”).

Assignor's rights and obligations under the Development Agreement with respect to Tract 2, and LP #2 hereby accepts the assignment of all of Assignor's rights and obligations under the Development Agreement with respect to Tract 3.

C. Hanna/Magee is executing this Assignment for the sole purpose of confirming that the Assignees are entities under common control with Hanna/Magee.

D. Each Assignee agrees to indemnify, hold harmless and defend Assignor from and against any and all loss, cost, expense and liability (including, without limitation, court costs and reasonable attorneys' fees) arising under the Development Agreement because a specific Assignee fails to perform its obligations under the Development Agreement as to the specific tract as to which such Assignee assumes the rights and obligations under the Development Agreement, on or after the Effective Date. Assignor agrees to indemnify, defend and hold harmless Assignee from and against any and all loss, cost, expense or liability (including, without limitation, costs of court and reasonable attorneys' fees) arising under the Development Agreement because of Assignor's failure to perform its obligations under the Development Agreement as to any of the Property prior to the Effective Date.

E. To facilitate execution, this instrument may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Agreement: (a) the signature pages taken from separate, individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (b) a copy of a signature transmitted by facsimile or e-mail (e.g., .pdf or Adobe) will be deemed to be an original signature for all purposes. It is not necessary to confirm the copy transmitted by facsimile or e-mail (e.g., .pdf or Adobe) by delivery of the original. All executed counterparts of this Agreement will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

This Assignment shall be effective from and after the Effective Date.

(The remainder of this page has been left blank intentionally, and the signature pages follow)

Assignor:

BLANCO RIVER RANCH PROPERTIES, LP, a
Texas limited partnership

By: Blanco River Ranch Properties GP, LLC, a
Texas limited liability company, its General
Partner

Date: September __, 2017

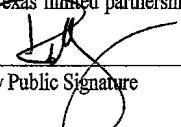
By: 
Gregg Reyes, Manager

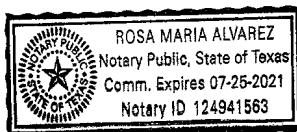
STATE OF TEXAS §

COUNTY OF ~~TRAVIS~~ §
Harris

This instrument was acknowledged before me on the 19th day of September, 2017 by Greg Reyes, Manager of Blanco River Ranch Properties, GP, LLC, a Texas limited liability company, General Partner of BLANCO RIVER RANCH PROPERTIES, LP, a Texas limited partnership on behalf of said limited partnership and limited liability company.

(SEAL)

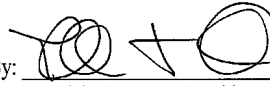

Notary Public Signature



HMBRR, Inc.:

HMBRR DEVELOPMENT, INC., a Texas corporation

Date: September 20 2017

By: 

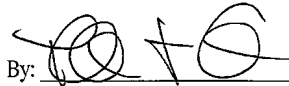
Blake J. Magee, President

LP #1:

HMBRR, LP, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,
General Partner

Date: September 20 2017

By: 

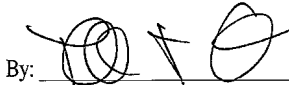
Blake J. Magee, President

LP #2:

HMBRR LP #2, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,
General Partner

Date: September 20 2017

By: 

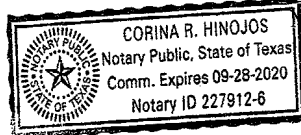
Blake J. Magee, President

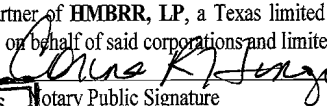
STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 20 day of September, 2017 by Blake J. Magee, as President of **HMBRR Development, Inc.**, a Texas corporation, and President of Hanna/Magee GP #1, Inc., a Texas corporation that is General Partner of **HMBRR, LP**, a Texas limited partnership and of **HMBRR LP #2**, a Texas limited partnership, on behalf of said corporations and limited partnerships.

(SEAL)

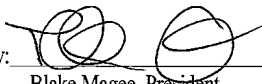



Notary Public Signature

Hanna/Magee has executed this Assignment for the sole purpose of confirming the representation contained in Paragraph C.

HANNA/MAGEE L.P. #1, a Texas limited partnership

By: Hanna/Magee GP#1, Inc., a Texas corporation,
its general partner

By: 
Blake Magee, President

Date: 9/20/17

EXHIBIT A

Blanco River Ranch
Phase 1, Sec. 1 & 2
61.49 Acres

PROPERTY DESCRIPTION

BEING 61.49 ACRES OF LAND LOCATED IN THE SAMUEL PHARASS $\frac{1}{4}$ LEAGUE NO. 14, ABSTRACT 360, HAYS COUNTY, TEXAS AND BEING A PORTION OF CALLED TRACT I, A 1,971.29 ACRE TRACT AND A PORTION OF CALLED TRACT II, A 195.14 ACRE TRACT BOTH DESCRIBED IN A DEED FROM THE STATE OF TEXAS TO BLANCO RIVER RANCH PROPERTIES, LP AND RECORDED IN VOLUME 5230, PAGE 583 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 61.49 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS WITH ALL BEARINGS REFERENCED TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE.

BEGINNING at a $\frac{1}{8}$ -inch iron rod with cap stamped "AST" found on the existing westerly right of way line of N. Old Stagecoach Road, a varying width right of way and being the most easterly southeast corner of said 194.14 acre tract;

THENCE, with said right of way line and the southerly line of said 194.14 acre tract, S36°01'23"W, 42.36 feet to a fence post with mag nail on top at the most northerly corner of a called 132.59 acre tract of record in Volume 5224, Page 246 of the Hays County Official Public Records;

THENCE, continuing with the southerly line of said 194.14 acre tract, same being the northerly line of said 132.59 acre tract, S48°36'08"W, 73.67 feet to a calculated point;

THENCE, leaving said southerly and northerly lines and crossing said 195.14 acre tract the following courses and distances:

1. N67°12'55"W, 188.65 feet to a calculated point;
2. S22°18'46"W, 23.72 feet to a calculated point;
3. N66°02'26"W, 50.00 feet to a calculated point;
4. N19°52'00"E, 44.28 feet to a calculated point;
5. N74°45'05"W, 130.00 feet to a calculated point;
6. N05°46'09"E, 47.76 feet to a calculated point;
7. N17°32'07"W, 150.99 feet to a calculated point;
8. N46°07'21"W, 135.75 feet to a calculated point;
9. S48°42'02"W, 127.94 feet to a calculated point;
10. S48°42'48"W, 50.00 feet to a calculated point;
11. S41°17'50"E, 20.01 feet to a calculated point;
12. S48°42'02"W, 210.00 feet to a calculated point;
13. S50°31'38"W, 118.22 feet to a calculated point;
14. S59°32'34"W, 120.82 feet to a calculated point;
15. S69°25'04"W, 121.89 feet to a calculated point;

16. S87°25'28"W, 204.45 feet to a calculated point;
17. S78°50'23"W, 60.14 feet to a calculated point;
18. N07°10'58"W, 133.60 feet to a calculated point;
19. S79°57'58"W, 68.89 feet to the beginning of a curve to the right;
20. with the arc of said curve to the right, 43.31 feet, having a radius of 325.00 feet, a central angle of 07°38'10" and a chord bearing and distance of S83°47'03"W, 43.28 feet to a calculated point;
21. S87°36'08"W, 28.25 feet to a calculated point;
22. N02°23'52"W, 50.00 feet to a calculated point;
23. N87°36'08"E, 3.07 feet to a calculated point;
24. N04°18'13"W, 199.92 feet to a calculated point;
25. N07°08'17"W, 430.00 feet to a calculated point;
26. N13°27'20"W, 126.59 feet to a calculated point;
27. N22°04'53"W, 127.34 feet to a calculated point;
28. N19°59'52"W, 288.35 feet to a calculated point;
29. N87°39'19"E, passing at 126.53 feet the northerly line of said 195.14 acre tract and continuing across said 1971.29 acre tract for a total distance of 162.44 feet to a calculated point at the beginning of a non-tangent curve to the right;
30. Continuing across said 1971.29 acre tract with said curve to the right, 54.96 feet, having a radius of 400.00 feet, a central angle of 07°52'22" and a chord bearing and distance of N01°35'30"E, 54.92 feet to a calculated point at the beginning of a reverse curve;
31. with the arc of said reverse curve to the left, 22.11 feet, having a radius of 15.00 feet, a central angle of 84°28'08" and a chord bearing and distance of N36°42'23"W, 20.16 feet to a calculated point;
32. N78°56'27"W, 9.25 feet a calculated point at the beginning of a curve to the left;
33. with the arc of said curve to the left, 102.36 feet, having a radius of 375.00 feet, a central angle of 15°38'23" and a chord bearing and distance of N86°45'38"W, 102.04 feet to a calculated point;
34. N03°23'28"W, 277.90 feet to a calculated point on the southerly line of a proposed stem road and the beginning of a non-tangent curve to the left;
35. with a curve to the left, 102.91 feet, having a radius of 1560.00 feet, a central angle of 03°46'46" and a chord bearing and distance of N52°02'19"E, 102.89 feet to a ½-inch iron rod with cap stamped "AST" at the point of tangency;
36. With the southerly line of said stem road, N50°08'56"E, 432.17 feet to a ½-inch iron rod with cap stamped "AST" at the beginning of a curve to the right ;
37. with the arc of said curve to the right, 155.64 feet, having a radius of 615.00 feet, a central angle of 14°30'01" and a chord bearing and distance of N57°23'57"E, 155.23 feet to a ½-inch iron rod with cap stamped "AST";

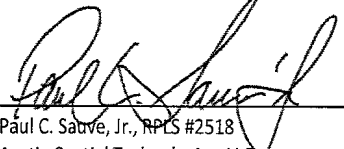
38. N64°38'57"E, 520.13 feet to a ½-inch iron rod with cap stamped "AST" at the beginning of a curve to the right;
39. with the arc of said curve to the right, 172.56 feet, having a radius of 100.00 feet, a central angle of 98°52'18" and a chord bearing and distance of S65°54'54"E, 151.94 feet to a ½-inch iron rod with cap stamped "AST" on the westerly right of way line of N. Old Stagecoach Road (width varies);

THENCE, with said westerly right of way line the follow courses and distances:

1. S16°20'38"E, 1420.21 feet to a 60d nail found next to a cedar fence post and;
2. S16°48'53"E, 800.20 feet to the **POINT OF BEGINNING** and containing 61.49 acres of land, more or less.

SURVEYOR'S STATEMENT

I hereby state that the included field note description was prepared from an actual survey made on the ground under my supervision and is true and correct, to the best of knowledge and belief.


Paul C. Sauve, Jr., RPLS #2518
Austin Spatial Technologies, LLC
May 18, 2017, Revised August 23, 2017

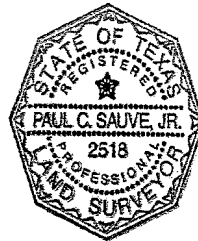


EXHIBIT B

Blanco River Ranch
Remainder of 250.00 acres
188.51 Acres

PROPERTY DESCRIPTION

BEING 188.51 ACRES OF LAND LOCATED IN THE SAMUEL PHARASS ¼ LEAGUE NO. 14, ABSTRACT 360, HAYS COUNTY, TEXAS AND BEING A PORTION OF CALLED TRACT I, A 1,971.29 ACRE TRACT AND A PORTION OF CALLED TRACT II, A 195.14 ACRE TRACT BOTH DESCRIBED IN A DEED FROM THE STATE OF TEXAS TO BLANCO RIVER RANCH PROPERTIES, LP AND RECORDED IN VOLUME 5230, PAGE 583 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 188.51 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS WITH ALL BEARINGS REFERENCED TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE.

BEGINNING at an iron rod with aluminum cap stamped "Kent McMillian" found marking the most northerly corner of a called 311.56 acre tract described in a deed to Robert Nance as recorded in Volume 4459, Page 137 of said Deed Records, same being the northwest corner of said 195.14 acre tract and being on the southeasterly line of said 1,971.29 acre tract;

THENCE, crossing said 1,971.29 acre tract the following courses and distances:

1. N12°59'56"E, 728.47 feet to a calculated point;
2. N13°00'14"E, 359.30 feet to a calculated point;
3. N51°36'39"E, 699.50 feet to a calculated point;
4. N48°47'14"E, 226.76 feet to a calculated point;
5. N39°17'57"E, 243.43 feet to a ½-inch iron rod with cap stamped "AST" on the southerly line of a proposed right of way and being the beginning of a non-tangent curve to the left;
6. With the arc of said curve to the left, 1151.60 feet, having a radius of 1560.00 feet, a central angle of 42°17'45" and a chord bearing and distance of N75°04'35"E, 1125.63 feet;
7. Leaving said proposed right of way, S03°23'28"E, 277.90 feet to the beginning of a non-tangent curve to the right;
8. with a curve to the right, 102.36 feet, having a radius of 375.00 feet, a central angle of 15°38'23" and a chord bearing and distance of S86°45'38"E, 102.04 feet to a point of tangency;
9. S78°56'27"E, 9.25 feet to the beginning of a curve to the right;
10. with the arc of said curve to the right, 22.11 feet, having a radius of 15.00 feet, a central angle of 84°28'08" and a chord bearing and distance of S36°42'23"E, 20.16 feet to a point of reverse curvature;
11. with said reverse curve to the left, 54.96 feet, having a radius of 400.00 feet, a central angle of 07°52'22" and a chord bearing and distance of S01°35'30"W, 54.92 feet;
12. S87°39'19"W, passing at 36.26 feet the southerly line of said 1971.29 acre tract and continuing across said 195.14 acre tract, for a total distance of 162.44 feet;

THENCE, continuing across said 195.14 acre tract the following courses and distances, S19°59'52"E, 288.35 feet;

1. S22°04'53"E, 127.34 feet;

2. S13°27'20"E, 126.59 feet;
3. S07°08'17"E, 430.00 feet;
4. S04°18'13"E, 199.92 feet;
5. S87°36'08"W, 3.07 feet;
6. S02°23'52"E, 50.00 feet;
7. N87°36'08"E, 28.25 feet to the beginning of a curve to the left;
8. with the arc of said curve to the left, 43.31 feet, having a radius of 325.00 feet, a central angle of 07°38'10" and a chord bearing and distance of N83°47'03"E, 43.28 feet to a point of tangency;
9. N79°57'58"E, 68.89 feet;
10. S07°10'58"E, 133.60 feet;
11. N78°50'23"E, 60.14 feet;
12. N87°25'28"E, 204.45 feet;
13. N69°25'04"E, 121.89 feet;
14. N59°32'34"E, 120.82 feet;
15. N50°31'38"E, 118.22 feet;
16. N48°42'02"E, 210.00 feet;
17. N41°17'50"W, 20.01 feet;
18. N48°42'48"E, 50.00 feet;
19. N48°42'02"E, 127.94 feet;
20. S46°07'21"E, 135.75 feet;
21. S17°32'07"E, 150.99 feet;
22. S05°46'09"W, 47.76 feet;
23. S74°45'05"E, 130.00 feet;
24. S19°52'00"W, 44.28 feet;
25. S66°02'26"E, 50.00 feet;
26. N22°18'46"E, 23.72 feet;
27. S67°12'55"E, 188.65 feet to the southeasterly line of said 195.14 acre tract, same being the northwesterly line of a called 132.59 acre tract described in a deed to Felder CND, LLC and recorded in Volume 5224, Page 246 of the Hays County Official Public Records;

THENCE, with said southeasterly and northwesterly lines, the following courses and distances:

1. S48°36'08"W, 1509.83 feet to a "Mag Nail" in the top of fence post;
2. N49°26'16"W, 34.23 feet to a "Mag Nail" in the top of fence post;
3. S25°40'41"W, 39.42 feet to an iron rod with cap stamped "Vickrey";

4. S48°29'40"W, 2127.73 feet to a cedar fence post with "Mag Nail" on the northerly right of way line of Cypress Road (aka Limekiln Road) (width undetermined) at the southwest corner of said 195.14 acre tract from which an iron rod with aluminum cap stamped "Kent McMillian" bears S21°57'46"W, 50.84 feet;

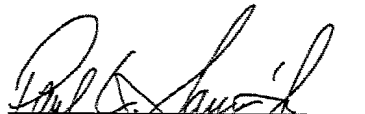
THENCE, with said northerly right of way line, N77°16'32"W, 599.91 feet to a cedar fence post on the easterly line of said 311.56 acre tract;

THENCE, with fence and the easterly line of said 311.56 acre and westerly line of said 195.14 acre tract the following courses and distances:

1. N16°48'19"W, 270.65 feet to a calculated angle point in said line and;
2. N17°13'44"W, 1607.95 feet to the **POINT OF BEGINNING** and containing 188.51 acres of land, more or less.

SURVEYOR'S STATEMENT

I hereby state that the included field note description was prepared from an actual survey made on the ground under my supervision and is true and correct, to the best of knowledge and belief.


Paul C. Saive, Jr., RPLS #2518
Austin Spatial Technologies, LLC
May 18, 2017, Revised August 23, 2017

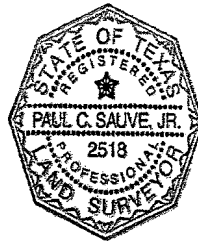


EXHIBIT C

Blanco River Ranch
608.70 acres

PROPERTY DESCRIPTION

BEING 608.70 ACRES OF LAND LOCATED IN THE SAMUEL PHARASS ¼ LEAGUE NO. 14, ABSTRACT 360, AND THE CALEB W. BAKER SURVEY, ABSTRACT 31 HAYS COUNTY, TEXAS AND BEING A PORTION OF A CALLED 1,971.29 ACRE TRACT AS DESCRIBED AS TRACT I IN A DEED FROM THE STATE OF TEXAS TO BLANCO RIVER RANCH PROPERTIES, LP AND RECORDED IN VOLUME 5230, PAGE 583 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 608.70 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS WITH ALL BEARINGS REFERENCED TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE.

BEGINNING at an iron rod with aluminum cap stamped "Kent McMillian" found marking the most northerly corner of a called 311.56 acre tract described in a deed to Robert Nance recorded in Volume 4459, Page 137 of said Deed Records, same being the northwest corner of a called 195.14 acre tract described in the aforementioned deed to Blanco River Ranch as Tract II and being on the southeasterly line of said 1,971.29 acre Tract I;

THENCE, with the southerly line of said 1,971.29 acre tract, same being the northeasterly line of said 311.56 acre tract S43°59'58"W, 1916.27 feet to a ½-inch iron rod with cap stamped "AST" set on the northerly line of proposed RM 150;

THENCE, leaving said southerly line and crossing said 1,941.29 acre tract with the proposed northerly line of RM 150 the following courses and distances:

1. N65°08'51"W, 49.48 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the right;
2. with a curve to the right, 381.25 feet, having a radius of 925.00 feet, a central angle of 23°36'54" and a chord bearing and distance of N53°30'43"W, 378.55 feet to a ½-inch iron rod with cap stamped "AST" set for point of tangency;
3. N41°42'16"W, 336.00 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the left;
4. with the arc of said curve to the left, 151.93 feet, having a radius of 1100.00 feet, a central angle of 07°54'48" and a chord bearing and distance of N45°39'41"W, 151.81 feet to a ½-inch iron rod with cap stamped "AST" set for point of tangency;
5. N49°37'05"W, 572.43 feet to a ½-inch iron rod with cap stamped "AST" set for an angle point in said line;
6. N51°37'01"W, 75.00 feet to a ½-inch iron rod with cap stamped "AST" set for an angle point in said line;
7. N53°36'58"W, 749.01 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the left;

8. with the arc of said curve to the left, 93.33 feet, having a radius of 1025.00 feet, a central angle of 05°13'01" and a chord bearing and distance of N56°13'28"W, 93.30 feet to a ½-inch iron rod with cap stamped "AST" set for the most westerly southwest corner of the herein described tract;

THENCE leaving said proposed right of way line and with a dry creek, the following courses and distances:

1. N26°31'11"E, 563.37 feet to a calculated point;
2. N46°09'29"E, 1179.39 feet to a calculated point;
3. N28°22'57"E, 708.36 feet to a calculated point;
4. N44°16'34"E, 582.28 feet to a calculated point at the beginning of a curve to the right;
5. with a curve to the right, 297.90 feet, having a radius of 1184.66 feet, a central angle of 14°24'28" and a chord bearing and distance of N77°54'54"E, 297.12 feet to a calculated point;
6. N04°51'54"W, 125.14 feet to a calculated point;
7. N23°10'37"E, 321.60 feet to a calculated point;
8. N13°08'23"W, 681.62 feet to a calculated point;
9. N31°45'00"E, 255.79 feet to a calculated point;
10. N08°23'37"E, 473.49 feet to a calculated point;
11. N02°33'01"W, 195.07 feet to a calculated point;
12. N30°53'10"W, 576.14 feet to a calculated point;
13. N01°26'31"W, 729.89 feet to a calculated point;
14. N38°05'39"W, 1250.80 feet to a calculated point;
15. N20°33'26"E, 282.73 feet a ½-inch iron rod with cap stamped "AST" set for the most westerly northwest corner of the herein described tract on the northerly line of said 1,971.29 acre tract, same being on the southerly line of Park Land Lot 23 of Arroyo Ranch, Section One, a subdivision of record in Volume 10, Page 180 of the Hays County Official Public Records;

THENCE, with the northerly line of said 1,971.29 acre tract, S82°42'45"E, 432.46 feet to a point located in the centerline of the remains of an old stone fence corner for an angle point in the north line of the herein described tract, from which a ½"-inch iron rod bears S88°19'W, 37.5 feet;

THENCE, continuing with said northerly line, N43°55'32"E, 1271.63 feet to a 2-inch metal fence post at the most northerly northwest corner of said 1,971.29 acre tract and being the common corners of Lots 12, 13 and 19, Block D of said Arroyo Ranch Section One subdivision;

THENCE, with the easterly line of said 1,971.29 acre tract the following courses and distances:

1. S46°19'30"E, at 185.02 feet passing the south line of said Arroyo Ranch subdivision and north line of a 20.3 acre tract described in a deed to F. Javier, Jr et al and recorded in Volume 2813, Page 359 of said Official Public Records and continuing for a total distance of 887.68 feet to a found ½-inch iron rod for the south corner of said Javier tract, same being the westerly corner of

- a 21.15 acre tract described in a deed to Nancy L. Russell and Randall W. Russell and recorded in Volume 4385, Page 135 of said Official Public Records;
2. S46°48'04"E, 579.01 feet to a found ½-inch iron rod for the south corner of Russell and being the westerly corner of Quail Meadows Subdivision as recorded in Volume 7, Page 47 of the Hays County Plat Records;
 3. With the southwesterly line of said subdivision, S46°06'19"E, 409.08 feet to ½-inch iron rod for angle point;
 4. S47°09'10"E, 405.41 feet to ½-inch iron rod for angle point;
 5. S47°52'54"E, 295.90 feet to ½-inch iron rod for angle point;
 6. S47°18'52"E, 296.88 feet to ½-inch iron rod for angle point;
 7. S47°21'24"E, 132.10 feet to ½-inch iron rod for angle point;
 8. S47°07'34"E, 179.01 feet to ½-inch iron rod for angle point;
 9. S46°55'27"E, 248.69 feet to ½-inch iron rod for most southerly corner of said subdivision and the westerly corner of a called 57.26 acre tract described in a deed to Kyle Mortgage Investors, LLC and recorded in Volume 3416, Page 789 of said Official Public Records;
 10. S45°43'31"E, 436.59 feet to a fence post for angle point;
 11. S46°32'55"E, 1447.00 feet to an iron rod with aluminum cap stamped "Kent McMillian" at an interior ell corner of said 1,971.29 acre tract;
 12. Continuing with the easterly line of said 1,971.29 acre tract, S40°23'35"W, 1023.40 feet to a ½-inch iron rod found at the westerly corner of a called 1.259 acre tract described in a deed to Robin Robinson and recorded in Volume 5358, Page 587 of said Official Public Records;
 13. S50°23'48"E, 255.70 feet to a fence post for angle point;
 14. N40°43'43"E, 42.89 feet to a ½-inch iron rod with cap stamped "AST" set;
 15. S52°09'40"E, at 85.22 feet passing a ½-inch iron rod found at the westerly corner of a called 0.72 acre tract described in a deed to Robin and Gale Robinson and recorded in Volume 4689, Page 363 of said Official Public Records and continuing for a total distance of 244.62 feet to a ½-inch iron rod with cap stamped "AST" set;
 16. N43°53'50"E, 92.19 feet to a ½-inch iron rod with cap stamped "AST" set;
 17. S78°26'49"E, 101.27 feet ½-inch iron rod found on the westerly right of way line of N. Old Stagecoach Road (width varies);
 18. With said westerly right of way line, S16°21'49"E, 511.37 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a non-tangent curve to the left on the southerly line of a proposed right of way;

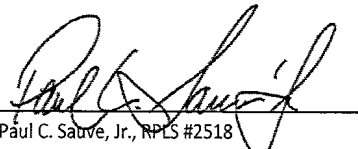
THENCE, leaving said westerly right of way line and crossing said 1,971.29 acre tract with the southerly line of said proposed right of way the following courses and distances:

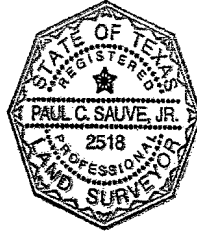
1. with said curve to the left, 172.56 feet, having a radius of 100.00 feet, a central angle of 98°52'18" and a chord bearing and distance of N65°54'54"W, 151.94 feet to a ½-inch iron rod with cap stamped "AST" set for point of tangency;

2. S64°38'57"W, 520.13 feet to ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the left;
3. with the arc of said curve to the left, 155.64 feet, having a radius of 615.00 feet, a central angle of 14°30'01" and a chord bearing and distance of S57°23'57"W, 155.23 feet to a point of tangency;
4. S50°08'56"W, 432.17 feet to the beginning of a curve to the right;
5. with the arc of said curve to the right, 1254.50 feet, having a radius of 1560.00 feet, a central angle of 46°04'32" and a chord bearing and distance of S73°11'12"W, 1220.97 feet a ½-inch iron rod with cap stamped "AST" set;
6. leaving said proposed right of way line with the meanders of a creek, S39°17'57"W, 243.43 feet to a calculated point;
7. S48°47'14"W, 226.76 feet to a calculated point;
8. S51°36'39"W, 699.50 feet to a calculated point;
9. S13°00'14"W, 359.30 feet to a calculated point;
10. S12°59'56"W, 728.47 feet to the **POINT OF BEGINNING** and containing 608.70 acres of land, more or less.

SURVEYOR'S STATEMENT

I hereby state that the included field note description was prepared from an actual survey made on the ground under my supervision and is true and correct, to the best of knowledge and belief.


 Paul C. Sauve, Jr., RPLS #2518
 Austin Spatial Technologies, LLC
 December 4, 2016, Revised August 23, 2017



GF # 01021-11157a GP
 Stewart Title

Ginny Price
 Stewart Title
 402 Peoples St., Suite 2-B
 Corpus Christi, Texas 78401
 Phone 361-883-7822
 Fax 361-883-0711



**FIRST AMENDMENT TO BLANCO RIVER RANCH
(Phase One Residential Area)
DE-ANNEXATION AND DEVELOPMENT AGREEMENT**

This First Amendment to Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (this "*Amendment*") is entered into effective as of October 6, 2020 (the "*Effective Date*"), between the City of Kyle, Texas, a Texas home-rule city (the "*City*"), HMBRR Development, Inc., a Texas Corporation ("HMBRR Inc."), HMBRR, LP, a Texas limited partnership ("*LP #1*"), and HMBRR LP #2, a Texas limited partnership ("*LP #2*") (individually "*Assignee*" and collectively, the "*Assignees*"). The City and the Assignees are sometimes hereinafter referred to singularly as a "*Party*" and collectively as the "*Parties*".

RECITALS

WHEREAS, the City and Blanco River Ranch Properties, LP, entered into the Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (the "*Development Agreement*") relating to 858.7 acres in Hays County, Texas (the "*Property*"), effective as of May 6, 2016, and recorded as Document No. 17018505, Official Public Records of Hays County, Texas;

WHEREAS, Section 12.05(b) of the Development Agreement provides that Blanco River Ranch Properties, LP, may assign its rights and obligations under the Development Agreement to Hanna/Magee LP #1 ("*Hanna/Magee*"), a Texas limited partnership, or to an entity controlling, controlled by or under common control with Hanna/Magee;

WHEREAS, HMBRR Inc., HMBRR, LP, and HMBRR LP #2 are entities controlling, controlled by, or under common control with Hanna/Magee;

WHEREAS, on September 20, 2017, Blanco River Ranch Properties, LP, assigned all of its rights and obligations under the Development Agreement to the Assignees in the Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (the "*Assignment*"), recorded as Document No. 17034183, Official Public Records of Hays County, Texas, and a copy of the executed Assignment was provided to the City;

WHEREAS, subsequent to the Assignment, the Assignees are properly considered the Owner of the Property, pursuant to the terms of the Development Agreement;

WHEREAS, on July 8, 2020, the City and Owner, along with several additional parties, entered into the FM150 Water Facilities Service, Financing, and Construction Agreement (the "*Water Facilities Construction Agreement*"), effective as of July 7, 2020, relating to the construction of water facilities relating to the provision of water service to the Property; and

WHEREAS, the City and the Owner desire to amend certain provisions of the Development Agreement to clarify issues relating to the construction of certain water and wastewater facilities and update the notice provisions, as more particularly set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Development Agreement as follows:

AGREEMENT

1. Section 3.04 of the Development Agreement, pertaining to Inspections, is hereby amended to read as follows:

Following City approval of each plat of a portion of the Property and prior to the commencement of construction, Owner will give written notice to the Director of Public Works in order to allow the City to assign an inspector. Within the City's incorporated city limits, the City will inspect street, water and wastewater, and drainage Public Improvements and collect related inspection fees. Within the City's ETJ, the City will inspect water and wastewater Public Improvements only and collect related inspection fees. City will inspect drainage infrastructure in the City's ETJ, as necessary. Owner shall not be liable or required to reimburse the City for inspection costs relating to the City's inspection of street and drainage Public Improvements in the City's ETJ.

2. Section 5.03 of the Development Agreement, pertaining to Permanent Water Service, is hereby amended to read as follows and Exhibit "O" is formally integrated into and made part of the Development Agreement:

(a) The City and Owner have entered into a Water Facilities Construction Agreement with several participants, including Kyle 150 LP ("*Kyle 150*"), to construct a ground storage tank and an elevated storage tank (collectively, the "*Anthem Storage Tanks*") to serve the Property. The Water Facilities Construction Agreement also provides that, in connection with the construction of the Anthem Storage Tanks, a water line from the Anthem Storage Tanks to the Point of Delivery with the City's Water System along FM 150 (the "*FM 150 Water Main*"), and a water line from the Anthem Storage Tanks to a Point of Delivery on the Property (the "*Water Return Line*") will be constructed, all as depicted on Exhibit L. On behalf of the participants, Kyle 150 has or will bid and award the necessary contracts relating to the construction of facilities, shall work with the City to facilitate all payments to the contractors pursuant to the contracts, and convey such facilities to the City upon completion and inspection. The Water Facilities Construction Agreement is attached as **Exhibit "O"**.

(b) Provided that Kyle 150 completes the construction of the Anthem Storage Tanks, the FM 150 Water Main, and the Water Return Line (collectively, the “Anthem Shared Water Facilities”) as contemplated in the Water Facilities Construction Agreement, Owner agrees to pay its pro-rata share of the cost of the Anthem Storage Tanks, and the Water Return Line, as established in the Water Facilities Construction Agreement (the “Phase One Cost Share”), subject to Owner’s right to reimbursement as provided in Section 7.05, below. If Kyle 150 fails to complete the construction of the facilities contemplated in the Water Facilities Construction Agreement, the City will have the right, but not the obligation to assume the construction contracts and complete the projects contemplated in the Water Facilities Construction Agreement.

(c) The City confirms that by satisfying its obligations under the Water Facilities Construction Agreement, Owner shall be entitled to receive water service from the City to the Property (in an aggregate amount not to exceed 2,100 LUEs) as contemplated under Section 4.01 of the Water Facilities Construction Agreement and, except for internal water infrastructure, shall not be required to finance or construct any additional facilities relating to the provision of water service to the Property.

(d) If the Anthem Shared Water Facilities are not completed as provided in Subsections (a) and (b) by January 1, 2022, the City shall determine whether or not it will assume any construction contracts as provided in Sections 1.08 and 2.12 of the Water Facilities Construction Agreement. If the City does not elect to assume the applicable construction contracts to complete the necessary water facilities, Owner may proceed with the design and construction of alternative facilities consisting of a 12-inch water line to be constructed in the FM 150 right-of-way from a point of connection to the City’s existing 12-inch water line at the intersection of FM 150 and Old Stagecoach Road to a booster pump station to be constructed at the location depicted on the Water Facilities Plan (the “Alternative Facilities”). The proposed booster pump station will include a connection to allow the future extension of the 12-inch water line to the west and the water line will also be extended to the south, to the site of a future, approximately 580,978 gallon ground or elevated storage tank to be constructed at the location depicted on the Water Facilities Plan. If these Alternate Facilities are designed and constructed by Owner, the City agrees that Owner’s costs will be reimbursed to Owner as provided in Section 7.05, below.

(e) If Kyle 150 fails to perform and the City decides not to assume any construction contract(s) entered into pursuant to the Water Facilities Construction Agreement relating to additional storage facilities to serve the Property, the Owner may proceed to design and construct an alternative storage facility (the “Alternative Required Water Storage Facility”) consisting of an elevated or ground storage tank designed to

hold approximately 300,000 gallons. If the Alternative Required Water Storage Facility is designed and constructed by Owner, the City agrees that Owner's costs will be reimbursed to Owner as provided in Section 7.05, below.

3. Section 5.04 of the Development Agreement, pertaining to Initial Wastewater Service, is hereby amended to read as follows:

The City agrees to provide 680 LUEs of initial wastewater through the City's existing 8-inch gravity main located in Old Stagecoach Road (the "Gravity Main") as depicted on the Wastewater Facilities Plan, subject to Owner's construction of any required Internal Facilities and the Connecting Facilities to the gravity main. No additional facilities will be required for this initial 680 LUEs of wastewater service. The City confirms that 680 LUEs of capacity are available to serve the Property through the Gravity Main and agrees to reserve 680 LUEs in the Gravity Main for Customers within the Property. If for any reason the City cannot provide 680 LUE's of capacity in the Gravity Main, the City will provide pump-and-haul wastewater service as needed for connections within the Property until the Elliot Branch Interceptor is completed and placed into service. Pump-and-haul service will be provided by the City contracting to have all wastewater that is delivered from Customers within the Property to the Phase One Lift Station pumped from the Phase One Lift Station wet well and transported off the Property for treatment and disposal. All costs associated with this pump-and-haul service will be borne by the City; however, the Customers within the Property receiving wastewater service through the pump-and-haul program will be required to pay all usual and customary City wastewater service fees and rates.

4. Section 5.05 of the Development Agreement, pertaining to Permanent Wastewater Service, is hereby amended to read as follows:

To provide wastewater service in excess of 680 LUEs, the City agrees to complete the construction of an appropriately sized gravity interceptor along Elliot Branch as depicted on the Wastewater Facilities Plan (the "Elliot Branch Interceptor") on or before June 30, 2022. In order to connect to the Elliot Branch Interceptor, Owner has constructed a lift station sufficient to serve 1,814 LUEs (the "Phase One Lift Station") as depicted on the Wastewater Facilities Plan and agrees to construct a six-inch force main from the Phase One Lift Station to the Elliot Branch Interceptor as depicted on the Wastewater Facilities Plan. Owner confirms that the Phase One Lift Station was constructed on a site that is sufficient to accommodate the expansion of the Phase One Lift Station to serve up to an additional 2,200 LUEs in the future. The City acknowledges that Owner is relying on the City's timely completion of the design of, easement acquisition for, and construction of the Elliot Branch Interceptor in order to make permanent wastewater service in excess of 680 LUEs available as and when required for Customers within Phase One and/or for the development of the Property. Accordingly, the City agrees

that, if the Elliot Branch Interceptor is not complete and available to provide wastewater service to the Property on or before June 30, 2022, the City will provide pump-and-haul wastewater service as needed for connections within the Property until the Elliot Branch Interceptor is completed and placed into service. Pump-and-haul service will be provided by the City contracting to have all wastewater that is delivered from Customers within the Property to the Phase One Lift Station pumped from the Phase One Lift Station wet well and transported off the Property for treatment and disposal. All costs associated with this pump-and-haul service will be borne by the City; however, the Customers within the Property receiving wastewater service through the pump-and-haul program will be required to pay all usual and customary City wastewater service fees and rates.

5. Section 6.11 of the Development Agreement, pertaining to Common Lot Rock Wall Replacement, is hereby created to read as follows:

Section 6.11 **Common Lot Rock Wall Replacement.** In the event the City is required to undertake any repairs on water or wastewater lines at locations where such lines are located underneath a 6-foot rock or masonry wall constructed by the Owner, the City shall remove the portion of the wall as necessary for the repair. The City shall not be responsible for the repair or replacement of such wall; repair or replacement of the wall shall be the responsibility of either the Owner or the home owners association.

6. Section 7.02 of the Development Agreement, pertaining to Impact Fees, is hereby amended to read as follows:

Section 7.01 hereof notwithstanding, for the first 300 lots platted out of the Property, the water and wastewater Impact Fees will be those fees in effect as of the Vesting Date, \$2,216 per LUE for wastewater and \$2,115 for water, as provided in this Section. Owner pre-purchased 300 wastewater Impact Fees vested at the amount of \$2,216 per LUE, totaling \$664,800, on March 28, 2018, and agrees to purchase 400 additional wastewater Impact Fees within 30 days of the execution of this Amendment at the amount of \$2,826 per LUE, with such fees corresponding to the next 400 platted lots on the Property. After the water and wastewater Impact Fees described in the preceding sentences of this Section are applied by Owner, the Impact Fees payable for the remainder of Phase One will be adjusted to the City's Impact Fees in effect at the time of City approval of each subsequent final plat out of the Property and will be payable by the homebuilders at the time of the City's issuance of each residential building permit for lots within those platted sections, as required by Section

7.01. The Impact Fees prepaid by Owner under this Section will not be eligible for reimbursement out of PID bonds.

7. Section 7.05 of the Development Agreement, pertaining to City's Allocation of Net PID Bond Proceeds is hereby amended to read as follows:

The City will be entitled to receive 10% of the net proceeds of the PID bonds issued by the City for Public Improvements benefitting Phase One (the "City Allocation") either in the form of a payment at the time of funding of such bond issue or, if Owner advances costs of water and wastewater treatment plant Public Improvements including costs for the Phase One Cost Share of the Anthem Storage Tanks, the FM 150 Water Main, the Water Return Line, the Alternative Facilities, and/or the Alternative Required Water Storage Facility, as defined in Section 5.03, as provided below in this Section 7.05, through Owner's advancing costs of or completion and conveyance of such Public Improvements to the City at no cost to the City.

(a) The City agrees to defer the City Allocation that would otherwise be payable to the City out of the proceeds of the first issuance of PID bonds (the "Deferred Initial Allocation") and, accordingly, no portion of the proceeds of that first bond issuance will be paid to the City; however, at the time of second issuance of PID bonds, the City will, subject to subsection (b), below, receive the City Allocation payable out of the proceeds of those bonds, plus an amount equal to the Deferred Initial Allocation, subject to Subsection (c), below.

(b) At the time of the second issuance of PID bonds, the City will be entitled to receive a City Allocation of \$1,500,000 in City Allocations for use by the City for water treatment and wastewater treatment plant Project Improvements.

(c) After the City has received \$1,500,000 in City Allocations, the City Allocation(s) out of the next PID Bond issuance or issuances will be paid to Owner to reimburse Owner for the Phase One Cost Share of the Anthem Storage Tanks, the FM 150 Water Line, and the Water Return Line, if advanced by Owner as provided in Section 5.03(b), and, if applicable: the Alternative Facilities described in Section 5.03(d) and, if required, the Alternative Required Water Storage Facility described in Section 5.03(e).

(d) After Owner has been reimbursed for the Phase One Cost Share of the Anthem Storage Tanks, the FM 150 Water Line, and the Water Return Line, the Alternative Required Water Storage Facility, and the Alternative Facilities, the City will utilize the next City Allocation(s) paid to the City for reimbursement of the City's costs of construction of the Elliot Branch Interceptor and, thereafter, for the reconstruction of Old Stagecoach Road as a two lane road with bike lane within existing right of

way from FM 2770 to the roundabout at the entrance of Phase One and for related intersection improvement.

(e) After the City's completion of the Old Stagecoach Road improvements described in (d), above, additional City Allocations may be utilized by the City for any other public purpose. If, however, the County funds the reconstruction of Old Stagecoach Road as described in Subsection (d), then the portion of the City Allocation that would otherwise have been utilized for that reconstruction may be utilized by the City for any other public purpose.

8. Section 12.05(b) of the Development Agreement, pertaining to Owner Assignment of Agreement, is hereby amended to add the following language:

The City expressly approves and consents to any assignment of rights and obligations under this Agreement held by Hanna/Magee, or by an entity controlling, controlled by or under common control of Hanna/Magee, to any other entity controlling, controlled by or under common control of Hanna/Magee. Upon request of the City, Hanna/Magee shall provide written evidence of any such assignment.

9. Section 12.06 of the Development Agreement, pertaining to Notice, is hereby amended to read as follows:

Any notice given under this Agreement must be in writing and may be given: (i) by depositing it in the United States mail, certified, with return receipt requested, addressed to the Party to be notified and with all charges prepaid; or (ii) by depositing it with Federal Express or another service guaranteeing "next day delivery", addressed to the Party to be notified and with all charges prepaid; (iii) by personally delivering it to the Party; or (iv) by facsimile or email with confirming copy sent by one of the other described methods of notice set forth above. Notice by United States mail will be effective on the earlier of the date of receipt or three days after the date of mailing. Notice given in any other manner will be effective only when received. For purposes of notice, the addresses of the Parties will, until changed by notice as provided in this Section, be as follows:

City:

City of Kyle
Attn: City Manager
100 W. Center Street
Kyle, TX 78640

With a copy to:

The Knight Law Firm

Attn: Paige H. Saenz, City Attorney
223 West Anderson Lane
Suite A-105
Austin, TX 78752

Owner:

Hanna/Magee LP#1
Attn: Jay Hanna
1011 North Lamar Blvd.
Austin, Texas 78703

10. **Exhibit “D”** of the Development Agreement, pertaining to Development Standards and Project Approvals, including exceptions and variances, is hereby replaced by the attached Exhibit “D”.

11. **Exhibit “L”** of the Development Agreement, pertaining to the Water Facilities Plan, is hereby replaced by the attached Exhibit “L”.

12. **Exhibit “M”** of the Development Agreement, pertaining to the Wastewater Facilities Plan, is hereby replaced by the attached Exhibit “M”.

13. **Exhibit “O”** is hereby integrated as an exhibit to the Development Agreement.

14. Capitalized terms not defined in this Amendment have the meanings ascribed thereto in the Development Agreement.

15. Except as specifically amended herein, all provisions of the Development Agreement are hereby acknowledged and ratified by the Parties hereto to be in full force and effect.

[EXECUTION PAGES TO FOLLOW]

CITY:

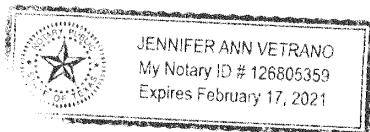
City of Kyle, Texas, a municipal corporation

By: *Travis Mitchell*
Travis Mitchell

Date: 10/13/2020

STATE OF TEXAS §
 §
COUNTY OF HAYS §

This instrument was acknowledged before me on the 13th day of
October, 2020 by Travis Mitchell, Mayor of the **City**
of Kyle, Texas, a municipal corporation, on behalf of said corporation.



Jennifer Ann Vetrano
Notary Public, State of Texas

OWNER:**HMBRR, Inc.:****HMBRR DEVELOPMENT, INC.,** a Texas CorporationBy: [Signature]
Blake J. Magee, PresidentDate: 10/8/20**LP #1:****HMBRR, LP,** a Texas limited partnership

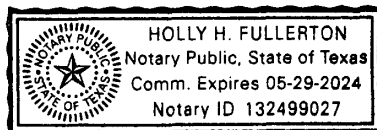
By: Hanna/Magee GP #1, a Texas corporation, General Partner

By: [Signature]
Blake J. Magee, PresidentDate: 10/8/20**LP #2:****HMBRR LP #2,** a Texas limited partnership

By: Hanna/Magee GP #1, a Texas corporation, General Partner

By: [Signature]
Blake J. Magee, PresidentDate: 10/8/20STATE OF TEXAS §
 §
COUNTY OF HAYS §

This instrument was acknowledged before me on the 9th day of October, 2020 by Blake J. Magee as President of **HMBRR Development, Inc.**, a Texas corporation, and President of Hanna/Magee GP #1, Inc., a Texas corporation that is General Partner of **HMBRR, LP**, a Texas limited partnership and of **HMBRR LP #2**, a Texas limited partnership, on behalf of said limited partnerships.



[Signature]
Notary Public, State of Texas

EXHIBIT “D”
BLANCO RIVER RANCH
LAND USE AND DEVELOPMENT
STANDARDS

1. Table A: Land Use Chart:

Single-Family and Garden Homes/Cluster

USE	Lot Width*	Minimum Lot Size	Minimum Living Area SF	Total Lots/Units	Min/Max %
Single-Family	50	5500	1200	540 Lots	max
Single-Family	55	5750	1200	460 Lots	max
Single-Family	60	7200	1500	600 Lots	max
Single-Family	70-80	9000	2000	350 Lots	min
Garden Homes/Cluster			1000	150 Units	max
				210	
Total				0	100%

*Lot Width measured at front Building Line; non-single family or common areas lots not subject to Table A.

2. Site Area = 858.7 Acres
3. Single-family lot width distribution will be in accordance with Table A.
4. **Exhibit “C”** - Concept Plan: This plan illustrates the proposed general layout of Phase One.
5. Phase One will be limited to 2,100 single-family lots and garden homes/cluster units.
6. Impervious Cover on each lot will be limited to 60% of the lot area.
7. Phase One will contain a minimum of 100 acres of parkland, amenity center lots, trail corridors and open space.
8. A 6-foot decorative masonry wall will be built along the rear or sides of homes backing or siding to collector roads (roads without lots fronting on them) within a 25-foot landscaped parkway (10-feet of right-of-way with a 15-foot Wall and Landscape Easement/Lot).
9. Over three miles of joint use 8-foot and 10-foot concrete trails within 10-foot to 20-foot Trail Corridor/ROW/Easement will be provided within Phase One as shown on **Exhibit “J”**. Additional native trails (not ADA compliant) will be provided within open space and floodplain areas, as shown conceptually on **Exhibit “J”**, subject to topographic and drainage constraints.
10. No homes will front on collector roads and all street-facing sides of homes abutting

collector roads will be 100% masonry, excluding doors, windows, etc. Masonry will be defined as natural stone, brick and/or stucco. The stucco percentage of any structure will not exceed 50%.

11. **Garage Placement:** For lots less than 60 feet wide (or less than 70 feet wide on corner lots), residential street-facing garages will be located no closer to the street than five feet in front of the dwelling or roof of a covered porch, with such dwelling or porch structure being not less than seven feet wide for all portions of the structure adjacent to the garage. For all other lots, residential street-facing garages will be located no closer to the street than the dwelling. The minimum front building setback will be 20 feet from the property line (25 feet for street-facing garages). For purposes of this provision on garage placement, lot width will be determined based on the width of the lot at the front building setback line of the lot for all lot sizes. Measurement of corner lots will be ten feet wider to account for a 15-foot street side setback.
12. All building fronts will have a minimum of three architectural features. The following are examples of the types of architectural features that will be utilized: horizontal off-sets, recesses or projections; porches; breezeways; porte-cocheres; courtyards; awnings; canopies; alcoves; recessed entries; ornamental cornices; display or other ornamental windows; vertical "elevation" off-sets; peaked roof forms; arches; outdoor patios; architectural details such as tile work or moldings integrated into the façade; integrated planters or wing walls; accent materials; and varied roof heights.
13. **Building Setback Table:**

Interior Lot Width	Corner Lot Width	Side Yard Setback	Rear Yard Setback *	Front Garage Setback	Minimum Front Setback	Street Building Setback	Side Street Setback
50	60	5	15	25	20	15	20
60	70	5	20	25	20	15	20
70	80	5	20	25	20	15	20
80+	90	7.5	20	25	20	15	20

*Open and Covered Porches may encroach up to 10 feet into the rear yard setbacks. Additionally, any lot located within a curved street that is larger will be considered the same lot size as similar lot sizes in the vicinity.

14. The street lighting plan for Phase One will require minimum spacing of 500 feet along all collector and public streets. Decorative street lighting will be permitted but not required. The design of any decorative street lighting will be subject to approval by the City. Any decorative street lighting will be maintained by the homeowners association for Phase One. All street lighting will utilize energy-efficient LED light fixtures.
15. Decorative street signs will be permitted. Any decorative street signs will be subject to approval by the City.

16. The first primary subdivision signage will be located at the main entry to Phase One at the intersection of Old Stagecoach Road and the Spine Road and may include a maximum of 250 square feet of signage or graphics. The second primary subdivision signage will be located at the intersection of Old Stagecoach Road and Three Forks Drive and will be stone or masonry and such sign may be a maximum of 200 square feet in size, with a maximum of 30 square feet of signage or graphics. Tertiary entrance signs will be stone or masonry and each sign may be a maximum of 100 square feet in size, with a maximum of 30 square feet of signage or graphics.
17. Marketing signage/Burma Shave signs will be allowed within Blanco River Ranch within rights-of-way of the Spine Road and collector roads. Marketing signage, as updated and modified from time to time, will be consistent throughout Blanco River Ranch. The approximate size and quantity of permitted marketing signs is shown on **EXHIBIT "I"**.
18. Section 41-136(C) - Lot Width depth to average lot width ratio of the City's Subdivision Ordinance is waived. Lot width will be measured at the front building line.
19. Section 41-137(D) of the Subdivision Ordinance will be amended with respect to Phase One as follows: Offset intersection spacing along collector, local and residential streets will be a minimum of 125 feet measured from roadway street centerline to roadway centerline. Such intersection spacing along arterials will be a minimum of 180 feet.
20. Flag lots will be permitted within Phase One. Flag lots will be a minimum of 20 feet at the right-of-way intersection and substantially perpendicular to the right-of-way.
21. Block lengths may generally not exceed 1,000 feet within Phase One; however, block lengths that exceed this criteria will be permitted when the block includes creeks, natural drainage ways, open space and steep topography.
22. Cul-de-sac maximum lengths may not exceed 800 feet measured from the center of the turnaround to centerline of the connecting road and a maximum of 30 units may be serviced from each cul-de-sac; however, cul-de-sac lengths that exceed this criteria for cul-de-sac lengths and serviced units when the land serviced by the cul-de-sac is restricted by creeks, natural drainage ways, steep topography and external property boundaries. In such cases, the maximum number of units served may not exceed 50 units.

23. Phase One Roadway Cross Sections:

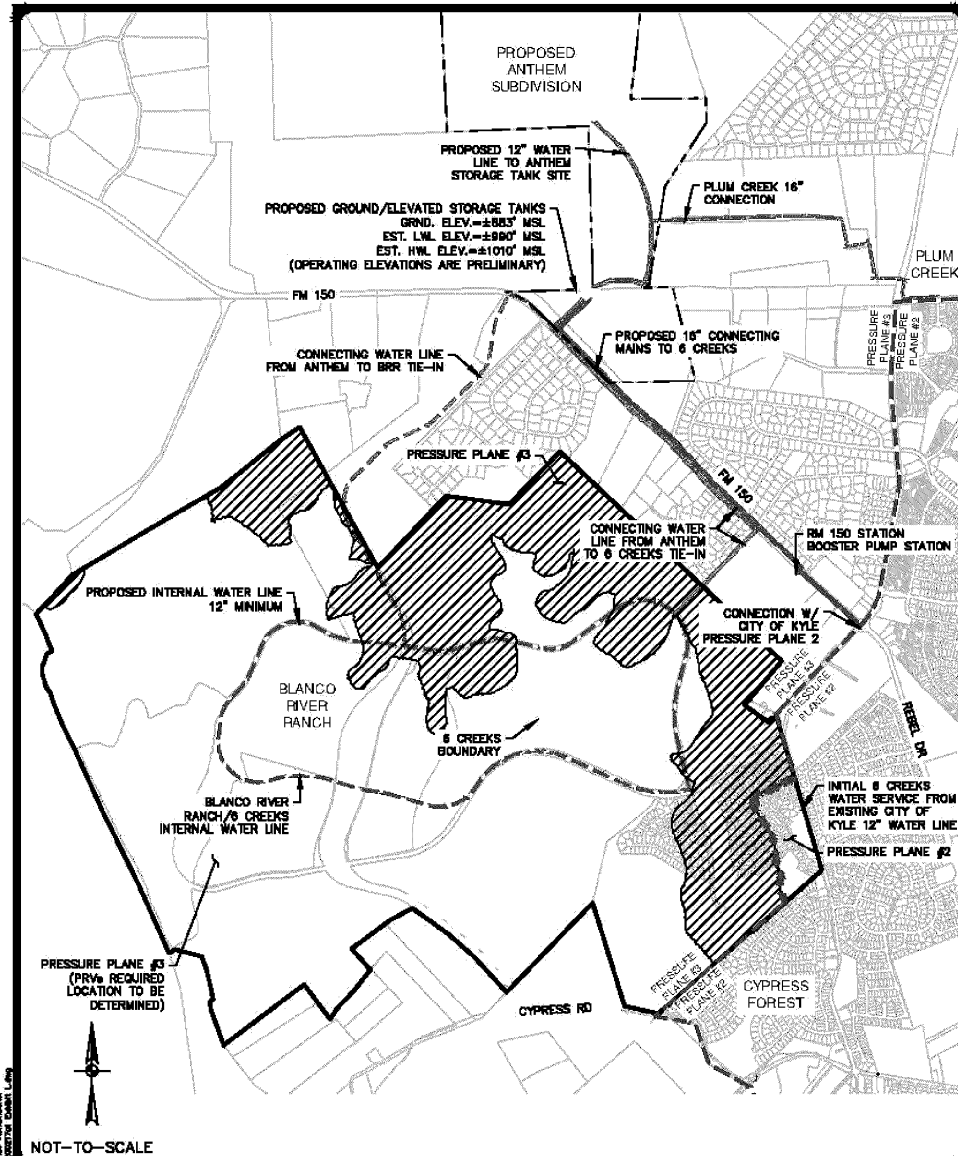
Standard Category	Pavement Width (in Feet)	Right-of-Way Width (in Feet)
Residential Lane	30' FOC-FOC	50'
Residential Collector (W/ Bike Lanes)	37' FOC-FOC	60'
Undivided Arterial (Internal Loop w/ Bike Lanes)	61' FOC-FOC	85'
Divided Arterial (Internal Loop w/ Bike Lanes)	2 at 32' FOC - FOC	114'
Major Thoroughfare (FM 150)	To be Determined	Varies - 120' Minimum

24. Site and Architectural components for garden home/cluster site(s):

- A. Maximum Number of Detached Units: 150 Units
- B. Access Drives: Driveway access from collector roads to residential units is prohibited. Internal private drives will be a minimum of 26 feet wide, with curb and gutter measured from face of curb to face of curb.
- C. Residential Setbacks: Front building setbacks will be a minimum of 15 feet from back of curb. Side building separation will be a minimum of 10 feet. When the rear of one unit is immediately adjacent to the side of another unit, the minimum setback will be 10 feet. Rear building separation, when the rear yards of two units are immediately adjacent to one another, will be a minimum of 20 feet. Patios (covered or uncovered), decks and eave overhang are not included in the determination of rear building separation. A minimum of seven foot clear zone between building roof lines will be provided.
- D. Sidewalks: A four foot sidewalk is required along all public streets. No sidewalks are required along internal private drives.
- E. Units may have single-car garages with driveways at least 18 feet long and nine feet wide. Garages will be setback at least 20 feet from the back of curb. Garages may be flush with the primary façade as long as primary façade is located 20 feet from the back of curb. Porches will be considered part of the primary façade as long as they are a minimum of seven feet wide and six feet deep).
- F. Lighting: Street lighting is required along all public streets, but is optional along interior private drives within Phase One.
- G. Minimum landscape requirements for garden homes/cluster residential structures will be two two-inch caliper significant trees such as oak, elm, pecan, walnut, hickory, cherry, cypress, redbud and any rare species, with diameter measured 18 inches above finished grade immediately after planting; three one-gallon shrubs; three five-gallon shrubs; and turf grass or an alternative material as defined in this section from the front property line to the front two corners of the structure and a minimum coverage area extending three feet from the slab/foundation to protect against water runoff from the roof dripline. If lawn grass is not used in this area, rain gutter systems will be required. One three-

and-one-half inch caliper tree may be substituted for two two-inch trees, if the tree is planted in the front yard. Existing trees and shrubs that are retained in healthy condition will be counted toward fulfillment of these requirements.

EXHIBIT "L"



NOT-TO-SCALE

JOB NO. 6141-00
 DATE FEBRUARY 2020
 DESIGNER JH
 CHECKED DRAWN AC
 SHEET 1 of 1

EXHIBIT "L" HAYS COUNTY, TEXAS WATER FACILITIES PLAN

PAPE-DAWSON
ENGINEERS

BAY ANTONIO | AUSTIN | HOUSTON | FORT WORTH | DALLAS
 8000 RM LOOP 416 | BAY ANTONIO, TX 78218 | 512.878.9600
 TEXAS PROFESSIONAL ENGINEERING LICENSE NO. 10180000

EXHIBIT “M”

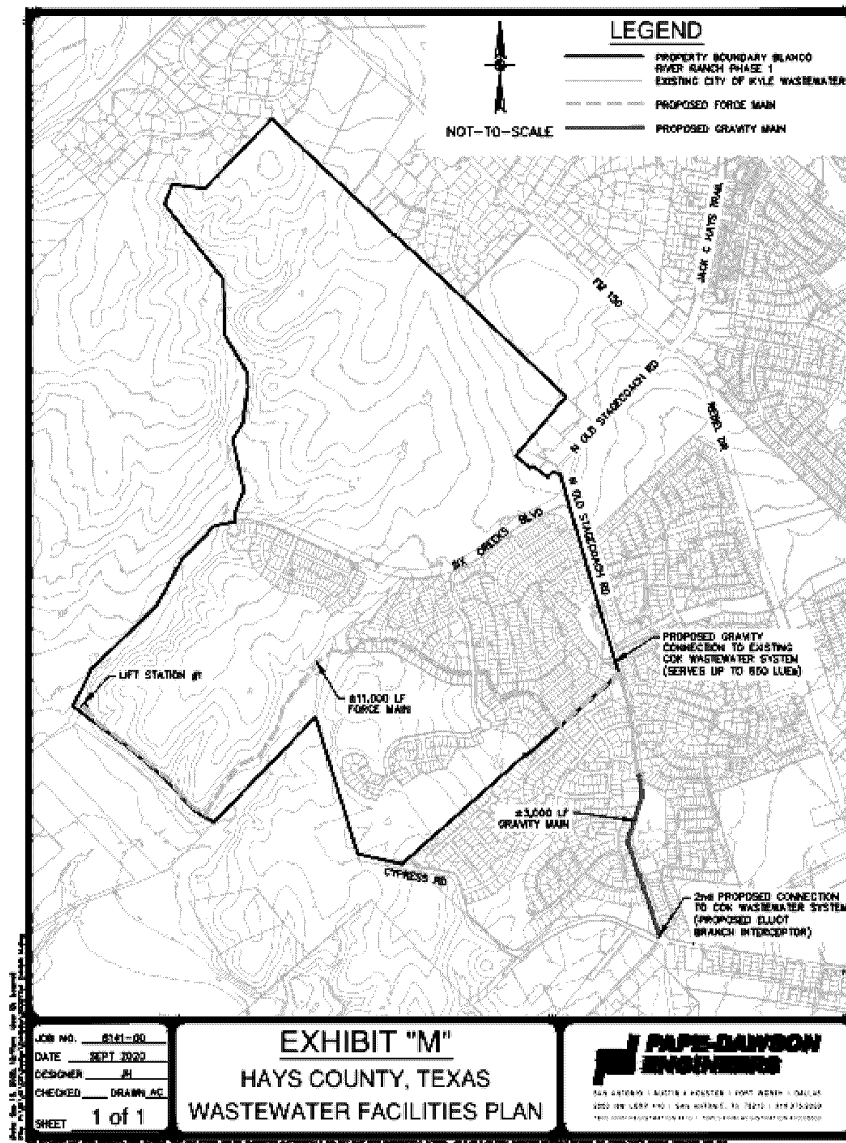


EXHIBIT "O"

FM 150 WATER FACILITIES SERVICE, FINANCING, AND CONSTRUCTION AGREEMENT

This Agreement is between Anthem Municipal Utility District ("*Anthem MUD*"); Kyle 150, LP ("*Kyle 150*"), a Texas Limited Partnership; HMBRR Development, Inc., a Texas Corporation ("*HMBRR*"), the City of Kyle, a Texas home rule municipality (the "*City*"), Kyle Mortgage Investors, LLC, a limited liability company ("*Kyle 57*"), David Beseda ("*Beseda*"), and Covey Fund I, LP, a Texas limited partnership ("*the Covey Fund*") (HMBRR, Kyle 57, Beseda, and the Covey Fund are sometimes referred to in this Agreement as "*Water Return Line Users*"). The City, Anthem MUD, Kyle 150, and the Water Return Line Users are sometimes referred to herein individually as a "*Party*" and collectively as the "*Parties*".

RECITALS

A. Kyle 150 is the owner of that certain approximately 422 acre parcel of real property located in the extra-territorial jurisdiction of the City of Mountain City and within the Anthem MUD boundaries which it proposes to develop as a master-planned, single-family residential subdivision consisting of approximately 1650 single-family homes and related improvements (the "*Anthem Tract*"). The Anthem Tract is depicted on the map of the affected properties attached hereto and incorporated herein as **Exhibit "A"** (the "*Property Map*") and more particularly described on **Exhibit "A-1"**.

B. Anthem MUD is a municipal utility district duly formed and validly existing under the laws of the State of Texas to provide retail water and wastewater service to the Anthem Tract. Anthem MUD has agreed to reimburse Kyle 150 for a portion of the costs to construct water and wastewater facilities necessary to serve the Anthem Tract, including without limitation the water facilities contemplated in this Agreement.

C. HMBRR is the owner of that certain approximately 890 acre parcel of real property located in the extra-territorial jurisdiction of the City, which it proposes to develop as a master-planned, residential development consisting of approximately 2100 residential units and related amenities and improvements (the "*6 Creeks Tract*"). The 6 Creeks Tract is depicted on the Property Map and more particularly described on **Exhibit "A-2"**.

D. The Covey Fund is the owner of that certain approximately 10 acre parcel of real property located in the City, which is currently used for agricultural purposes but may be developed for future commercial uses (the "*the Covey Fund Tract*"). The Covey Fund Tract is depicted on the Property Map and more particularly described on **Exhibit "A-3"**.

E. Beseda is the owner of that certain approximately 4.84 acre parcel of real property located in the City, which is currently used for agricultural purposes but may be developed for future commercial uses (the "*Beseda Tract*"). The Beseda Tract is depicted on the Property Map and more particularly described on **Exhibit "A-4"**.

F. Kyle 57 is the owner of that certain approximately 57 acre parcel of real property located in the City, which is currently used for agricultural purposes but may be developed for future residential uses (the "*Kyle 57 Tract*"). The Kyle 57 Tract is depicted on the Property Map and more particularly described on **Exhibit "A-5"**.

G. In addition to acting on its own behalf as utility provider, the City is also entering this Agreement on behalf of Blanco River Ranch Properties, L.P., the owner of

1307 acre parcel of real property located in the City, and/or its Extra-Territorial Jurisdiction, which such owner proposes to develop as master-planned, residential and commercial development consisting of approximately 1400 residential units and related amenities and improvements (the "*Blanco River Ranch Tract*"). The Blanco River Ranch Tract is depicted on the Property Map and more particularly described on **Exhibit "A-6"**.

H. In addition to acting on its own behalf as utility provider, the City is also entering this Agreement on behalf of Lennar, the owner of 890 acre parcel of real property located in the extra-territorial jurisdiction of the City, which such owner proposes to develop as master-planned, residential development consisting of residential units and related amenities and improvements (the "*Plum Creek North Tract*"). The Plum Creek North Tract is depicted on the Property Map and more particularly described on Exhibit "**A-7**".

I. The City entered into a Retail Water and Wastewater Services Agreement (the "*Anthem Contract*") dated September 20, 2016 with Mountain City 150, LP ("MC 150") pursuant to which MC 150 agreed to pay its pro rata share in constructing an elevated water storage tank with a combined capacity of 2.039 million gallons (the "*Anthem Storage Tank*"). The Anthem Contract provides that, in connection with the construction of the Anthem Storage Tank, MC 150 agreed to construct: (i) a water force main and related appurtenances from the site of the Anthem Storage Tank to the main entryway into the residential development to be located on the Anthem Tract (the "*Anthem Water Main*"); (ii) a water force main and related pump stations and appurtenances from the Anthem Tract's proposed main entryway along FM 150 to a point of connection with the City's water system (the "*FM 150 Water Main*"), noted as the Point of Entry on the water facilities plan attached hereto as **Exhibit "B"** (the "*Water Facilities Plan*"); and, (iii) a one hundred thousand (100,000) gallon Ground Storage Tank, purely at the cost and benefit of Anthem.

J. MC 150 assigned the Anthem Contract to Anthem MUD in November 2016 and Anthem MUD has assumed all obligations of MC 150 in the Anthem Contract. MC 150 was subsequently dissolved, and Kyle 150 is the successor development entity for the Anthem Project.

K. The City entered into a De-annexation and Development Agreement (the "*6 Creeks Agreement*") dated May 16, 2017 with Blanco River Ranch Properties, LP, or its successors and assigns. On September 20, 2017, Blanco River Ranch Properties properly assigned its rights under the 6 Creeks Agreement to HMBRR. The 6 Creeks Agreement provides, among other things, that HMBRR shall (i) advance and pay a pro-rata share of the costs to construct the Anthem Storage Tank, (ii) construct a return line ("*Water Return Line*") from the Anthem Storage Tank to a delivery point noted on the Water Facilities Plan, and (iii) negotiate in good faith with the City if the City requests the oversizing of any utility facilities to be constructed pursuant to the 6 Creeks Agreement.

L. The original plan set forth in the Anthem Contract for the Anthem Storage Tank called for the construction of a combined 2.039 million gallon elevated storage tank

and a 100,000 gallon ground storage tank. The City has determined that the original plan in the Anthem Contract should be modified, based on modeling to accommodate functional need, so that a 800,000 gallon elevated storage tank ("*Anthem Elevated Storage Tank*" or the "*EST*") and a 500,000 gallon ground storage tank ("*Anthem Ground Storage Tank*") to be constructed on the site designated on the Water Facilities Plan. On the site of the Anthem Ground Storage Tank, additional property may be conveyed to the City for the site of an optional future 500,000 gallon ground storage tank expansion ("*Additional Ground Storage Tank*").

M. Subsequent to the execution of the Anthem Contract and the 6 Creeks Agreement, the City determined that the properties owned by Kyle 57, Beseda, and the Covey Fund would benefit from an oversized Water Return Line and capacity in the Anthem Ground Storage Tank and Anthem Elevated Storage Tank. Kyle 57, Beseda, and the Covey Fund are each agreeable to paying their pro-rata share of the Water Return Line the Anthem Ground Storage Tank and the Anthem Elevated Storage Tank, subject to the terms and conditions of this Agreement.

N. The Parties recognize that the FM 150 Water Main and the majority of the Water Return Line can be constructed in the same utility easement running alongside of FM 150, as depicted in the Water Facilities Plan, and that economies of scale exist to provide for costs savings for all Parties if the FM 150 Water Main and the Water Return Line are constructed concurrently.

O. Pursuant to the Anthem Contract, Anthem MUD or Kyle 150 on behalf of Anthem MUD is required to construct a 100,000 gallon ground storage tank within the timeframe required set forth in the Anthem Contract.

P. Anthem MUD has designed the FM 150 Water Main, the Anthem Ground Storage Tank, the Water Return Line and all other necessary, appropriate and related facilities. Henceforth the FM 150 Water Main, the Anthem Ground Storage Tank and the Water Return Line are known as the "*FM 150 Water Facilities*" or the "*Project*". Anthem MUD bid the Project, and the Project is in the process of being constructed in accordance with all applicable rules and regulations. The City has approved the plans specifications for the construction of the Project (the "*Approved Plans*").

Q. Construction of the Additional Ground Storage Tank will require there to be additional capacity in the Anthem Elevated Storage Tank to comply with all regulatory rules.

R. The City desires to cause the Anthem Elevated Storage Tank to be designed with an alternative design of 1 million gallons and to provide for cost participation in the oversized design and construction of the expanded facility. The 800,000 gallon tank will serve the parties to this Agreement. The alternative design will provide the City the option to participate in the cost of oversizing the Anthem Elevated Storage Tank from 800,000 gallons to 1 million gallons, and use the added capacity in the Anthem Elevated Storage Tank to accommodate the future construction of the Additional Ground Storage Tank.

S. The City has contracted with the owner of the Plum Creek North Tract to pay for its respective pro-rata share of the Anthem Elevated Storage Tank, and the City will make payment on behalf of such owner for such pro-rata share.

T. The City has anticipated the need of the Blanco River Ranch Tract, and while there is not a finalized development agreement for said property, there is an interim development agreement between the City and the owner of the Blanco River Ranch Tract, in place serving as a reasonable planning tool. The City has agreed to pay for such owner's pro-rata share of the Anthem Elevated Storage Tank. The City intends to recover such costs paid on behalf of such owner along with any other reasonable charges during their first phase of development of the Blanco River Ranch Tract.

U. This Agreement sets forth the Parties agreements regarding the financing and construction of the FM 150 Water Facilities, payment for the design, permitting, and construction of the FM 150 Water Facilities, and the Parties respective rights and obligations relating to the FM 150 Water Facilities. This Agreement further sets forth the agreements regarding the design, financing, and construction of the EST.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

Article I. FM 150 Water Facilities

1.01. Project Schedule, Budget, and Participation Percentages.

(a) The Parties agree to cooperate with Anthem MUD's efforts to complete the construction of the FM 150 Water Facilities in accordance with the schedule attached as **Exhibit "C"** (the "*Project Schedule*"). The Project is underway and Anthem MUD will ensure construction of the Project is completed in accordance with this Agreement and the Project Schedule.

(b) The initial budget for the Project (the "*Project Budget*") is attached as **Exhibit "D"**. The Project Budget will be updated as provided in this Agreement.

(c) The allocated shares of the costs of each component of the Project for Kyle 150 on behalf of Anthem MUD, the City (on behalf of the owners of the Blanco River Ranch Tract and Plum Creek North Tract), and each of the Water Return Line Users are set forth on the attached **Exhibit "E"** (the "*Participation Percentages*").

1.02. Project Management and Project Engineer. Kyle 150 on behalf of Anthem MUD will serve as project manager for the Project. Atwell, LLC will serve as the project engineer for the Project (the "*Project Engineer*").

1.03. Easements. All necessary utility easements to construct the FM 150 Water Main and the Water Return Line have been or will be made available to Kyle 150 prior to construction on the Project.

1.04. Plan Preparation and Approval. Kyle 150, on behalf of Anthem MUD, has caused the Approved Plans for the Project to be prepared by the Project Engineer sufficient to provide water service to the Water Return Line Users as required in this Agreement and in accordance with (i) the Anthem Contract; (ii) this Agreement; (iii) the Project Schedule; (iv) all applicable federal, State, and City laws, rules and regulations, including environmental regulations, that are applicable to the Project; and (v) good engineering and design practices. The Parties agree that the FM 150 Water Main and the Water Return Line are to be constructed concurrently. The Project Engineer has submitted the Approved Plans for the Project to the City and the Water Return Line Users and the City and the Water Return Line Users have approved such plans and specifications. The City warrants and represents that the Project and the Approved Plans meet all of its applicable legal requirements, and that the FM 150 Water Facilities once constructed in accordance with the Approved Plans are sufficient to provide water service to the Water Return Line Users as required by this Agreement without any further off-site improvements being required.

1.05. Bidding and Contract Requirements.

(a) The Project Engineer has advertised the Project for bid in the name of Kyle 150 on behalf of Anthem MUD in accordance with the legal requirements applicable to municipal utility districts, including Chapters 49 and 54, Texas Water Code, based on the design, plans and specifications approved by the Parties. At the time of the Effective Date of this Agreement, construction on the Project has commenced.

(b) The Project Engineer, at the request of any Party, will provide a copy of the bids and bid tabulation to such Party, as well as the award of the contract.

(c) The construction contract(s) for the Project includes the following provisions:

- (1) That the contractor(s) will comply with the requirements of Section 5(e) related to insurance;
- (2) That a minimum of Ten percent (10%) retainage shall be withheld from each payment made to the contractor(s);
- (3) That the contractor(s) will be liable for all damage or injury to persons or property directly resulting from the activities of the contractor, and contractor's employees, agents, and subcontractors, in coming upon or performing work on the Project sites;
- (4) That the contractor will indemnify the Parties from any liability arising out of claims arising due to contractor's activities within the Project work sites; and
- (5) Any other provisions required to be included in the contract(s) under this Agreement.

(d) The contractor(s) for the Project will be required to post payment and performance bonds with the City in the contract amount, and to carry commercial general liability insurance written on a "per-occurrence" basis in a minimum amount of \$1,000,000 combined single limit per occurrence, \$2,000,000 general aggregate, and \$2,000,000 products/completed operations aggregate, and both Kyle 150 and Anthem MUD will be named as additional insureds or beneficiaries, as appropriate, of such insurance and bonds. If the insurance of the contractor is cancelled, the contractor(s) will be required to promptly notify Kyle 150 and to obtain and provide proof of replacement insurance, meeting the requirements specified above, prior to continuing its work.

(e) Kyle 150, on behalf of Anthem MUD, has executed the construction contract(s) for the Project and, upon request, will deliver a copy of the contract to the Parties. Kyle 150 agrees to comply with all of the terms, conditions and covenants of the construction contract(s).

1.06. Construction; Inspection and Financing.

(a) Kyle 150, on behalf of Anthem MUD will cause the contractor(s) for the Project to continue with construction and to complete construction in accordance with the Project Schedule, the Anthem Contract, this Agreement, the Project Budget and the Approved Plans, after the Effective Date of this Agreement. The Project will be constructed in conformity with the Approved Plans, in a good and workmanlike manner, and all material used in such construction will be substantially free from defects and fit for its intended purpose. The Project Engineer will inspect the construction and provide Kyle 150 on behalf of Anthem MUD and the Parties with monthly construction status reports. Upon request, the Parties or a designee of a Party may accompany the Project Engineer to inspect construction on the Project.

(b) The Project Engineer will monitor and confirm the percentage of completion of the Project existing from time to time and deliver written notice to the Parties of the percentage of completion.

(c) Kyle 150, on behalf of Anthem MUD, shall receive all pay applications from the contractor(s) relating to the Project ("*Pay Applications*"). In order to obtain any progress payment payable to the contractor, Kyle 150 must:

(1) Cause the Project Engineer to prepare a statement of the percentage of construction of the Project completed to the date of the Contractor's Pay Application (the "*Completion Percentage*") and state that the pay application has been approved by the Project Engineer and Anthem MUD (the "*Approved Pay Application*");

(2) Obtain the Project Engineer's certification of the amount of the Approved Pay Application payable by each of the Water Return Line Users and the portion of the contract price remaining to be paid by the City and Kyle 150 on behalf of Anthem MUD to complete the payment of the Approved Pay Application (the "*Certification*"); and

(3) Obtain an affidavit signed by the contractor(s), in the form of a conditional waiver and release of lien upon progress payment, in a form reasonably acceptable to the Parties, including affirmation of payment of all subcontractors and vendors supplying labor and or materials for the Project ("Waiver and Release"). The Approved Pay Application, the Certification, and the Waiver and Release shall be delivered to the Parties no later than 20 days after delivery of a Pay Application. Pay Applications may not be submitted more frequently than monthly.

(d) Within 30 days of the receipt of the Approved Pay Application, Certification and Waiver and Release, the Parties must each fund their share of the Approved Pay Application as provided in this Agreement, less retainage and any other amounts allowed to be withheld under the construction contract(s), in accordance with State law. Each Party will make payment for its share of the Approved Pay Application directly to Kyle 150 by check, mailed to the applicable address in Section 4.03 of this Agreement, or by any alternative format approved by Kyle 150. Kyle 150 shall promptly and timely pay all outstanding amounts for Approved Pay Applications, including the pro rata share of Kyle 150.

(e) Failure of a Party to fund a payment contemplated in this Agreement shall not relieve Kyle 150 of its obligation to make timely payments to the contractor(s) for Approved Pay Applications for the Project.

(f) If a Party fails to timely make a required payment for an approved Pay Application, unless such payment has been properly disputed pursuant to the provisions of this Agreement, Kyle 150 on behalf of Anthem MUD may require said Party to pay the Party's remaining pro rata share of the Project to an escrow agent to be held in escrow pursuant to escrow agreement reasonably acceptable to Kyle 150 on behalf of Anthem MUD and such Party (the "Payment for Remaining Pro Rata Share"), as calculated by the Project Engineer, in accordance with the updated Project Budget and Participation Percentages. A Payment for Remaining Pro Rata Share will be made within thirty (30) days of notice by Kyle 150 and shall be held by the escrow agent and utilized to make payments on Approved Pay Applications as they are requested by the contractor(s).

(g) If a Party fails to timely make a required payment and, after notice from Kyle 150, fails to make a Payment for Remaining Pro Rata Share, such inaction will be considered a default under this Agreement and written notice of such default shall be provided to the City.

(h) The Parties may dispute a Pay Application by giving written notice to Kyle 150 and the Project Engineer of the amount of the Pay Application disputed and the specific basis for the dispute within twenty (20) days of receipt of the Pay Application; provided that a dispute will only be permitted if any of the Parties, in good faith, allege that the work covered by the Pay Application has not been completed in accordance with the applicable construction contract or the terms of this Agreement, or if there is a default by the contractor under the construction contract in question, and if the disputing Party

has paid any amount that is not in dispute. Failure to dispute a Pay Application in a timely and proper manner as described herein, waives the right to dispute.

(i) The Parties shall cooperate to resolve any dispute permitted under this Section 1.06 promptly in order to avoid a default under the construction contract or this Agreement.

(j) The Parties agree that change orders that increase the original contract price under the construction contract(s) for the Project by a cumulative amount of \$50,000 or less do not require approval. All change orders that increase the original contract price under the construction contract for the Project by more than \$50,000 in the aggregate must be approved by the City Council unless the change order is required by an emergency. The Parties will not unreasonably condition, withhold or delay their approval of any proposed change order. If any change order amends the contract price, the Project Engineer will promptly update the budget and provide a copy of the update to the Parties.

1.07. Completion. Upon final City inspection, the City shall approve the construction if completed in compliance with the approved plans. After City approval, Anthem MUD or Kyle 150 on behalf of Anthem MUD will convey the Project to the City and will also assign all contract rights, warranties, guarantees, assurances of performance, and bonds related to the Project to the City, including any maintenance bonds required by the City at the time of acceptance. Anthem MUD or Kyle 150 on behalf of Anthem MUD shall furnish evidence of the conveyance of facilities to the City contained in the Project to the Water Return Line Users promptly upon request. The City agrees to accept the Project for ownership, operation and maintenance upon such final completion, inspection and approval. The Parties intend that all costs of the Project incurred by Kyle 150, or any other Party to the Agreement, will be eligible for reimbursement from a water district or public improvement district, as applicable and as provided by state law. The Parties acknowledge and agree that only Kyle 150 has any right to reimbursement from Anthem MUD. The Parties each acknowledge and agree that any monies spent on improvements related to water service for the Parties' projects are not subject to reimbursement or purchase by Anthem MUD.

1.08. Default and Termination.

(a) If Kyle 150 defaults under this Agreement, the Parties shall have the ability individually or collectively to pursue any and all valid remedies at law or in equity, including specific performance, in a court of competent jurisdiction. Kyle 150 will be in default under this Agreement upon the occurrence of one or more of the following events (an "Event of Default"):

(1) Kyle 150 fails to commence or complete design and permitting of the Project in accordance with this Agreement; or fails to commence, diligently pursue or complete construction or fails to achieve completion of the Project in accordance with this Agreement, and fails to cure such failure within fifteen (15) days of receipt of written notice from any of the Water Return Line Users to do so; or

(2) Kyle 150 fails to perform any other obligation under this Agreement in the time and manner specified by this Agreement and fails to cure such failure within fifteen (15) days of receipt of written notice from any of the Water Return Line Users to do so.

(b) The City will have the right, but not the obligation, to assume the construction contract(s) and to complete the Project in the event of a default by Kyle 150 under this Agreement. If Kyle 150 defaults under this Agreement and the City elects to assume the construction contract(s), Kyle 150 shall cooperate with the City, including assignment of the construction contract(s), if necessary. To the extent the City assumes the construction contract(s), the City shall be obligated to perform all of the duties and obligations and shall have all of the rights of Kyle 150 under this Agreement.

Article II. Elevated Storage Tank

2.01. Project Schedule, Budget, and Participation Percentages. Anthem MUD, Kyle 150, HMBRR, Kyle 57, Beseda, the Covey Fund, and the City (the “EST Parties”) agree to cooperate to complete the construction of the Anthem Elevated Storage Tank and all related facilities and appurtenances (the “EST Project”) in accordance with the schedule attached as **Exhibit “F”** (the “EST Project Schedule”). The EST Parties’ allocated shares of the costs of the EST Project are set forth in **Exhibit E**. The preliminary budget for the EST Project is reflected in attached **Exhibit D** and will be updated as provided in this Agreement.

2.02. EST Project Defined. The EST Project is further defined as the design, construction, and completion of the Anthem Elevated Storage Tank, in accordance with construction plans approved by the City, good engineering practices, and applicable local, state, and federal regulations, to be located on the property designated in **Exhibit B**. The EST Project will be designed as an 800,000 gallon elevated storage tank, and alternatively as a 1 million gallon elevated storage tank as provided in this Agreement.

2.03. Easements. The EST Parties will grant the City any easements needed for the construction and operation of the EST Project upon request by the City in a form acceptable to the City.

2.04. Design. Kyle 150, on behalf of Anthem MUD, will cause the EST Project to be designed in accordance with the EST Project Schedule. The EST Parties will share in the costs to design the EST Project, which is estimated to be \$324,000.00 (the “EST Design Costs”) according to the Participation Percentages set forth in **Exhibit E**. The EST Parties shall pay for the EST Design Costs in accordance with the following schedule:

(1) Within 30 days of Kyle 150’s delivery of written notice to the EST Parties, the EST Parties will deposit 25% of their respective portion of the EST Design Costs with the Kyle 150.

(2) Within 30 days of Kyle 150's delivery of written notice to the EST Parties that the EST Design Plans are 50% complete, the EST Parties will deposit an additional 25% of their respective portions of the EST Design Costs with Kyle 150.

(3) Within 30 days of the Kyle 150's delivery of written notice to the EST Parties that the EST Design Plans are complete, and have been approved by the City and any other governmental entities with jurisdiction over the construction of the EST Project, the EST Parties will deposit the final 50% of their respective portion of the EST Design Costs with Kyle 150.

(4) Kyle 150 shall use the EST Design Costs payments solely for the purpose of paying the consultant for designing the EST Project.

(5) If a EST Party fails to pay any installment of the EST Design Costs when due, Kyle 150 will deliver written notice to the EST Party of such failure and, if the EST Party does not deliver that installment of the EST Design Costs within 30 days of the date of the City's notice, the City may withhold further development approvals until the installment in question is delivered to the City.

2.05. Bidding the EST Project. Atwell, LLC will serve as the EST Project Engineer for the EST Project. The EST Project Engineer will advertise the EST Project for bid in the name of Kyle 150 on behalf of Anthem MUD in accordance with the legal requirements applicable to municipal utility districts including Chapters 49 and 54, *Texas Water Code*, and in accordance with the legal requirements applicable to the City including Local Government Code Chapter 252, based on the design, plans and specifications approved by the City. The bid advertisement or notice must be published within a time frame that allows for construction of the EST Project to commence by March 1, 2021.

(a) The EST Project Engineer will provide the City engineer and the City's purchasing agent with: (i) prior written notice of the dates for publication of the notice to bidders and the opening of the bids received in response to the notice; and (ii) a copy of the published bid notice.

(b) The bid documents will specifically include notice to the bidders of the requirement to submit a primary bid proposal for an 800,000 gallon elevated storage tank; the requirement to submit an alternative bid proposal for a 1,000,000 gallon elevated storage tank; the EST Project Schedule, including any liquidated damages imposed for non-compliance with the EST Project Schedule; and the requirement that the EST Parties will be jointly funding the cost of the EST Project as provided in this Agreement. The bid documents will also require that the bid prices for the EST Project be separately itemized. Should the City elect to oversize the Anthem Elevated Storage Tank, the City's cost share would be the incremental difference between the two bids.

(c) The EST Project Engineer will coordinate the receipt and opening of the bids, will provide a copy of the bids and bid tabulation to the EST Parties, City engineer and the City's purchasing agent for review, and will recommend, with the concurrence of

the City engineer, awarding the contract or contracts for the EST Project to the lowest responsible bidder or bidders.

(d) The City will notify the Project Engineer within thirty days of the date of the bid opening of the City's election to participate in the oversizing of the EST Project, and in such event, Kyle 150, LP on behalf of Anthem MUD shall enter into a contract for the construction of a 1 million gallon Anthem Elevated Storage Tank with the selected bidder. If the City declines to oversize the elevated storage tank, Kyle 150, LP on behalf of Anthem MUD shall enter into a contract for the construction of an 800,000 gallon Anthem Elevated Storage Tank with the selected bidder instead.

2.06. Contract Terms. The construction contract(s) for the EST Project will include the following provisions:

(a) That the EST Parties will each pay a share of the costs under the contract based on the Participation Percentages described in **Exhibit E** of this Agreement;

(b) That the contractor will comply with the requirements of Section 1.05(d) related to insurance;

(c) That a minimum of ten percent (10%) retainage shall be withheld from each payment made to the contractor; and

(d) That the contractor will be liable for all damage or injury to persons or property directly resulting from the activities of the contractor, and contractor's employees, agents, and subcontractors, in coming upon or performing work on the EST Project site;

(e) That the contractor will indemnify the EST Parties from any liability arising out of claims arising due to contractor's activities within the Anthem Elevated Storage Tank work site.

2.07. Initial/Supplemental Construction Deposits, Refunds. Within 15 days of the EST Project Engineer's delivery of notice of the recommended contract award(s), which will be accompanied by an updated budget based on the approved bid price(s), each EST Party will deliver to the City funds in the amount of 110% of its Participation Percentage of the revised cost of the EST Project as shown on the updated budget to secure its obligation to make payment when due under the construction contract(s) for the EST Project (the "*Construction Deposit*"). The Construction Deposit will be held by the City in a separate account, in trust for the EST Parties, and will be used solely to pay sums coming due under the EST Construction Contract. After construction of the EST is complete and the City has inspected and accepted the EST, the EST Project Engineer and the City shall work together to determine a final accounting of the EST Project. The final accounting shall be delivered to the EST Parties and the City will refund any funds remaining in the Construction Deposit to the EST Parties, based upon the pro rata contributions of the EST Parties and participant percentages included in Exhibit "E".

To the extent the Project Engineer determines that the anticipated costs of the EST Project have exceeded or will exceed the funds in the Construction Deposit, the Project Engineer will estimate the pro rata share of each EST Party relating to the cost

overruns. After approval of the estimated cost overruns by the City, the Project Engineer will provide notice to each EST Party and each EST Party will deliver to the City funds in the amount of its Participation Percentage of the estimated cost overruns within 30 days.

2.08. Insurance and Payment and Performance Bonds. The contractor(s) for the EST Project will be required to post payment and performance bonds with the City in the contract amount, and to carry commercial general liability insurance written on a "per-occurrence" basis in a minimum amount of \$1,000,000 combined single limit per occurrence, \$2,000,000 general aggregate, and \$2,000,000 products/completed operations aggregate, Kyle 150, LP and Anthem MUD will be named as additional insureds or beneficiaries, as appropriate, of such insurance and bonds. If the insurance of the contractor(s) for the EST Project is cancelled, the contractor will be required to promptly notify the EST Parties and the City and to obtain and provide proof of replacement insurance, meeting the requirements specified above, prior to continuing its work within the EST Project site.

2.09. Contract Execution. The EST Project Engineer will execute the construction contract for the EST Project and, upon execution, will promptly deliver a copy of the contract to the EST Parties. Each construction contract will provide that the City (or its designee) will have the right, but not the obligation, to assume the construction contract and to complete the EST Project in the event of a default by the EST Parties under this Agreement, including a failure by Kyle 150 to commence, pursue or complete the construction of the EST Project in accordance with the EST Project Schedule, as provided in **Exhibit F** of this agreement.

2.10. Construction Reports, Pay Applications, Change Orders.

(a) The EST Project will be constructed in strict conformity with the approved plans, in a good and workmanlike manner, and all material used in such construction will be substantially free from defects and fit for its intended purpose. The EST Project Engineer will inspect the construction and provide the Parties with monthly construction status reports.

(b) The EST Project Engineer will monitor and confirm the percentage of completion of the EST Project existing from time to time and deliver written notice to the EST Parties of the percentage of completion and any corresponding percentage payment to be made by the City pursuant to Article II of this agreement.

(c) The EST Project Engineer shall receive all pay applications from the contractor relating to the EST Project ("*EST Pay Applications*"). In order to obtain any progress payment payable to the contractor, Kyle 150 must:

(1) cause the Project Engineer to prepare a statement of the percentage of construction of the EST Project completed to the date of the Contractor's Pay Application (the "*EST Completion Percentage*") and state that the pay application has been approved by the Project Engineer and Kyle 150 (the "*Approved EST Pay Application*");

(2) obtain the EST Project Engineer's certification of the amount of the Approved Pay Application attributable to each of the EST Parties and payable from the Construction Deposit and the portion of the contract price remaining that is attributable to each EST Party (the "*EST Certification*"); and

(3) obtain an affidavit signed by the contractor, in the form of a conditional waiver and release of lien upon progress payment, including affirmation of payment of all subcontractors and vendors supplying labor and or materials for the Project ("*EST Waiver and Release*").

The Approved EST Pay Application, the EST Certification, and the EST Waiver and Release shall be delivered to the Parties no later than 20 days after delivery of a Pay Application. Pay Applications may not be submitted more frequently than monthly.

(d) Within 30 days of the receipt of the Approved EST Pay Application, Certification and Waiver and Release, the City shall release payment from the Construction Deposit, less retainage, unless a Party has timely and properly objected to an EST Pay Application. The City shall promptly and timely pay all outstanding amounts for Approved EST Pay Applications, including the pro rata share of Kyle 150.

(e) A EST Party may dispute a EST Pay Application by giving written notice to the City, and the EST Project Engineer of the amount of the EST Pay Application disputed and the specific basis for the dispute within 15 days of receipt of the EST Pay Application; provided that a dispute will only be permitted if any of the EST Parties, in good faith, allege that the work covered by the EST Pay Application has not been completed in accordance with the applicable construction contract or if there is a default by the contractor under the construction contract in question, and any of the EST Parties shall pay any amount that is not in dispute.

(f) The EST Parties shall cooperate to resolve any dispute permitted under this Section promptly in order to avoid a default under the construction contract or this Agreement.

(g) Any change orders over \$50,000 or that increases the overall project cost by \$50,000 will be subject to approval by the City before work contemplated by the change order begins unless the change order is required by an emergency. The City will not unreasonably condition, withhold or delay its approval of any proposed change order. If any change order changes the contract price, the EST Project Engineer will promptly update the budget and provide a copy of the update to the City, Anthem MUD and Kyle 150. Anything to the contrary contained in this Subsection notwithstanding, the City's share of the original contract price under any construction contract for the EST Project may not be increased by change orders by more than 25% without City Council Approval.

2.11. Completion. Upon final City inspection and approval, Anthem MUD or Kyle 150 on behalf of Anthem MUD will convey the EST Project to the City and will also assign all contract rights, warranties, guarantees, assurances of performance, and bonds related to the EST Project to the City, including any maintenance bonds required by the City at the time of acceptance.

2.12. Default and Termination.

(a) If Kyle 150 defaults under Article II of this Agreement, the City will have the right, but not obligation, to assume the construction contract or contracts for the EST Project and proceed with the construction of the EST Project in accordance with the EST Project Schedule. In such case, the City will have the right to utilize the Construction Deposit to complete the EST Project. Kyle 150, or the remaining Parties if applicable, will be in default under this Agreement upon the occurrence of one or more of the following events (an "Event of Default"):

(1) Kyle 150 causes the EST Project to fail to commence or complete design; commence, diligently pursue or complete construction or to achieve completion in accordance with the EST Project Schedule and fails to cure such failure within 15 days of receipt of written notice from the City to do so; or

(2) An EST Party fails to post a Construction Deposit when required under this Agreement and fails to cure such failure within five days of receipt of written notice from the City to do so; or

(3) An EST Party fails to perform any other obligation under this Agreement in the time and manner specified by this Agreement and fails to cure such failure within 15 days of receipt of written notice from the City to do so.

(b) At any time following an Event of Default, the City may notify the EST Parties that the City intends to assume and perform Kyle 150's outstanding obligations under this Agreement for construction of the EST Project. If the City gives notice that the City intends to perform Kyle 150's outstanding obligations under this Agreement for the construction of the EST Project following an Event of Default, then the City may assume the construction contract or contract(s) and use the Construction Deposit to pay for the costs of construction of the Project (the "*Performance Rights*"). The City will further have the right to assign its Performance Rights to an owner or purchaser of land in the area that is intended to receive service through the Project (the "*Service Area*").

(c) If the City does not elect to exercise its Performance Rights, the City agrees that it will, upon the request of an EST Party or an assignee of an EST Party that is an owner or purchaser of land in the Service Area, assign its Performance Rights to the requesting EST Party or assignee of an EST Party. In such event, the assignee will assume the City's Performance Rights and the EST Parties agree that the assignee may assume the construction contract or contracts for and with respect to the design, permitting and construction of the EST Project and will have the right to make applications to the City for and to receive funding from the Construction Deposit held by the City, as provided in Section 2.07, to make payments as contemplated in Section 2.10.

Article III. Provision of Water Services

3.01 Service Commitment.

(a) Subject to the terms and conditions of this Agreement, including the payment of all applicable fees and charges as set forth below, the City agrees to provide water service to customers within the Covey Tract, Beseda Tract and Kyle 57 Tract (the "FM 150 Properties") in a quantity set forth in **Exhibit D** for such tracts (the "Service Commitment"). The quantity of water service made available to any connection within those tracts will be determined according to meter size in accordance with the City's rules, regulations, and policies.

(b) The City's obligation to serve each of the FM 150 Properties is expressly contingent on the respective owners of their respective tracts (including successors and assigns) being compliant with their obligations under this Agreement and with City's rules, regulations, and policies.

(c) City shall have no obligation to provide water service to any portion of the FM 150 Properties until all of the following condition precedents have been satisfied:

(1) the lands to be furnished water service have received final subdivision plat approval by all governmental entities;

(2) with jurisdiction, and recorded for the phase of development within the respective tract to be furnished water service;

(3) City has received all necessary governmental approvals for the provision of services to the respective tract;

(4) the internal water facilities required to provide service the respective have been completed in accordance with plans and specifications approved by City, are operational, and have been conveyed to and accepted by City;

(5) all easements and other real property interests in the respective tract required to be conveyed to City under this Agreement have been dedicated to City; and

(6) all required fees and charges have been paid to City.

(d) Notwithstanding anything in Section 3.01(c) above to the contrary, the City hereby acknowledges and agrees that the living unit equivalents ("LUEs") of water service capacity allocated to the FM 150 Properties in the Service Commitment is hereby capacity that is reserved to the owners of such tracts and may not be allocated or committed to any other owner, property or water service customer so long as this Agreement remains and full force and effect.

3.02 Service Commitment to HMBRR. The City confirms that by satisfying its obligations under this Agreement, HMBRR shall be entitled to receive water service

from the City to the 6 Creeks Tract (in an aggregate amount not to exceed 2,100 LUEs) as contemplated under Section 4.01 of the 6 Creeks Agreement and, except for internal water infrastructure, shall not be required to finance or construct any additional facilities relating to the provision of water service to the 6 Creeks Tract.

Article IV. Miscellaneous

4.01. **Force Majeure.** For purposes of this Agreement, "Force Majeure" means acts of God, including lightning, earthquakes, fires, hurricanes, storms, or floods; pandemics or epidemics; orders of the government of the United States, the State of Texas or any other governmental authority with jurisdiction over the Project or the EST Project; delays caused by a third party utility provider, to the extent the approval or cooperation of said third party utility providers is required for the Project or the EST Project, or delays in governmental or regulatory approvals required for the Project or the EST Project beyond the time periods provided for such approvals in the Project Schedule or EST Project Schedule that are not within the control of the party claiming the inability and could not have been avoided by the exercise of due diligence. If a Party is rendered unable by Force Majeure to carry out any of its obligations under this Agreement, whether in whole or in part, then the obligations of that Party, to the extent affected by the Force Majeure, will be suspended during the continuance of the inability only and the Party in question must resume performance at the earliest practicable time. As soon as reasonably possible after the occurrence of any event of Force Majeure relied upon to suspend performance, the party whose obligations are affected must give written notice that includes the details of the Force Majeure to the other Parties. If this written notice is not given within 15 days after the alleged event of Force Majeure, then no extension of time will be allowed. The cause of the delay, as far as possible, must be remedied with all reasonable diligence.

4.02. **Future Effect.** The provisions of this Agreement will be binding upon and inure to the benefit of the parties, their respective successors and assigns.

4.03. **Notices.** Any notice given under this Agreement must be in writing and may be given:

- (1) by depositing it in the United States mail, certified, with return receipt requested, addressed to the Party to be notified and with all charges prepaid;
- (2) by depositing it with Federal Express or another service guaranteeing "next day delivery", addressed to the Party to be notified and with all charges prepaid;
- (3) by personally delivering it to the Party; or
- (4) by facsimile or email with confirming copy sent by one of the other described methods of notice set forth above.

Notice by United States mail will be effective on the earlier of the date of receipt or three days after the date of mailing. Notice given in any other manner will be effective only when received.

For purposes of notice, the addresses of the Parties are as follows until otherwise provided:

Kyle 150:	Clark Wilson 5312 Park Hollow Lane Austin TX, 78746	Anthem MUD Winstead PC, Attn: Judy McAngus 401 Congress, Suite 2100 Austin, TX 78701
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Water Return Line Users:	
HMBRR Development	HMBRR Development c/o Hanna/Magee Co. Attn: Jay Hanna 1011 North Lamar Blvd. Austin, Texas 78703

Kyle 57	Milestone Community Builders, LLC Attn: Garrett Martin 9111 Jollyville Road, Suite 111 Austin, TX 78759	Kyle Mortgage Investors, LLC Attn: Linda Pastel 10800 Wilshire Blvd, Suite 2101 Los Angeles, CA 90024
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David Beseda	David Beseda 2310 Portofino Ridge Austin, Texas 78735
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The Covey Fund I, LP	Attn: Brett Findley, Principal 2205 N. Lamar, Blvd, Suite 113 Austin, Texas 78705
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City of Kyle	Attn: City Manager 100 W. Center Street Kyle, Texas 78640
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4.04. **Construction.** This Agreement will be construed under and in accordance with the laws of the State of Texas and all obligations hereunder are performable in Hays County, Texas. If any of the provisions of this Agreement are, for any reason, held to be invalid, illegal, or unenforceable, that invalidity, illegality or unenforceability will not affect the remainder of this Agreement, which will continue in full force and effect.

4.05. **Enforcement.** In addition to any other remedies available at law or in equity, the provisions of this Agreement will be enforceable by action for specific performance. If either party brings suit for the breach of any covenant, condition or agreement contained herein, then, in addition to any other remedies to which a party may

otherwise be entitled, the prevailing party will be entitled to recover all reasonable attorney's fees and expenses incurred in connection with that suit.

4.06. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the Project, and no oral statements or prior written agreement not specifically incorporated therein or herein will be of any force and effect. No modification of this Agreement will be binding on a party hereto unless set forth in a written document, executed by such parties or a duly authorized agent, officer or representative thereof. All of the parties have participated in the negotiation and drafting of this Agreement; therefore, in the event of any ambiguity, the provisions of this Agreement will not be construed for or against any party.

4.07. Assignment.

(a) This Agreement may be assigned by the agreement of all Parties. Any assignment will be in writing, specifically set forth the assigned rights and obligations, and be executed by the proposed assignee. Consent to any proposed assignment will not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the rights and obligations of HMBRR, Kyle 57, the Covey Fund and Beseda in Article I and Article II of this Agreement may be assigned or transferred to any subsequent purchaser or owner of their respective tracts without the consent of any other Party hereto being required.

(b) If a Party assigns its rights and obligations hereunder as to a portion of property, then the rights and obligations of any assignee and the Party will be severable, and the Party will not be liable for the nonperformance of the assignee and vice versa.

4.08. Exhibits. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

Exhibit A:	Property Map and Property Descriptions (Exhibits A-1 through A-7)
Exhibit B:	FM 150 Water Facilities Plan
Exhibit C:	FM 150 Water Facilities Project Schedule
Exhibit D:	FM 150 Water Facilities & Elevated Storage Tank Project Budget
Exhibit E:	FM 150 Water Facilities & Elevated Storage Tank Participation Percentages
Exhibit F:	EST Project Schedule
Exhibit G:	EST Project Budget

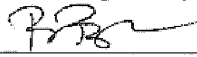
4.09. Authority for Execution. All Parties hereby certify, represent, and warrant that, to the extent applicable, the execution of this Agreement has been duly authorized and adopted in conformity with the constituent documents of each person or entity executing on behalf of the Party.

4.10. **No Third-Party Beneficiary.** This Agreement is solely for the benefit of the Parties, and the Parties do not intend by any provision of this Agreement to create any rights in any third-party beneficiaries or to confer any benefit upon or enforceable rights under this Agreement or otherwise upon anyone other than Kyle 150, the District, and the Water Return Line Users.

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

Executed on the date or dates indicated below, to be effective as of
July 16 2020.

Anthem Municipal Utility District:

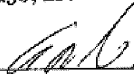
By: 

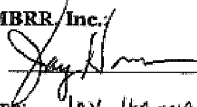
Name: Brandon Brydson

Title: President

Date: 7/3/2020

Kyle 150, LP:

By:  Kyle 150, GP, LLC
Name: Clark Hiken
Title: manager
Date: 7-3-2020

HMBRR Inc.
By: 
Name: Jay Hanna
Title: V.P.
Date: 7.8.2020

DocuSign Envelope ID: FBCBB86E-DCAA-443C-A37D-2EC6765B2BF2

Kyle 57:

By: **KYLE MORTGAGE INVESTORS, LLC**
a Colorado limited liability company

DocuSigned by:
Linda Pastel
Name: ES1460241084E

Printed Name: Linda Pastel

Title: Managing Partner

Date: 7/16/2020 | 3:26 PM CDT

David Beseda:

By: 

Name: DAVID BESEDA

Title: OWNER

Date: 7/6/20

The Cove Fund I, LP:

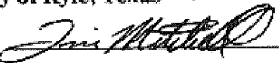
By: Cove Fund I, LP

Name: BRETT FINLEY

Title: Manager

Date: 7/6/2020

City of Kyle, Texas

By: 

Name: Travis Mitchell

Title: Mayor

Date: 7/10/2020

EXHIBIT "A"

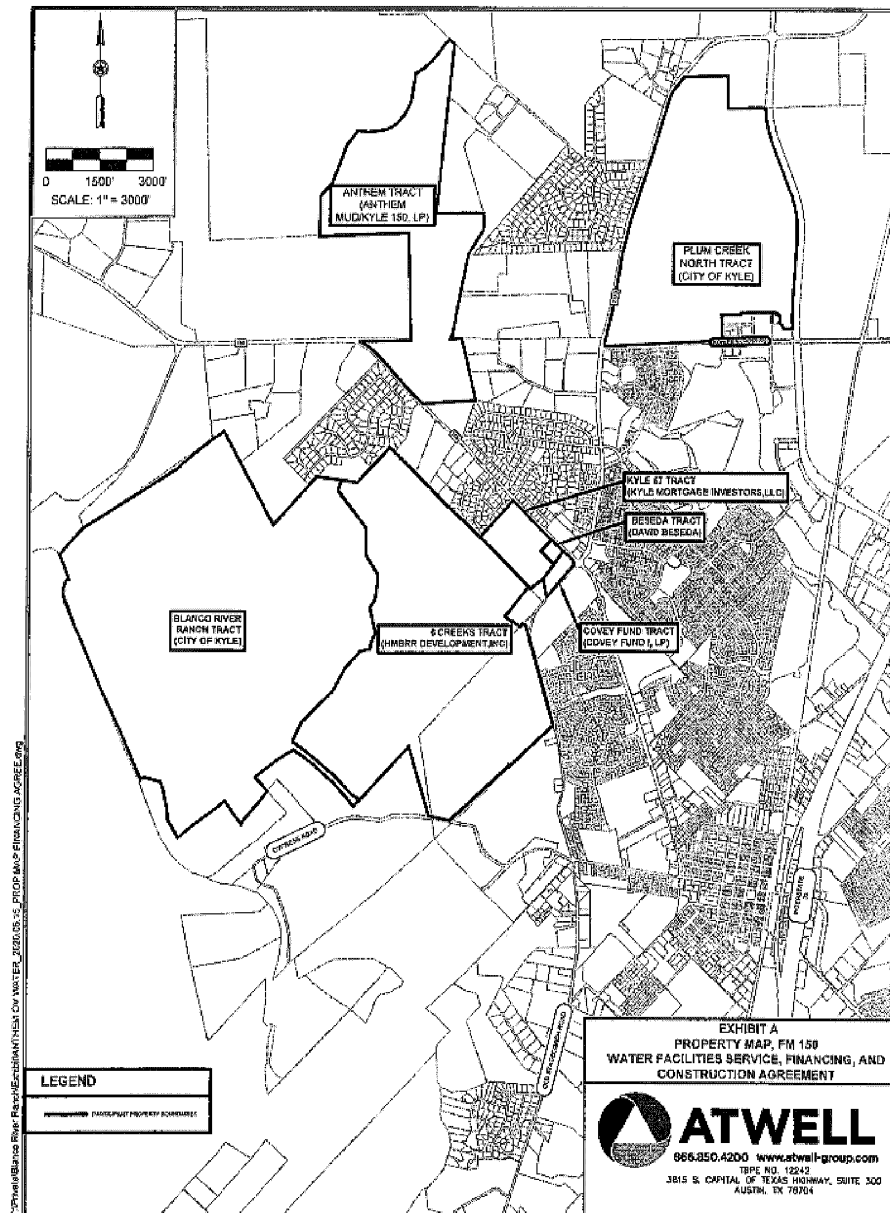


Exhibit "A-1"**"Anthem" Kyle 150, L.P.**

**EXHIBIT A-1
PROPERTY DESCRIPTION
412.992 ACRES**

BEING 412.992 ACRES OF LAND LOCATED IN THE ANDREW DUNN LEAGUE, ABSTRACT NO. 4, THE JOHN COOPER SURVEY NO. 13, ABSTRACT NO. 100 AND THE JESSE DAY SURVEY, ABSTRACT 152 IN HAYS COUNTY, TEXAS AND BEING A REMAINDER OF THE SAME LAND CONVEYED TO MOUNTAIN CITY-150, L.P., CALLED TRACT 1, A 599.25 ACRE TRACT AND TRACT 2 A CALLED 73.693 ACRE TRACT AS DESCRIBED IN VOLUME 5272, PAGE 475 AND A CALLED 875 SQUARE FOOT TRACT 3 AND A 0.308 ACRE TRACT 4 AS DESCRIBED IN VOLUME 5272, PAGE 490 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 412.992 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ¼-inch iron rod located on the northwesterly right of way line of RM 150, an 80 foot wide public right of way, for the southwest corner of said 73.693 acre Tract 2, same being the northwest corner of a called 17.95 acre tract described in a deed to Robert and Linda Rosebrock recorded in Volume 1126, Page 236 of the Hays County Deed Records;

THENCE, with the northwest right of way line of said RM 150 the following courses and distances:

1. N45°54'47"W, 312.73 feet with the westerly line of said 73.693 acre tract to a Texas Department of Transportation Type 1 Concrete Monument;
2. N44°00'03"W, 1476.41 feet to a Texas Department of Transportation Type 1 Concrete Monument found at the beginning of a curve to the left;
3. with the arc of said curve to the left, passing the most southerly southwest corner of said 599.25 acre tract, a found 3/8-inch iron rod at an arc distance of 39.42 feet, passing the southerly corner of a 875 square foot and 0.308 acre tract described in a deed to Mountain City – 150, L.P. in Volume 5272, Page 490 and continuing for an arc distance of 568.29 feet, having a radius of 1185.90 feet, a central angle of 27°27'23" and a chord bearing and distance of N57°43'45"W, 562.87 feet to a ¼-inch iron rod with cap stamped "AST" set for corner on said northwesterly right of way line, same being on the southerly line of a called 581.00 acre tract described in a deed to MILLS, LP and being a re-entrant corner and most westerly south corner of the herein described tract;

THENCE, leaving the northwesterly right of way line of RM 150 and with the common line of said 581.00 acre tract and said 599.25 acre tract the following courses and distances:

1. N88°36'39"E, 1422.09 feet to a ¼-inch iron pipe found for an angle point in said line;
2. N88°38'02"E, 25.14 feet to a Mag Nail in concrete for an interior ell corner of the herein described tract;
3. N01°42'12"W, 2818.15 feet to a found 8-inch diameter Cedar Fence Post for an interior ell corner of the herein described tract;

4. S87°57'12"W, 2442.13 feet to a found 8-inch diameter Cedar Fence Post for an exterior ell corner of the herein described tract, same being the southeast corner of said 752.05 acre tract;

THENCE, with the westerly line of said 599.25 acre tract, same being the easterly line of said 752.05 acre tract, N01°27'27"E, 1085.94 feet to a ½-inch iron rod with cap stamped "AST" found;

THENCE, leaving said westerly line and crossing said 599.25 acre tract, same being the south line of a called 250.097 acres to the City of Austin in Document No. 19010061 of the Official Public Records of Hays County, Texas the following courses and distances:

1. N42°57'57"E, 440.38 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
2. N20°52'40"E, 1067.39 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
3. N37°09'29"E, 492.15 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
4. S85°09'20"E, 319.53 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
5. N84°25'47"E, 294.59 feet to a ½-inch iron rod with cap stamped "AST" found for corner to the beginning of a curve to the left;
6. with the arc of a non-tangent curve to the left, 511.24 feet, having a radius of 871.82 feet, a central angle of 33°35'56" and a chord bearing and distance of N68°19'13"E, 503.95 feet to a ½-inch iron rod with cap stamped "AST" found for corner and a point of compound curvature;
7. with a compound curve to the left, 763.84 feet, having a radius of 1431.82 feet, a central angle of 30°33'56" and a chord bearing and distance of N32°21'48"E, 754.81 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
8. N08°59'58"E, 277.34 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
9. N09°56'17"E, 409.55 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
10. with the arc of a non-tangent curve to the left, 835.46 feet, having a radius of 2082.16 feet, a central angle of 22°59'23" and a chord bearing and distance of N48°50'55"E, 829.87 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
11. N37°50'06"E, 277.44 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
12. N45°32'16"E, 192.35 feet to a ½-inch iron rod with cap stamped "AST" found for corner on the southwesterly line of a called 1974.77 acre tract described in a deed as Tract 6, and recorded in Volume 3533, Page 150 of said deed records and being on the northeasterly line of said 599.25 acre tract;

THENCE, with said southwesterly line, same being the northeasterly line of said 599.25 acre tract, S47°09'20"E, 189.32 feet to a 5-inch diameter Cedar fence post found with 3 mag nails and shiner at the north corner of Tract 4, Indian Creek Ranch Subdivision as recorded in Volume 6, Page 59 of the Hays County Plat Records;

THENCE, leaving the southwesterly line of said 1974.77 acre tract, and with easterly line of said 599.25 acre tract the following courses and distances:

1. With the westerly line of said Indian Creek Ranch Tract 4, S06°08'47"W, 1374.75 feet to a ½-inch Iron pipe found at the southwest corner of said tract 4, same being the northwest corner of Tract 2 of said Indian Creek Ranch and angle point in said easterly line;
2. With the westerly line of said Tract 2, S06°09'17"W, 2965.57 feet to a ½-inch iron rod with cap stamped "AST" found for corner;

THENCE, leaving said westerly line of said Tract 2 of Indian Creek Ranch, crossing said 599.25 acre tract the following courses and distances:

1. N 83°51'07" W a distance of 98.94' to a ½-inch iron rod with cap stamped "AST" found for corner;
2. S 06°08'54" W a distance of 281.11 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
3. N 89°15'50" E a distance of 1221.70 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
4. S 00°29'01" E a distance of 271.28 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
5. S 32°42'55" W a distance of 611.20 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
6. S 87°44'24" W a distance of 57.88 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
7. S 11°37'37" W a distance of 411.37 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
8. S 78°22'23" E a distance of 199.18 feet to a ½-inch iron rod with cap stamped "AST" found for corner in the west line of Hays Consolidated Independent School District;

THENCE, with the said west line of Hays Consolidated Independent School District, and with easterly line of said 599.25 acre tract the following courses and distances:

1. S11°36'28"W, 359.03 feet to an iron rod with cap stamped "McMillan" for an angle point in said line;
2. S10°09'51"W, 395.16 feet to an iron rod with cap stamped "McMillan" for an angle point in said line;
3. S10°11'50"W, 101.83 feet to an iron rod with cap stamped "McMillan" for an angle point in said line;
4. S10°09'55"W, 625.50 feet to an iron rod with cap stamped "McMillan" for an angle point in said line;
5. S12°41'22"W, 447.62 feet to a Nail in a 6-inch fence corner post for an angle point in said line;
6. S42°49'53"W, 93.56 feet to a 30-inch Live Oak tree for an angle point in said line;
7. S00°59'19"W, 13.67 feet to an iron rod with cap stamped RPLS 4542 at the southwest corner of said School District tract and the southeast corner of said 599.25 acre tract and being a point on the northerly line of said 73.693 acre Tract 2;

THENCE, with the northerly line of said 73.693 acre tract, N88°39'49"E, passing a ½-inch iron rod at 243.73 feet and continuing for a total distance of 325.41 feet to a ½-inch iron rod on the southerly line of said School District tract and being the northwest corner of Lot 6, Century Acres, a subdivision of record in Volume 6, Page 53 of the Hays County Plat Records;

THENCE, with said easterly line of said 73.693 acre tract and with the westerly line of said Lot 6 and 7 of said Century Acres and the easterly line of said Lot 2B and 2C Resubdivision of Lot 2B of the Resubdivision of Lot 2 Century Acres of record in Document No. 17040812 of the Hays County Official Public Records,

S13°28'59"E, 1658.91 feet to a ½-inch iron pipe found for the southeast corner of said 73.693 acre tract, same being the southwest corner of said Lot 28 and the common northerly corner of Lots 8 and 9 of Meadow Woods Section Two, a subdivision of record in Volume 3, Page 188 of said Plat Records, same being the northeast corner of said 17.95 acre tract;

THENCE, with the northerly line of said 17.95 acre tract, same being the southerly line of said 73.693 acre tract, S88°38'38"W, passing an iron rod with cap stamped "McMillan" at 103.02 feet and continuing for a total distance of 1505.09 feet to the **POINT OF BEGINNING** and containing, 412.992 acres of land, more or less.

Exhibit "A-2"**HMBRR – "6 Creeks Tract"**

Blanco River Ranch
858.70 acres

PROPERTY DESCRIPTION
EXHIBIT A

BEING 858.70 ACRES OF LAND LOCATED IN THE SAMUEL PHARASS ¼ LEAGUE NO. 14, ABSTRACT 360, AND THE CALEB W. BAKER SURVEY, ABSTRACT 31 HAYS COUNTY, TEXAS AND BEING A PORTION OF TRACT I, A CALLED 1,971.29 ACRE TRACT AND ALL OF TRACT II, A CALLED 195.14 ACRE TRACT AS DESCRIBED IN A DEED FROM THE STATE OF TEXAS TO BLANCO RIVER RANCH, LP AND RECORDED IN VOLUME 5230, PAGE 583 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 858.70 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS WITH ALL BEARING REFERENCED TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE.

BEGINNING at an Iron rod with aluminum cap stamped "Kent McMillian" found marking the most northerly corner of a called 311.56 acre tract described in a deed to Robert Nance recorded in Volume 4459, Page 137 of said Deed Records, same being the northwest corner of a called 195.14 acre tract described in the aforementioned deed to Blanco River Ranch as Tract II and being on the southeasterly line of said 1,971.29 acre Tract I;

THENCE, with the southerly line of said 1,971.29 acre tract, same being the northeasterly line of said 311.56 acre tract S43°59'58"W, 1916.27 feet to a ½-Inch iron rod with cap stamped "AST" set on the northerly line of proposed RM 150;

THENCE, leaving said southerly line and crossing said 1,941.29 acre tract with the proposed northerly line of RM 150 the following courses and distances:

1. N65°08'51"W, 49.48 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the right;
2. with a curve to the right, 381.25 feet, having a radius of 925.00 feet, a central angle of 23°36'54" and a chord bearing and distance of N53°30'43"W, 378.55 feet to a ½-inch iron rod with cap stamped "AST" set for point of tangency;
3. N41°42'16"W, 336.00 feet to a ½-Inch Iron rod with cap stamped "AST" set at the beginning of a curve to the left;
4. with the arc of said curve to the left, 151.93 feet, having a radius of 1100.00 feet, a central angle of 07°54'48" and a chord bearing and distance of N45°39'41"W, 151.81 feet to a ½-inch iron rod with cap stamped "AST" set for point of tangency;
5. N49°37'05"W, 572.43 feet to a ½-inch iron rod with cap stamped "AST" set for an angle point in said line;
6. N51°37'01"W, 75.00 feet to a ½-inch Iron rod with cap stamped "AST" set for an angle point in said line;
7. N53°36'58"W, 749.01 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the left;

8. with the arc of said curve to the left, 93.33 feet, having a radius of 1025.00 feet, a central angle of 05°13'01" and a chord bearing and distance of N56°13'28"W, 93.30 feet to a ½-inch iron rod with cap stamped "AST" set for the most westerly southwest corner of the herein described tract;

THENCE leaving said proposed right of way line and with a dry creek, the following courses and distances:

1. N26°31'11"E, 563.37 feet to a calculated point;
2. N46°09'29"E, 1179.39 feet to a calculated point;
3. N28°22'57"E, 708.36 feet to a calculated point;
4. N44°16'34"E, 582.28 feet to a calculated point at the beginning of a curve to the right;
5. with a curve to the right, 297.90 feet, having a radius of 1184.66 feet, a central angle of 14°24'28" and a chord bearing and distance of N77°54'54"E, 297.12 feet to a calculated point;
6. N04°51'54"W, 125.14 feet to a calculated point;
7. N23°10'37"E, 321.60 feet to a calculated point;
8. N13°08'23"W, 681.62 feet to a calculated point;
9. N31°45'00"E, 255.79 feet to a calculated point;
10. N08°23'37"E, 473.49 feet to a calculated point;
11. N02°33'01"W, 195.07 feet to a calculated point;
12. N30°53'10"W, 576.14 feet to a calculated point;
13. N01°26'31"W, 729.89 feet to a calculated point;
14. N38°05'39"W, 1250.80 feet to a calculated point;
15. N20°33'26"E, 282.73 feet to a ½-inch iron rod with cap stamped "AST" set for the most westerly northwest corner of the herein described tract on the northerly line of said 1,971.29 acre tract, same being on the southerly line of Park Land Lot 23 of Arroyo Ranch, Section One, a subdivision of record in Volume 10, Page 180 of the Hays County Official Public Records;

THENCE, with the northerly line of said 1,971.29 acre tract, S82°42'45"E, 432.46 feet to a point located in the centerline of the remains of an old stone fence corner for an angle point in the north line of the herein described tract, from which a ½"-inch iron rod bears S88°19'W, 37.5 feet;

THENCE, continuing with said northerly line, N43°55'32"E, 1271.63 feet to a 2-inch metal fence post at the most northerly northwest corner of said 1,971.29 acre tract and being the common corners of Lots 12, 13 and 19, Block D of said Arroyo Ranch Section One subdivision;

THENCE, with the easterly line of said 1,971.29 acre tract the following courses and distances:

1. S46°19'30"E, at 185.02 feet passing the south line of said Arroyo Ranch subdivision and north line of a 20.3 acre tract described in a deed to F. Javier, Jr et al and recorded in Volume 2813, Page 359 of said Official Public Records and continuing for a total distance of 887.68 feet to a found ½-inch iron rod for the south corner of said Javier tract, same being the westerly corner of

a 21.15 acre tract described in a deed to Nancy L. Russell and Randall W. Russell and recorded in Volume 4385, Page 135 of said Official Public Records;

2. S46°48'04"E, 579.01 feet to a found ½-inch iron rod for the south corner of Russell and being the westerly corner of Quail Meadows Subdivision as recorded in Volume 7, Page 47 of the Hays County Plat Records;
3. With the southwesterly line of said subdivision, S46°06'19"E, 409.08 feet to ½-inch iron rod for angle point;
4. S47°09'10"E, 405.41 feet to ½-inch iron rod for angle point;
5. S47°52'54"E, 295.90 feet to ½-inch iron rod for angle point;
6. S47°18'52"E, 296.88 feet to ½-inch iron rod for angle point;
7. S47°21'24"E, 132.10 feet to ½-inch iron rod for angle point;
8. S47°07'34"E, 179.01 feet to ½-inch iron rod for angle point;
9. S46°55'27"E, 248.69 feet to ½-inch iron rod for most southerly corner of said subdivision and the westerly corner of a called 57.26 acre tract described in a deed to Kyle Mortgage Investors, LLC and recorded in Volume 3416, Page 789 of said Official Public Records;
10. S45°43'31"E, 436.59 feet to a fence post for angle point;
11. S46°32'55"E, 1447.00 feet to an iron rod with aluminum cap stamped "Kent McMillian" at an interior ell corner of said 1,971.29 acre tract;
12. Continuing with the easterly line of said 1,971.29 acre tract, S40°23'35"W, 1023.40 feet to a ½-inch iron rod found at the westerly corner of a called 1.259 acre tract described in a deed to Robin Robinson and recorded in Volume 5358, Page 587 of said Official Public Records;
13. S50°23'48"E, 255.70 feet to a fence post for angle point;
14. N40°43'43"E, 42.89 feet to a ½-inch iron rod with cap stamped "AST" set;
15. S52°09'40"E, at 85.22 feet passing a ½-inch iron rod found at the westerly corner of a called 0.72 acre tract described in a deed to Robin and Gale Robinson and recorded in Volume 4689, Page 363 of said Official Public Records and continuing for a total distance of 244.62 feet to a ½-inch iron rod with cap stamped "AST" set;
16. N43°53'50"E, 92.19 feet to a ½-inch iron rod with cap stamped "AST" set;
17. S78°26'49"E, 101.27 feet ½-inch iron rod found on the westerly right of way line of N. Old Stagecoach Road (width varies);

THENCE, with said westerly right of way line the following course and distances:

1. S16°21'49"E, 511.37 feet to a ½-inch iron rod with cap stamped "AST";
2. S16°20'38"E, 1420.21 feet to a 60d nail found next to a cedar fence post and
3. S16°48'53"E, 800.20 feet to a ½-inch iron rod with cap stamped "AST" set for the most easterly southeast corner of this tract;

THENCE, leaving said westerly right of way line and with fence along the southeasterly line of said 195.14 acre tract, S36°01'23"W, 42.36 feet to a cedar fence post;

THENCE, continuing with said southeasterly line, same being the northwesterly line of a called 132.59 acre tract described in a deed to Felder CND, LLC and recorded in Volume 5224, Page 246 of the Hays County Official Public Records the following courses and distances:

1. S48°36'08"W, 1583.50 feet to a cedar fence post;
2. N49°26'16"W, 34.23 feet to a cedar fence post;
3. S25°40'41"W, 39.42 feet to an iron rod with cap stamped "Vickrey";
4. S48°29'40"W, 2127.73 feet to a cedar fence post with "Mag Nail" on the northerly right of way line of Cypress Road (aka Limekiln Road) (width undetermined) at the southeast corner of said 195.14 acre tract from which an iron rod with aluminum cap stamped "Kent McMillan" bears S21°57'46"W, 50.84 feet;

THENCE, with said northerly right of way line, N77°16'32"W, 599.91 feet to a cedar fence post on the easterly line of said 311.56 acre tract;

THENCE, with fence and the easterly line of said 311.56 acre and westerly line of said 195.14 acre tract the following courses and distances:

1. N16°46'19"W, 270.65 feet to a calculated angle point in said line and;
2. N17°13'44"W, 1607.95 feet to the POINT OF BEGINNING and containing 858.70 acres of land, more or less.

SURVEYOR'S STATEMENT

I hereby state that the Included field note description was prepared from an actual survey made on the ground under my supervision and is true and correct, to the best of knowledge and belief.

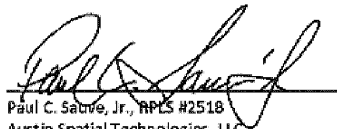

 Paul C. Sauve, Jr., RPMS #2518
 Austin Spatial Technologies, LLC
 December 5, 2016



Exhibit "A-4"

David Beseda
2310 Portofino Ridge
Austin, TX 78735
Travis County
Hays County Document Number 17041944

Being 4.847 acres of land, more or less, situated in the SAMUEL PHARASS SAURVEY,
ABSTRACT NO. 360, Hays County, Texas, and being a portion of that certain 62.10 acre
tract described in Correction Warranty Deed recorded in Volume 2671, Page 863,
Official Public Records, Hays County, Texas.

Exhibit "A-5"

Kyle Mortgage Investors LLC
10800 Wilshire Boulevard, Unit 2101
Los Angeles, CA 90024
Hays County Document Volume 2805 Page 659

Being 57.260 acres of land out of the SAMUEL PHARASS SAURVEY, ABSTRACT NO. 360,
Hays County, Texas,

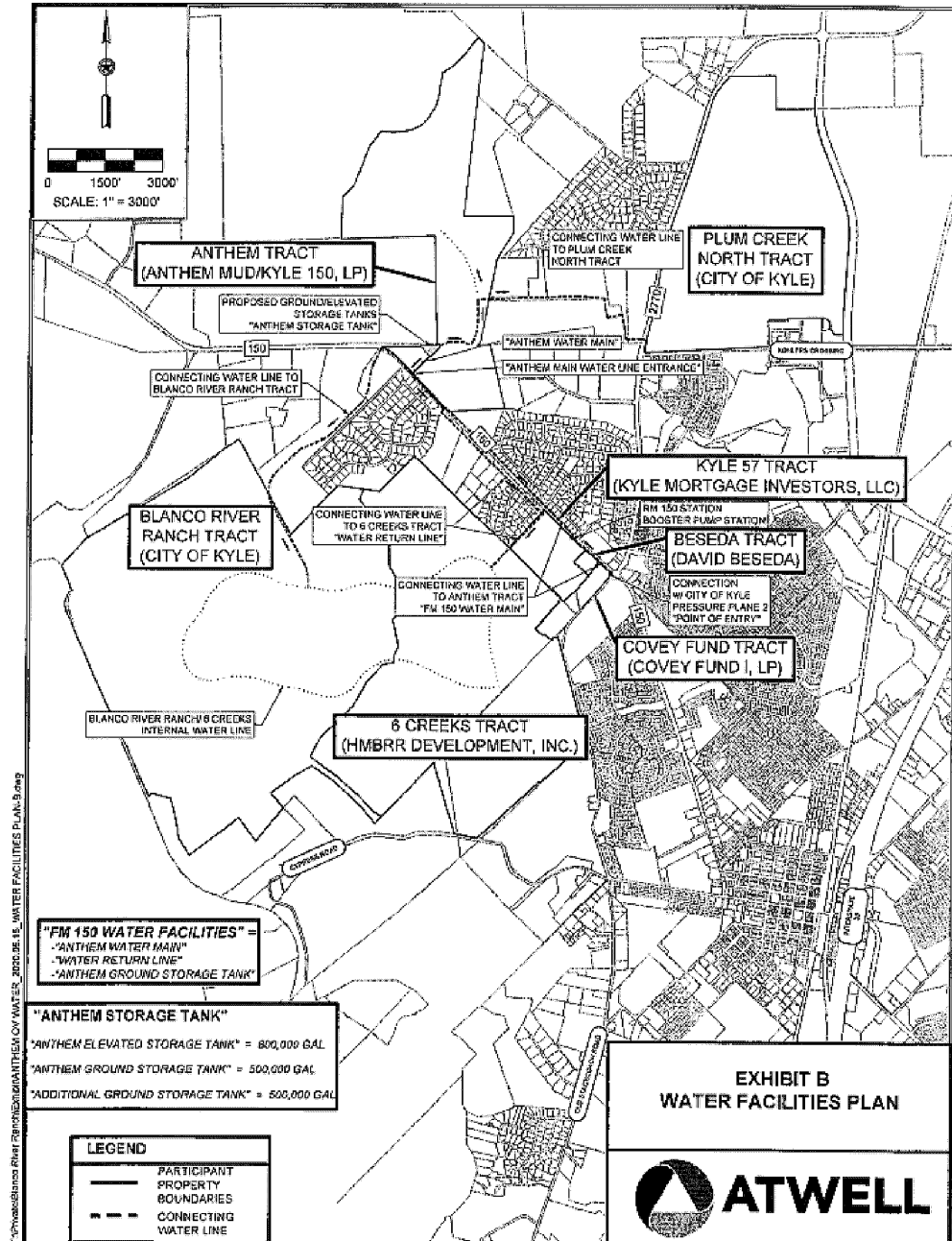


Exhibit "C"

FM 150 Water Facilities Project Schedule

- Water Line System including 12" feed line to Anthem, 16" distribution return line to 6 Creeks and all internal Anthem Phase 1A water lines estimated completion January 2021
- RM 150 Pump Station estimated completion date January 2021
- Hoover Drive Pump Station and initial ground storage tank estimated completion Date February 2021

Exhibit D

**FM 150 Water Facilities & Elevated Storage Tank
Project Budget**

		Antheim	6 Creeks	Kyle 57	Findlay	Besada	(City of Kyle) Flinn Creek North	(City of Kyle) Blanco River Ranch Tract
	Maximum LUE Allocations	1,650	1,000	240	100	50	1,400	2,100
Engineer	Amherst							
Equipment	City of Kyle							
DC 150 Station	\$5,473,678							
DC Improvements	\$35,388	\$49,043	\$27,197	\$6,551	\$4,750	\$4,365	\$0	\$0
Engine Improvements	\$1,011,329							
Modification and Traffic Control		\$28,600	\$1,044	\$7,824	\$1,757	\$242	\$0	\$0
Pump Station and Trench Line		\$20,880	\$208,800	\$0	\$0	\$0	\$0	\$0
Return Line		\$1,000,508	\$0	\$726,152	\$174,855	\$763,108	\$0	\$0
Site Improvements	\$93,305	\$85,295	\$15,280	\$37,362	\$3,181	\$1,608	\$0	\$0
Miscellaneous and Miscellaneous		\$74,882	\$14,408	\$0	\$0	\$0	\$0	\$0
Site Work		\$63,720	\$63,720	\$0	\$0	\$0	\$0	\$0
Return Line Engineering	\$68,000	\$0	\$68,000	\$19,715	\$4,850	\$1,400	\$0	\$0
Engineering for Concrete Initial Structure and Agreement	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Return Line Trenching	\$300,000	\$0	\$18,388	\$9,906	\$3,623	\$1,610	\$0	\$0
Return Line Trenching	\$300,000	\$0	\$18,388	\$9,906	\$3,623	\$1,610	\$0	\$0
Sub Total	\$1,074,000	\$1,703,446	\$466,347	\$543,433	\$68,335	\$44,127	\$0	\$0
LIN Contingency	\$181,100	\$100,245	\$78,347	\$18,703	\$9,231	\$4,812	\$0	\$0
Total	\$1,587,184	\$3,973,793	\$618,588	\$223,102	\$96,159	\$48,300	\$0	\$0
Blanco River	\$1,769,093							
Antheim Initial 1500 gallon tank	\$113,931	\$113,931	\$0	\$0	\$0	\$0	\$0	\$0
Findlay/Ground Storage Tank	\$93,834	\$93,834	\$0	\$0	\$0	\$0	\$0	\$0
Antheim/Ground Storage Tank	\$1,000,000	\$1,000,000	\$87,234	\$26,921	\$8,724	\$4,365	\$131,114	\$181,117
DC Improvements	\$12,401	\$12,401	\$19,170	\$78,497	\$14,057	\$4,350	\$0	\$0
Site Improvements	\$267,470	\$267,470	\$18,711	\$9	\$1,513	\$767	\$0	\$0
Pump Station Water Improvements	\$277,776	\$277,776	\$0	\$0	\$0	\$0	\$0	\$0
Return Line Improvements	\$113,900	\$113,900	\$0	\$0	\$0	\$0	\$0	\$0
Ground Storage Tank/Engineering/Work	\$234,000	\$234,000	\$61,681	\$10,874	\$5,334	\$2,800	\$143,448	\$181,427
Engineering CA	\$15,000	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0
Shoring	\$10,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0
Trucking	\$15,000	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0
Sub Total	\$1,769,093	\$1,769,093	\$149,016	\$138,046	\$56,845	\$28,443	\$55,933	\$66,000
LIN Contingency	\$376,907	\$376,907	\$40,179	\$14,184	\$7,092	\$3,612	\$0	\$0
Total	\$1,769,093	\$1,769,093	\$189,195	\$152,230	\$63,937	\$32,055	\$1,039,942	\$1,039,942
Blanco River	\$1,769,093							
Antheim Initial 1500 gallon tank	\$113,931	\$113,931	\$0	\$0	\$0	\$0	\$0	\$0
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Engineering CA	\$15,000	\$15,000	\$0	\$0	\$0	\$0	\$0	

Exhibit E

FM 150 Water Facilities & Elevated Storage Tank
Participation Percentages

	Anthem	6 Creeks	Kyle 57	Findley	Beseda	Lennar	BRR
RM 150 Return Line Participation	0%	72%	17%	7%	4%	0%	0%
Common RM 150 Pump Station and Transmission Main Participation	54%	33%	8%	3%	2%	0%	0%
RM 150 Pump Station Site Work	100%	0%	0%	0%	0%	0%	0%
Elevated and Ground Storage Tank Participation	19%	17%	4%	2%	1%	23%	35%
Hoover Drive Participation	33%	0%	4%	2%	1%	26%	37%

Exhibit F

EST Project Schedule

- Project Design Completion 1st Quarter 2021
- Design Review and Permitting 3rd Quarter 2021
- Bidding and Contract Award November 2021
- Complete Construction 4th Quarter 2022

Exhibit G

Estimated 800,000 gallon EST Project Budget

• Estimated Civil Design Budget	\$200,000
• Estimated Electrical	\$30,000
• Estimated Structural Design	\$20,000
• Estimated Const. Admin	\$64,000
• Estimated Coatings Inspection	\$10,000
• Estimated Construction Cost	\$1,900,000

**THE STATE OF TEXAS
COUNTY OF HAYS**

I hereby certify that this instrument was FILED on the
date and the time stamped hereon by me and was duly
RECORDED in the Records of Hays County, Texas.

20056036 AMENDMENT
12/07/2020 03:17:02 PM Total Fees: \$258.25

Elaine H. Cárdenas, MBA, PhD, County Clerk
Hays County, Texas



**PARTIAL ASSIGNMENT AND ASSUMPTION OF RIGHTS AND OBLIGATIONS
UNDER BLANCO RIVER RANCH (Phase One Residential Area)
DE-ANNEXATION AND DEVELOPMENT AGREEMENT**

This Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (this "**Assignment**") is by and between **HMBRR LP**, a Texas limited partnership ("**Assignor**"), and **HMBRR Development, Inc.**, a Texas corporation ("**Assignee**") as follows.

RECITALS

WHEREAS, the City of Kyle (the "**City**") and Blanco River Ranch Properties, LP, a Texas limited partnership ("**BRRP**"), entered into the Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective May 16, 2017 and recorded as Document No. 17018505, Official Public Records of Hays County, Texas (the "**Original Development Agreement**") with respect to 858.7 acres in Hays County, Texas more fully described in the Original Development Agreement (the "**Property**"); and

WHEREAS, by Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective September 20, 2017, and recorded under Document No. 17034183, Official Public Records of Hays County, Texas (the "**BRRP Assignment**"), BRRP assigned its rights under the Original Development Agreement as follows: (i) to Assignee, as to 61.49 acres of the Property more particularly described in the BRRP Assignment ("**Tract 1**"), (ii) to Assignor, as to 188.51 acres of the Property more particularly described in the BRRP Assignment ("**Tract 2**") and (iii) to HMBRR LP #2, a Texas limited partnership ("**LP #2**"), as to 608.7 acres of the Property more particularly described in the BRRP Assignment ("**Tract 3**"); Assignor, Assignee and LP #2 may be referred to collectively as the "**HM Entities**"; and

WHEREAS, the City and the HM Entities modified the Original Development Agreement by First Amendment to Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (the "**First Amendment**") dated effective October 6, 2020, and recorded under Document No. 20056036, Official Public Records of Hays County, Texas, and the term "**Development Agreement**" as used herein, refers to the Original Development Agreement as modified by the First Amendment; and

WHEREAS, Assignee is under common control with Hanna/Magee LP #1, a Texas limited partnership ("**Hanna/Magee**"), and Section 12.05(b) of the Original Development Agreement, as modified by the First Amendment, provides that, without the consent of City, any of the HM Entities may assign their rights and obligations under the Development Agreement to any entity controlling, controlled by or under common control with Hanna/Magee; and

WHEREAS, Assignor sold and conveyed to Assignee all of Tract 2 through two (2) separate transactions and now wishes to assign to Assignee Assignor's rights and obligations under the Development Agreement (being all rights and obligations as to Tract 2).

AGREEMENT

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants contained herein, the parties agree as follows:

1. The Recitals set out above are true and correct and are incorporated into this Assignment for all purposes.
2. Assignor assigns all its rights and obligations under the Development Agreement (being all rights and obligations as to Tract 2) to Assignee.
3. Assignee accepts the assignment of Assignor's rights and obligations under the Development Agreement as to Tract 2.
4. Hanna/Magee is executing this Assignment for the sole purpose of confirming that Assignee is under common control with Hanna/Magee.
5. To facilitate execution, this instrument may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Agreement: (a) the signature pages taken from separate, individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (b) a copy of a signature transmitted by facsimile or e-mail (e.g., .pdf or Adobe) will be deemed to be an original signature for all purposes. It is not necessary to confirm the copy transmitted by facsimile or e-mail (e.g., .pdf or Adobe) by delivery of the original. All executed counterparts of this Agreement will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

This Assignment shall be effective from and after the date executed by all parties and recorded in the Official Records of Hays County, Texas.

(Signature Pages Follow)

Assignor:

HMBRR LP, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,
General Partner

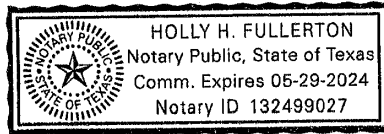
By: Jay A. Hanna
Jay A. Hanna, Vice President

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 30th day of Sept., 2021 by Jay A. Hanna, Vice President of Hanna/Magee GP #1, Inc., a Texas corporation, General Partner of **HMBRR LP**, a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)



Holly H. Fullerton
Notary Public Signature

Assignee:

HMBRR DEVELOPMENT, INC., a Texas corporation

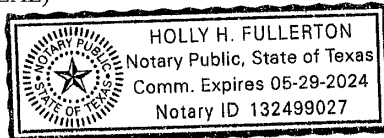
By: Jay A. Hanna
Jay A. Hanna, Vice President

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 30th day of Sept., 2021 by Jay A. Hanna, as Vice President of **HMBRR DEVELOPMENT, INC.**, a Texas corporation, on behalf of said corporation.

(SEAL)

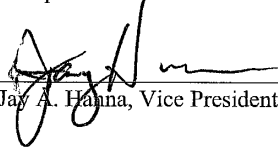


Holly H. Fullerton
Notary Public Signature

Hanna/Magee has executed this Assignment for the sole purpose of confirming the representation contained in Paragraph 4.

HANNA/MAGEE L.P. #1, a Texas limited partnership

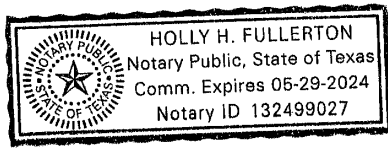
By: Hanna/Magee GP #1, Inc., a Texas corporation,
its general partner

By: 
Jay A. Hanna, Vice President

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 30th day of Sept., 2021 by Jay A. Hanna, as Vice President of Hanna/Magee GP #1, Inc., a Texas corporation that is General Partner of **HANNA/MAGEE LP #1**, a Texas limited partnership, on behalf of said corporation and limited partnership.





**THE STATE OF TEXAS
COUNTY OF HAYS**

I hereby certify that this instrument was FILED on the
date and the time stamped hereon by me and was duly
RECORDED in the Records of Hays County, Texas.

21054961 ASSIGNMENT
10/05/2021 02:16:03 PM Total Fees: \$38.75

Elaine H. Cárdenas, MBA, PhD, County Clerk
Hays County, Texas



**PARTIAL ASSIGNMENT AND ASSUMPTION OF RIGHTS AND OBLIGATIONS
UNDER BLANCO RIVER RANCH (Phase One Residential Area)
DE-ANNEXATION AND DEVELOPMENT AGREEMENT**

This Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (this “**Assignment**”) is by and between **HMBRR LP #2**, a Texas limited partnership (“**Assignor**”), and **HM 6 Creeks Development, Inc.**, a Texas corporation (“**Assignee**”) as follows.

RECITALS

WHEREAS, the City of Kyle (the “**City**”) and Blanco River Ranch Properties, LP, a Texas limited partnership (“**BRRP**”), entered into the Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective May 16, 2017 and recorded as Document No. 17018505, Official Public Records of Hays County, Texas (the “**Original Development Agreement**”) with respect to 858.7 acres in Hays County, Texas more fully described in the Original Development Agreement (the “**Property**”); and

WHEREAS, by Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective September 20, 2017, and recorded under Document No. 17034183, Official Public Records of Hays County, Texas (the “**BRRP Assignment**”), BRRP assigned its rights under the Original Development Agreement as follows: (i) to HMBRR Development, Inc., a Texas corporation (“**HMBRR Inc**”), as to 61.49 acres of the Property more particularly described in the BRRP Assignment (“**Tract 1**”), (ii) to HMBRR LP, a Texas limited partnership (“**HMBRR LP**”), as to 188.51 acres of the Property more particularly described in the BRRP Assignment (“**Tract 2**”) and (iii) to Assignor, as to 608.7 acres of the Property more particularly described in the BRRP Assignment (“**Tract 3**”); HMBRR Inc, HMBRR LP and Assignor may be referred to collectively as the “**HM Entities**”; and

WHEREAS, the City and the HM Entities modified the Original Development Agreement by First Amendment to Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (the “**First Amendment**”) dated effective October 6, 2020, and recorded under Document No. 20056036, Official Public Records of Hays County, Texas, and the term “**Development Agreement**” as used herein, refers to the Original Development Agreement as modified by the First Amendment; and

WHEREAS, Assignee is under common control with Hanna/Magee LP #1, a Texas limited partnership (“**Hanna/Magee**”), and Section 12.05(b) of the Original Development Agreement, as modified by the First Amendment, provides that, without the consent of City, any of the HM Entities may assign their rights and obligations under the Development Agreement to any entity controlling, controlled by or under common control with Hanna/Magee; and

WHEREAS, on or about September 23, 2020 (the “**Effective Date**”), Assignor sold and conveyed to Assignee 249.05 acres, more or less, out of Tract 3, which is more particularly described on **Exhibit A** attached to this Assignment (the “**249.05 Acres**”), and wishes to assign to Assignee Assignor’s rights and obligations under the Development Agreement as to the 249.05 Acres (but not as to the balance of Tract 3) as of the Effective Date, as more particularly described below.

AGREEMENT

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants contained herein, the parties agree as follows:

1. The Recitals set out above are true and correct and are incorporated into this Assignment for all purposes.
2. Assignor assigns all its rights and obligations under the Development Agreement *as to the 249.05 Acre Tract only* to Assignee. Assignor retains all rights and obligations under the Development Agreement as to the remainder of Tract 3.
3. Assignee accepts the assignment of Assignor's rights and obligations under the Development Agreement as to the 249.05 Acre Tract only.
4. Hanna/Magee is executing this Assignment for the sole purpose of confirming that Assignee is under common control with Hanna/Magee.
5. To facilitate execution, this instrument may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Agreement: (a) the signature pages taken from separate, individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (b) a copy of a signature transmitted by facsimile or e-mail (e.g., .pdf or Adobe) will be deemed to be an original signature for all purposes. It is not necessary to confirm the copy transmitted by facsimile or e-mail (e.g., .pdf or Adobe) by delivery of the original. All executed counterparts of this Agreement will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

This Assignment shall be effective from and after the Effective Date.

(Signature Pages Follow)

Assignor:

HMBRR LP #2, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,
General Partner

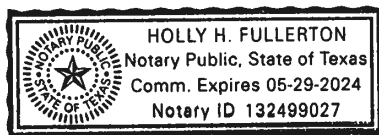
By: 
Jay A. Hanna, Vice President

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 30th day of Sept, 2021 by Jay A. Hanna, Vice President of Hanna/Magee GP #1, Inc., a Texas corporation, General Partner of **HMBRR LP #2**, a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)




Notary Public Signature

Assignee:

HM 6 CREEKS DEVELOPMENT, INC., a Texas corporation

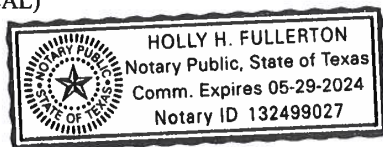
By: 
Jay A. Hanna, President

STATE OF TEXAS §

COUNTY OF TRAVIS §

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(SEAL)

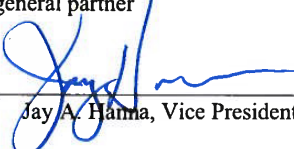



Notary Public Signature

Hanna/Magee has executed this Assignment for the sole purpose of confirming the representation contained in Paragraph 4.

HANNA/MAGEE L.P. #1, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,
its general partner

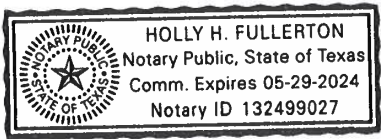
By: 
Jay A. Hanna, Vice President

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 30th day of Sept., 2021 by Jay A. Hanna, as Vice President of Hanna/Magee GP #1, Inc., a Texas corporation that is General Partner of **HANNA/MAGEE LP #1**, a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)




Notary Public Signature

EXHIBIT A

County: Hays
Project: 6-Creeks
Job No.: A201302
MB No.: 20-019

FIELD NOTES FOR 249.051 ACRES

Being a 249.051 acre tract of land located in the Samuel Pharass 1/4 League, Survey Number 14, Abstract Number 360 in Hays County, Texas. Said 249.051 acre tract being a portion of a called 608.70 acre tract of land recorded in the name of HMBRR, LP #2 in Document Number 17034180 of the Official Records of Hays County Texas (O.R.H.C.), said 249.051 acre tract of land being more particularly described by metes and bound as follows: *(Bearings are based on the Texas State Plane Coordinate System, South Central Zone).*

Beginning at capped iron rod found stamped "AST" for the most westerly corner of said 608.70 acre tract, said iron rod being the most southerly corner of Waterridge 150 District, Section 2, a subdivision as recorded in Document Number 19038655, O.P.R.H.C., said iron rod also being on the northerly line Waterridge Boulevard, a subdivision as recorded in Document Number 19038635, O.P.R.H.C.;

Thence, with the common line between said 608.70 acre tract and said Waterridge 150 subdivision, North 26 degrees 31 minutes 11 seconds East, passing at a distance of 554.24 the southeasterly corner of said Waterridge subdivision, being the most southerly corner of the remainder portion of a called 1971.29 acre tract of land recorded in the name of Blanco River Ranch, LP in Volume 5230 Page 583 of the Hays County Deed Records (H.C.D.R.), in all, a distance of 563.37 feet to a calculated point;

Thence, with the common line between said 608.70 acre tract and said 1971.29 acre remainder tract, the following four (4) courses and distances;

1. North 46 degrees 09 minutes 29 seconds East, a distance of 1179.39 feet to a calculated point;
2. North 28 degrees 22 minutes 57 seconds East, a distance of 708.36 feet to a calculated point;
3. North 44 degrees 16 minutes 34 seconds East, a distance of 582.28 feet to a calculated point;
4. 297.90 feet along the arc of a curve to the right, said curve having a central angle of 14 degrees 24 minutes 28 seconds, a radius of 1184.66 feet, and a chord that bears North 77 degrees 54 minutes 54 seconds East, a distance of 297.12 feet to a 1/2-inch iron rod found for the southeasterly corner of said 1971.29 acre remainder tract;

Thence, through and across said 608.70 acre tract and following the line established by a 250 acre survey dated 8-10-2020, the following fourteen (14) courses and distances;

1. 386.58 feet along the arc of a curve to the right, said curve having a central angle of 18 degrees 41 minutes 48 seconds, a radius of 1184.66 feet, and a chord that bears South 85 degrees 31 minutes 58 seconds East, a distance of 384.86 feet to a capped iron rod stamped "Atwell" found;
2. North 14 degrees 03 minutes 25 seconds East, a distance of 154.34 feet to a capped iron rod stamped "Atwell" found;
3. North 89 degrees 56 minutes 01 seconds East, a distance of 226.42 feet to a capped iron rod stamped "Atwell" found;

4. North 49 degrees 02 minutes 03 seconds East, a distance of 179.70 feet to a capped iron rod stamped "Atwell" found;
5. North 61 degrees 58 minutes 58 seconds East, a distance of 296.99 feet to a capped iron rod stamped "Atwell" found;
6. North 75 degrees 28 minutes 29 seconds East, a distance of 257.09 feet to a capped iron rod stamped "Atwell" found;
7. South 85 degrees 30 minutes 10 seconds East, a distance of 318.98 feet to a capped iron rod stamped "Atwell" found;
8. North 70 degrees 45 minutes 09 seconds East, a distance of 214.03 feet to a capped iron rod stamped "Atwell" found;
9. North 47 degrees 16 minutes 33 seconds East, a distance of 360.88 feet to a capped iron rod stamped "Atwell" found;
10. North 85 degrees 14 minutes 12 seconds East, a distance of 340.49 feet to a capped iron rod stamped "Atwell" found;
11. South 89 degrees 12 minutes 08 seconds East, a distance of 118.79 feet to a capped iron rod stamped "Atwell" found;
12. 483.09 feet along the arc of a curve to the left, said curve having a central angle of 14 degrees 14 minutes 46 seconds, a radius of 1942.92 feet, and a chord that bears South 06 degrees 19 minutes 30 seconds East, a distance of 481.84 feet to a capped iron rod stamped "Atwell" found;
13. South 13 degrees 23 minutes 08 seconds East, a distance of 751.43 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
14. South 76 degrees 44 minutes 31 seconds West, passing at a distance of 1.68 feet a northeasterly corner of 6 Creeks Boulevard Phase I, Section 2 (Right-of-Way Only), a subdivision as recorded in Document Number 19019778, O.P.R.H.C., in all a total distance of 115.68 feet to a 1/2-inch iron rod found for a northwesterly corner of said 6 Creeks Boulevard Subdivision;

Thence, with the common line between said 608.70 acre tract and said 6 Creeks Boulevard Subdivision, the following four (4) courses and distances;

1. South 13 degrees 18 minutes 02 seconds East, a distance of 26.84 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
2. 116.85 feet along the arc of a curve to the right, said curve having a central angle of 92 degrees 59 minutes 02 seconds, a radius of 72.00 feet, and a chord that bears South 33 degrees 11 minutes 23 seconds West, a distance of 104.44 feet to a cotton spindle found;
3. South 80 degrees 21 minutes 31 seconds West, a distance of 34.11 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;

4. South 08 degrees 51 minutes 19 seconds East, passing at a distance of 120.00 feet, a 1/2-inch iron rod found for the southwesterly corner of said 6 Creeks Boulevard Subdivision, in all, a distance of 123.28 feet to a 5/8-inch iron rod set with cap stamped GBI Partners on the southerly line of said 608.70 acre tract, said iron rod being on the northerly line of 6 Creeks, Phase 1, Section 3, a subdivision as recorded in Document Number 19020754, O.P.R.H.C.;

Thence, with the common line between said 608.70 acre tract and said 6 Creeks, Phase 1, Section 3 Subdivision, 418.10 feet along the arc of a curve to the right, said curve having a central angle of 15 degrees 21 minutes 21 seconds, a radius of 1560.00 feet, and a chord that bears South 88 degrees 32 minutes 47 seconds West, a distance of 416.85 feet to a capped iron rod found stamped "AST" for an angle point on the southerly line of said 608.70 acre tract, said iron rod being an angle point in the northerly line of a called 153.0288 acre tract of land recorded in the name of HMBRR Development, Inc. in Document Number 200006092, O.P.R.H.C.

Thence, with the common line between said 608.70 acre tract and said 153.0288 acre tract the following five (5) courses and distances;

1. South 39 degrees 17 minutes 57 seconds West, a distance of 243.43 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
2. South 48 degrees 47 minutes 14 seconds West, a distance of 226.76 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
3. South 51 degrees 36 minutes 39 seconds West, a distance of 699.50 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
4. South 13 degrees 00 minutes 14 seconds West, a distance of 359.30 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
5. South 12 degrees 59 minutes 48 seconds West, a distance of 728.51 feet to capped iron rod stamped "Kent McMillian" for an angle point on the southerly line of said 608.70 acre tract, also being an angle point on the westerly line of said 153.0288 acre tract, said iron rod also being the most northerly corner of a called 311.56 acre tract of land recorded in the names of Robert Scott and Lanah Nance in Document Number 18006670, O.P.R.H.C.;

Thence, with the common line between said 608.70 acre tract and said 311.56 acre tract South 44 degrees 00 minutes 02 seconds West, a distance of 1916.25 feet to a capped iron rod found for the most southerly corner of said 608.70 acre tract, said iron rod being the most easterly corner of aforesaid Waterridge Boulevard Subdivision;

Thence, with the common line between said 608.70 acre tract and said Waterridge Boulevard Subdivision the following eight (8) courses and distances;

1. North 65 degrees 08 minutes 51 seconds West, a distance of 49.49 feet to a 1/2-inch iron rod found;
2. 381.25 feet along the arc of a curve to the right, said curve having a central angle of 23 degrees 36 minutes 54 seconds, a radius of 925.00 feet, and a chord that bears North 53 degrees 30 minutes 43 seconds West, a distance of 378.55 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
3. North 41 degrees 42 minutes 16 seconds West, a distance of 336.00 feet to a capped iron rod found stamped "AST";

4. 151.93 feet along the arc of a curve to the left, said curve having a central angle of 07 degrees 54 minutes 48 seconds, a radius of 1100.00 feet, and a chord that bears North 45 degrees 39 minutes 41 seconds West, a distance of 151.80 feet to a capped iron rod found stamped "AST";
5. North 49 degrees 37 minutes 05 seconds West, a distance of 572.43 feet to a capped iron rod found stamped "Atwell";
6. 75.01 feet along the arc of a curve to the left, said curve having a central angle of 03 degrees 59 minutes 53 seconds, a radius of 1075.00 feet, and a chord that bears North 51 degrees 37 minutes 01 seconds West, a distance of 75.00 feet to a capped iron rod found stamped "Atwell";
7. North 53 degrees 36 minutes 58 seconds West, a distance of 749.01 feet to a capped iron rod found stamped "AST";
8. 93.33 feet along the arc of a curve to the left, said curve having a central angle of 05 degrees 13 minutes 01 seconds, a radius of 1025.00 feet, and a chord that bears North 56 degrees 13 minutes 28 seconds West, a distance of 93.30 feet to the Point of Beginning and containing 249.051 acres of land.

GBI Partners, LP
TBPLS Firm No. 10194150
Ph: 512-296-2675
September 4, 2020



**PARTIAL ASSIGNMENT AND ASSUMPTION OF RIGHTS AND OBLIGATIONS
UNDER BLANCO RIVER RANCH (Phase One Residential Area)
DE-ANNEXATION AND DEVELOPMENT AGREEMENT**

This Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (this “**Assignment**”) is by and between **HMBRR LP #2**, a Texas limited partnership (“**Assignor**”), and **HM 6 Creeks Development, Inc.**, a Texas corporation (“**Assignee**”) as follows.

RECITALS

WHEREAS, the City of Kyle (the “**City**”) and Blanco River Ranch Properties, LP, a Texas limited partnership (“**BRRP**”), entered into the Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective May 16, 2017 and recorded as Document No. 17018505, Official Public Records of Hays County, Texas (the “**Original Development Agreement**”) with respect to 858.7 acres in Hays County, Texas more fully described in the Original Development Agreement (the “**Property**”); and

WHEREAS, by Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective September 20, 2017, and recorded under Document No. 17034183, Official Public Records of Hays County, Texas (the “**BRRP Assignment**”), BRRP assigned its rights under the Original Development Agreement as follows: (i) to HMBRR Development, Inc., a Texas corporation (“**HMBRR Inc**”), as to 61.49 acres of the Property more particularly described in the BRRP Assignment (“**Tract 1**”), (ii) to HMBRR LP, a Texas limited partnership (“**HMBRR LP**”), as to 188.51 acres of the Property more particularly described in the BRRP Assignment (“**Tract 2**”) and (iii) to Assignor, as to 608.7 acres of the Property more particularly described in the BRRP Assignment (“**Tract 3**”); HMBRR Inc, HMBRR LP and Assignor may be referred to collectively as the “**HM Entities**”; and

WHEREAS, the City and the HM Entities modified the Original Development Agreement by First Amendment to Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (the “**First Amendment**”) dated effective October 6, 2020, and recorded under Document No. 20056036, Official Public Records of Hays County, Texas, and the term “**Development Agreement**” as used herein, refers to the Original Development Agreement as modified by the First Amendment; and

WHEREAS, Assignee is under common control with Hanna/Magee LP #1, a Texas limited partnership (“**Hanna/Magee**”), and Section 12.05(b) of the Original Development Agreement, as modified by the First Amendment, provides that, without the consent of City, any of the HM Entities may assign their rights and obligations under the Development Agreement to any entity controlling, controlled by or under common control with Hanna/Magee; and

WHEREAS, on or about September 23, 2020, Assignor sold and conveyed to Assignee 249.05 acres, more or less, out of Tract 3 (the “**249.05 Acres**”), and assigned to Assignee Assignor’s rights and obligations under the Development Agreement as to the 249.05 acres by Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement recorded under Document No. 21054962, Official Public Records of Hays County, Texas; and

WHEREAS, on or about December 15, 2021 (the “**Effective Date**”), Assignor sold and conveyed to Assignee 2 tracts of land out of Tract 3, consisting of (i) 93.991 acres, more or less, in Hays County,

Texas, more particularly described by metes and bounds on Exhibit A attached hereto, and (ii) 5.964 acres, more or less, in Hays County, Texas, more particularly described by metes and bounds on Exhibit B attached hereto (said 2 tracts of land, the “**99.955 Acres**”), and wishes to assign to Assignee Assignor’s rights and obligations under the Development Agreement as to the 99.955 Acres (but not as to the balance of Tract 3) as of the Effective Date, as more particularly described below.

AGREEMENT

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants contained herein, the parties agree as follows:

1. The Recitals set out above are true and correct and are incorporated into this Assignment for all purposes.
2. Assignor assigns all its rights and obligations under the Development Agreement *as to the 99.955 Acre Tract only* to Assignee. Assignor retains all rights and obligations under the Development Agreement as to all of Tract 3 except the 249.05 Acres and the 99.955 Acres.
3. Assignee accepts the assignment of Assignor’s rights and obligations under the Development Agreement as to the 99.955 Acre Tract only.
4. Hanna/Magee is executing this Assignment for the sole purpose of confirming that Assignee is under common control with Hanna/Magee.
5. To facilitate execution, this instrument may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Agreement: (a) the signature pages taken from separate, individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (b) a copy of a signature transmitted by facsimile or e-mail (e.g., .pdf or Adobe) will be deemed to be an original signature for all purposes. It is not necessary to confirm the copy transmitted by facsimile or e-mail (e.g., .pdf or Adobe) by delivery of the original. All executed counterparts of this Agreement will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

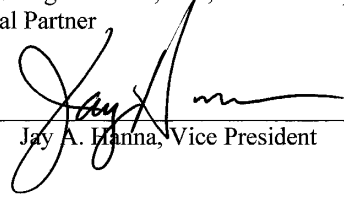
This Assignment shall be effective from and after the Effective Date.

(Signature Pages Follow)

Assignor:

HMBRR LP #2, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,
General Partner

By: 
Jay A. Hanna, Vice President

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 15 day of December, 2021 by Jay A. Hanna, Vice President of Hanna/Magee GP #1, Inc., a Texas corporation, General Partner of **HMBRR LP #2**, a Texas limited partnership, on behalf of said corporation and limited partnership.

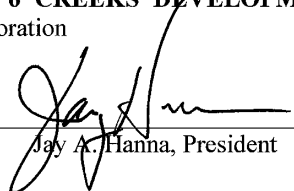
(SEAL)




Notary Public Signature

Assignee:

HM 6 CREEKS DEVELOPMENT, INC., a Texas corporation

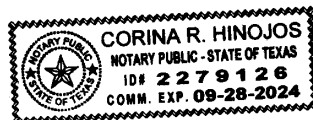
By: 
Jay A. Hanna, President

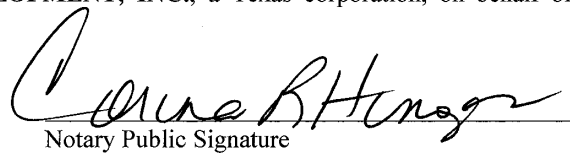
STATE OF TEXAS §

COUNTY OF TRAVIS §

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(SEAL)

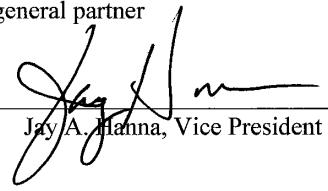



Notary Public Signature

Hanna/Magee has executed this Assignment for the sole purpose of confirming the representation contained in Paragraph 4.

HANNA/MAGEE L.P. #1, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,
its general partner

By: 
Jay A. Hanna, Vice President

STATE OF TEXAS §

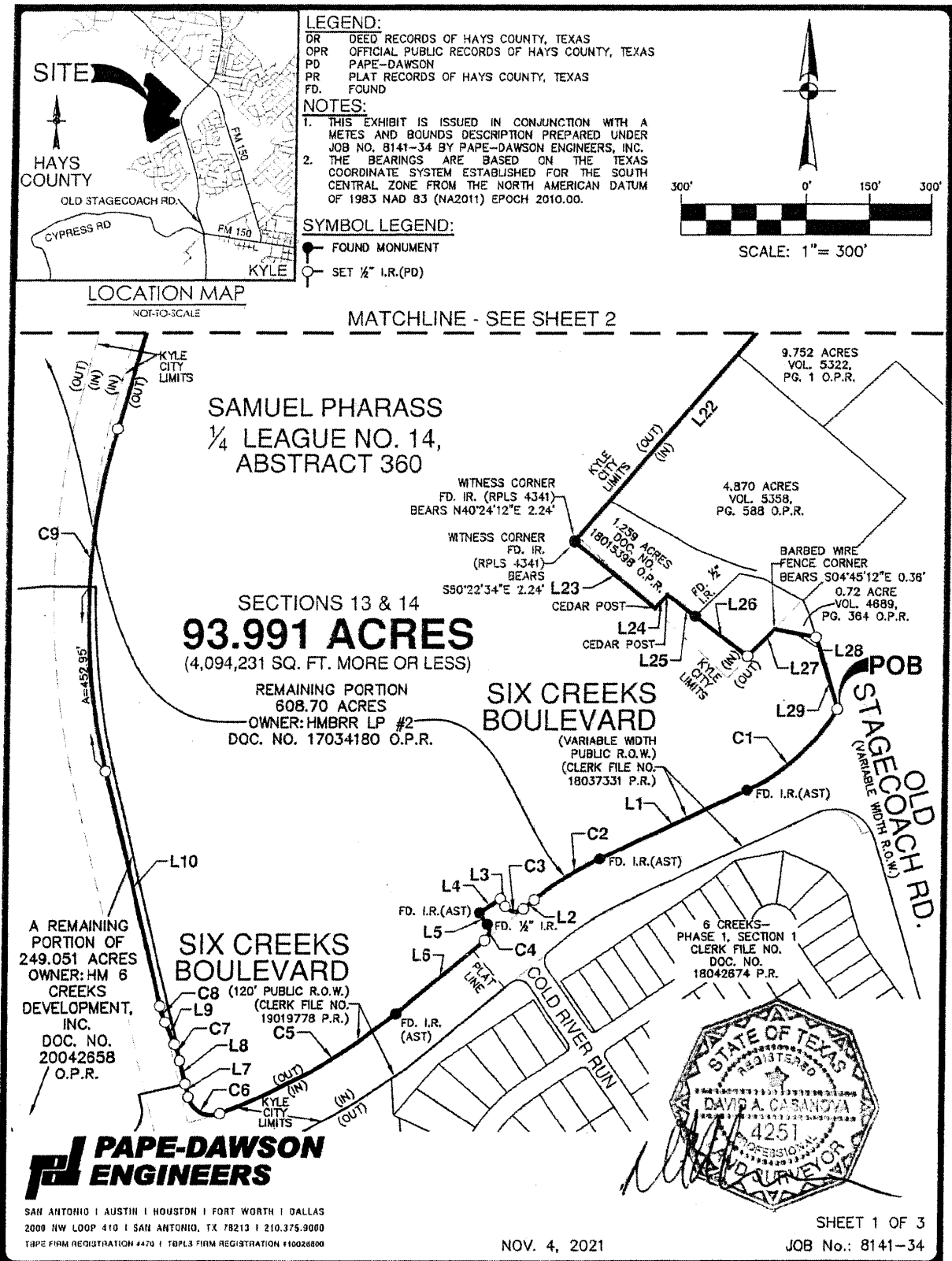
COUNTY OF TRAVIS §

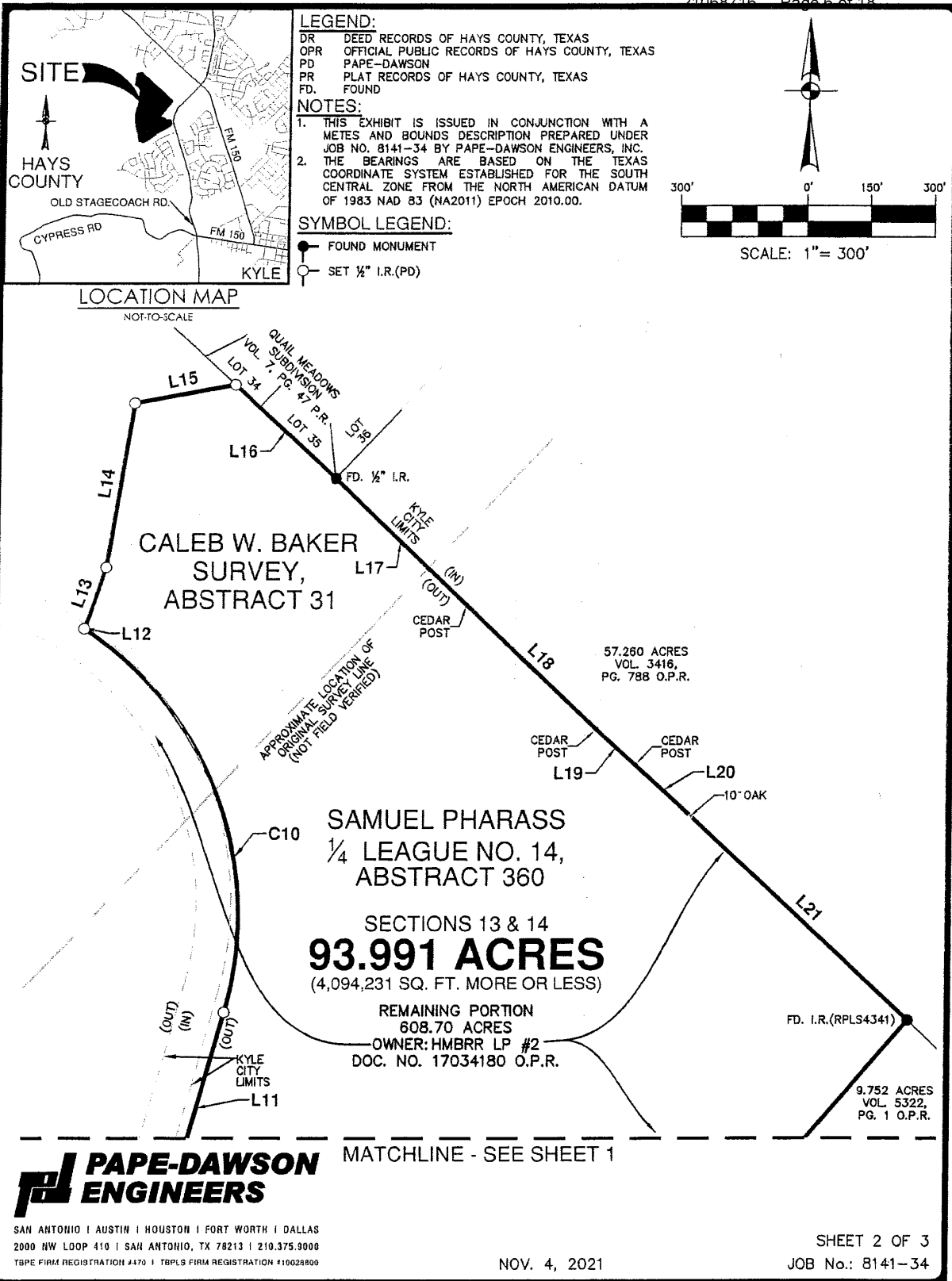
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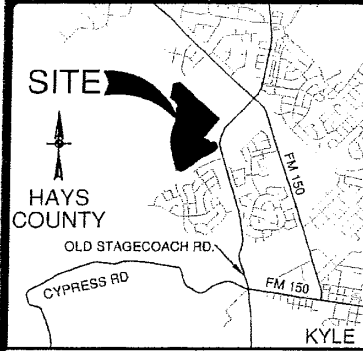
(SEAL)




Notary Public Signature







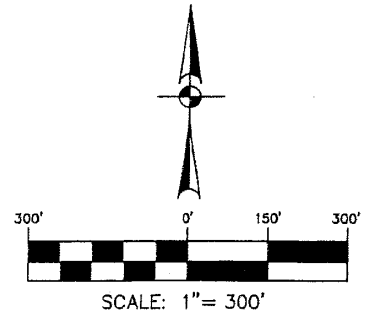
LOCATION MAP
NOT-TO-SCALE

LEGEND:

DR DEED RECORDS OF HAYS COUNTY, TEXAS
 OPR OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS
 PD PAPE-DAWSON
 PR PLAT RECORDS OF HAYS COUNTY, TEXAS
 FD FOUND

NOTES:

1. THIS EXHIBIT IS ISSUED IN CONJUNCTION WITH A METES AND BOUNDS DESCRIPTION PREPARED UNDER JOB NO. 8141-34 BY PAPE-DAWSON ENGINEERS, INC.
2. THE BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE SOUTH CENTRAL ZONE FROM THE NORTH AMERICAN DATUM OF 1983 NAD 83 (NA2011) EPOCH 2010.00.



CURVE TABLE					
CURVE	RADIUS	DELTA	CHORD BEARING	CHORD	LENGTH
C1	480.00'	35°08'55"	S47°04'30"W	289.87'	294.46'
C2	735.00'	14°30'01"	S57°23'57"W	185.52'	186.01'
C3	30.00'	95°40'18"	N82°00'55"W	44.47'	50.09'
C4	30.00'	84°19'42"	S07°59'05"W	40.28'	44.15'
C5	1440.00'	19°24'42"	S59°51'17"W	485.54'	487.87'
C6	57.00'	97°08'19"	N61°52'12"W	85.47'	96.64'
C7	250.00'	9°33'23"	N18°04'44"W	41.65'	41.70'
C8	250.00'	9°33'23"	N18°04'44"W	41.65'	41.70'
C9	1660.00'	29°04'49"	N01°14'22"E	833.51'	842.53'
C10	835.00'	71°53'15"	N20°09'51"W	980.28'	1047.65'

LINE TABLE		
LINE	BEARING	LENGTH
L1	S64°38'57"W	388.58'
L2	S50°08'56"W	33.57'
L3	N34°10'46"W	21.39'
L4	S55°49'14"W	60.00'
L5	S34°10'46"E	33.31'
L6	S50°08'56"W	278.00'
L7	N13°18'02"W	32.89'
L8	N13°53'54"W	59.24'
L9	N22°51'25"W	57.79'
L10	N13°18'02"W	586.83'
L11	N15°46'46"E	546.29'
L12	N33°53'31"E	3.63'
L13	N18°43'01"E	151.17'
L14	N09°00'46"E	399.71'
L15	N79°21'50"E	241.28'

LINE TABLE		
LINE	BEARING	LENGTH
L16	S46°58'08"E	328.73'
L17	S45°43'42"E	436.10'
L18	S46°12'19"E	430.60'
L19	S47°15'38"E	126.22'
L20	S47°06'29"E	179.60'
L21	S46°30'08"E	711.43'
L22	S40°24'12"W	1023.81'
L23	S50°22'34"E	256.13'
L24	N40°11'13"E	43.39'
L25	S52°36'14"E	85.70'
L26	S51°46'44"E	159.05'
L27	N43°45'16"E	92.40'
L28	S78°19'50"E	101.35'
L29	S16°18'42"E	182.48'



SAN ANTONIO | AUSTIN | HOUSTON | FORT WORTH | DALLAS
 2000 NW LOOP 410 | SAN ANTONIO, TX 78213 | 210.375.9000
 TSP FIRM REGISTRATION #470 | TSPS FIRM REGISTRATION #1002860

NOV. 4, 2021

SHEET 3 OF 3
 JOB No.: 8141-34

Date: Nov 05, 2021, 4:17pm User: lds draugh
 File: R:\DWG\8141-34\SECTION 13 AND 14.dwg

METES AND BOUNDS DESCRIPTION
FOR
SECTIONS 13 & 14

A 93.991 acre, or 4,094,231 square feet more or less, tract of land comprised of a portion of the 608.70 acre tract described in instrument to HMBRR LP #2 recorded in Document No. 17034180 in the Official Public Records of Hays County, Texas, and the 249.051 acre tract described in instrument to HM 6 Creeks Development, Inc. recorded in Document No. 20042658 in said Official Public Records, in the Samuel Pharass ¼ League No. 14, Abstract 360 and the Caleb W. Baker Survey, Abstract 31, partially in the City of Kyle, Hays County, Texas. Said 93.991 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

BEGINNING: At a set ½" iron rod with a yellow cap marked "Pape-Dawson", at the intersection of the west right-of-way line of Old Stagecoach Road, a variable width public right-of-way and Six Creek Boulevard, a variable width public right-of-way dedicated in Clerk File No. 18037331 in the Plat Records of Hays County, at an angle corner of said 608.70 acre tract;

THENCE: Along and with the north right-of-way line of said Six Creeks Boulevard, the following bearings and distances:

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 480.00 feet, a central angle of 35°08'55", a chord bearing and distance of S 47°04'30" W, 289.87 feet, for an arc length of 294.46 feet to a found iron rod with cap marked "AST";

S 64°38'57" W, a distance of 388.58 feet to a found iron rod with cap marked "AST";

Southwesterly, along a tangent curve to the left, said curve having a radius of 735.00 feet, a central angle of 14°30'01", a chord bearing and distance of S 57°23'57" W, 185.52 feet, for an arc length of 186.01 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 50°08'56" W, a distance of 33.57 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the right, said curve having a radius of 30.00 feet, a central angle of 95°40'18", a chord bearing and distance of N 82°00'55" W, 44.47 feet, for an arc length of 50.09 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 34°10'46" W, a distance of 21.39 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 55°49'14" W, a distance of 60.00 feet to a found iron rod with cap marked "AST";

S 34°10'46" E, a distance of 33.31 feet to a found ½" iron rod;

Southwesterly, along a tangent curve to the right, said curve having a radius of 30.00 feet, a central angle of 84°19'42", a chord bearing and distance of S 07°59'05" W, 40.28 feet, for an arc length of 44.15 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

THENCE: S 50°08'56" W, continuing along and with the north right-of-way line of said Six Creeks Boulevard and the north right-of-way line of Six Creeks Boulevard dedicated in Clerk File No. 19019778 in said Plat Records, a distance of 278.00 feet to a found iron rod with cap marked "AST";

THENCE: Continuing along and with the north right-of-way line of said Six Creeks Boulevard (19019778), the following bearings and distances:

Southwesterly, along a tangent curve to the right, said curve having a radius of 1440.00 feet, a central angle of 19°24'42", a chord bearing and distance of S 59°51'17" W, 485.54 feet, for an arc length of 487.87 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a compound curve to the right, said curve having a radius of 57.00 feet, a central angle of 97°08'19", a chord bearing and distance of N 61°52'12" W, 85.47 feet, for an arc length of 96.64 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 13°18'02" W, a distance of 32.89 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson" on a south line of said 249.051 acre tract;

THENCE: Over and across said 249.051 acre tract, the following bearings and distances:

N 13°53'54" W, a distance of 59.24 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a non-tangent curve to the left, said curve having a radius of 250.00 feet, a central angle of 09°33'23", a chord bearing and distance of N 18°04'44" W, 41.65 feet, for an arc length of 41.70 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 22°51'25" W, a distance of 57.79 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the right, said curve having a radius of 250.00 feet, a central angle of 09°33'23", a chord bearing and distance of N 18°04'44" W, 41.65 feet, for an arc length of 41.70 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 13°18'02" W, a distance of 586.83 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having a radius of 1660.00 feet, a central angle of 29°04'49", a chord bearing and distance of N 01°14'22" E, 833.51 feet, at an arc length of 452.95 feet passing a north line of said 249.051 acre tract, continuing over and across said 608.70 acre tract, a total arc length of 842.53 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

THENCE: Continuing over and across said 608.70 acre tract, the following bearings and distances:

N 15°46'46" E, a distance of 546.29 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the left, said curve having a radius of 835.00 feet, a central angle of 71°53'15", a chord bearing and distance of N 20°09'51" W, 980.28 feet, for an arc length of 1047.65 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 33°53'31" E, a distance of 3.63 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 18°43'01" E, a distance of 151.17 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 09°00'46" E, a distance of 399.71 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 79°21'50" E, a distance of 241.28 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson" on a northeast line of said 608.70 acre tract and the southwest line of Lot 34, Quail Meadows Subdivision recorded in Volume 7, Page 47 in said Plat Records;

THENCE: S 46°58'08" E, along and with a northeast line of said 608.70 acre tract and a southwest line of said Quail Meadows Subdivision, a distance of 328.73 feet to a found ½" iron rod, at the south corner of Lot 35 and Lot 36 of said Quail Meadows Subdivision and the west corner of the 57.260 acre tract described in Volume 3416, Page 788 in said Official Public Records;

THENCE: Along and with a northeast line of said 608.70 acre tract and the southwest line of said 57.260 acre tract, the following bearings and distances:

S 45°43'42" E, a distance of 436.10 feet to a cedar post;

S 46°12'19" E, a distance of 430.60 feet to a cedar post;

S 47°15'38" E, a distance of 126.22 feet to a cedar post;

S 47°06'29" E, a distance of 179.60 feet to a 10" live oak;

S 46°30'08" E, a distance of 711.43 feet to a found iron rod with cap marked "RPLS 4341", at the easternmost corner of said 608.70 acre tract, an angle corner of said 57.260 acre tract and the north corner of the 9.752 acre tract described in Volume 5322, Page 1 in said Official Public Records;

THENCE: S 40°24'12" W, along and with a southeast line of said 608.70 acre tract, the northwest line of said 9.752 acre tract, the northwest corner of the 4.870 acre tract described in Volume 5358, Page 588 in said Official Public Records and the northwest line of the 1.259 acre tract described in Document No. 18015398 in said Official Public Records, a distance of 1023.81 feet to a point, at an angle corner of said 608.70 acre tract and the west corner of said 1.259 acre tract, from which a found iron rod with cap marked "RPLS 4341" described as a witness corner in said Document No. 18015398 bears N 40°24'12" E, a distance of 2.24 feet and a second found iron rod with cap marked "RPLS 4341" also described as a witness corner in said Document No. 18015398 bears S 50°22'34" E, a distance of 2.24 feet;

THENCE: Along and with said 608.70 acre tract and said 1.259 acre tract, the following bearings and distances:

S 50°22'34" E, a distance of 256.13 feet to a cedar post;

N 40°11'13" E, a distance of 43.39 feet to a cedar post;

S 52°36'14" E, a distance of 85.70 feet to a found ½" iron rod, at an angle corner of said 608.70 acre tract, a south corner of said 1.259 acre tract and the west corner of the 0.72 acre tract described in Volume 4689, Page 364 in said Official Public Records;

THENCE: Along and with said 608.70 acre tract and said 0.72 acre tract, the following bearings and distances:

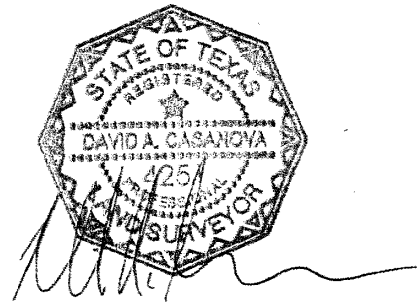
S 51°46'44" E, a distance of 159.05 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

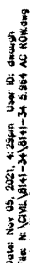
N 43°45'16" E, a distance of 92.40 feet to a point, from which a barbed wire fence corner bears S 04°45'12" E, a distance of 0.36 feet;

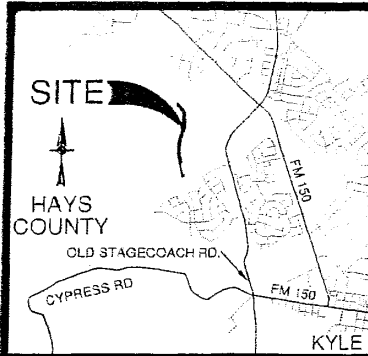
S 78°19'50" E, a distance of 101.35 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson" on the west right-of-way line of said Old Stagecoach Road, at an angle corner of said 608.70 acre tract and the south corner of said 0.72 acre tract;

THENCE: S 16°18'42" E, along and with the west right-of-way line of said Old Stagecoach Road and an east line of said 608.70 acre tract, a distance of 182.48 feet to the POINT OF BEGINNING and containing 93.991 acres partially in the City of Kyle, Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-34 by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: November 4, 2021
JOB NO. 8141-34
DOC. ID. N:\CIVIL\8141-34\WORD\8141-34 FN 93.991 AC.docx







LOCATION MAP
NOT-TO-SCALE

LEGEND:

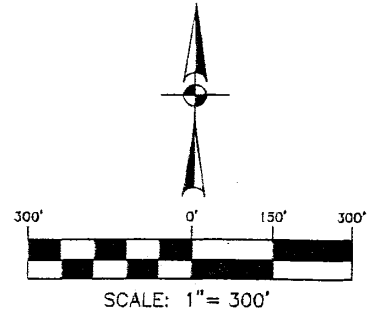
DR DEED RECORDS OF HAYS COUNTY, TEXAS
OPR OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS
PD PAPE-DAWSON
PR PLAT RECORDS OF HAYS COUNTY, TEXAS
FD. FOUND

NOTES:

1. THIS EXHIBIT IS ISSUED IN CONJUNCTION WITH A METES AND BOUNDS DESCRIPTION PREPARED UNDER JOB NO. 8141-34 BY PAPE-DAWSON ENGINEERS, INC.
2. THE BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE SOUTH CENTRAL ZONE FROM THE NORTH AMERICAN DATUM OF 1983 NAD 83 (NA2011) EPOCH 2010.00.

SYMBOL LEGEND:

● FOUND MONUMENT
○ SET 1/2" I.R.(PD)



LINE TABLE		
LINE	BEARING	LENGTH
L1	S76°44'31"W	114.00'
L2	N13°53'54"W	59.16'
L3	N02°45'46"W	49.39'
L4	N13°18'02"W	586.83'
L5	N15°46'46"E	546.29'
L6	N33°53'31"E	80.00'
L7	S15°46'46"W	546.29'
L8	S13°18'02"E	586.83'
L9	S22°51'25"E	57.79'
L10	S13°53'54"E	59.24'

CALEB W.
BAKER
SURVEY,
ABSTRACT 31

APPROXIMATE LOCATION OF
ORIGINAL SURVEY LINE
(NOT FIELD VERIFIED)

SAMUEL PHARASS
1/4 LEAGUE NO. 14,
ABSTRACT 360

REMAINING PORTION
608.70 ACRES
OWNER: HMBRR LP #2
DOC. NO. 17034180 O.P.R.

FUTURE ROAD
RIGHT-OF-WAY

5.964 ACRES
(259,801 SQ. FT. MORE OR LESS)

MATCHLINE - SEE SHEET 1

CURVE TABLE					
CURVE	RADIUS	DELTA	CHORD BEARING	CHORD	LENGTH
C1	250.00'	10°32'17"	N08°01'54"W	45.92'	45.98'
C2	250.00'	10°32'17"	N08°01'54"W	45.92'	45.98'
C3	1740.00'	29°04'49"	N01°14'22"E	873.68'	883.13'
C4	755.00'	71°53'15"	N20°09'51"W	886.36'	947.28'
C5	835.00'	71°53'15"	S20°09'51"E	980.28'	1047.65'
C6	1660.00'	29°04'49"	S01°14'22"W	833.51'	842.53'
C7	250.00'	9°33'23"	S18°04'44"E	41.65'	41.70'
C8	250.00'	9°33'23"	S18°04'44"E	41.65'	41.70'

**PAPE-DAWSON
ENGINEERS**

SAN ANTONIO | AUSTIN | HOUSTON | FORT WORTH | DALLAS
2000 HW LOOP 410 | SAN ANTONIO, TX 78213 | 210.375.9000
TBP'S FIRM REGISTRATION #479 | TBP'S FIRM REGISTRATION #10028600

NOV. 4, 2021

SHEET 2 OF 2
JOB No.: 8141-34

Date: Nov 05, 2021, 4:28pm User: lbi: lbi: lbi:
File: H:\101\8141-34\8141-34.dwg

METES AND BOUNDS DESCRIPTION
FOR A
FUTURE ROAD RIGHT-OF-WAY

A 5.964 acre, or 259,801 square feet more or less, tract of land comprised of a portion of the 608.70 acre tract described in instrument to HMBRR LP #2 recorded in Document No. 17034180 in the Official Public Records of Hays County, Texas, and the 249.051 acre tract described in instrument to HMI 6 Creeks Development, Inc. recorded in Document No. 20042658 in said Official Public Records, in the Samuel Pharass $\frac{1}{4}$ League No. 14, Abstract 360 and the Caleb W. Baker Survey, Abstract 31, partially in the City of Kyle, Hays County, Texas. Said 5.964 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

BEGINNING: At a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson" on a south line of said 249.051 acre tract and the north right-of-way line of Six Creeks Boulevard, a 120-foot public right-of-way dedicated in Document No. 19019778 in the Plat Records of Hays County, Texas, from which the easternmost corner of said 249.051 acre tract bears N 76°44'31" E, a distance of 1.68 feet;

THENCE: S 76°44'31" W, along and with the north right-of-way line of said Six Creeks Boulevard and a south line of said 249.051 acre tract, a distance of 114.00 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

THENCE: Departing the north right-of-way line of said Six Creeks Boulevard, over and across said 249.051 acre tract, the following bearings and distances:

N 13°53'54" W, a distance of 59.16 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 250.00 feet, a central angle of 10°32'17", a chord bearing and distance of N 08°01'54" W, 45.92 feet, for an arc length of 45.98 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 02°45'46" W, a distance of 49.39 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the left, said curve having a radius of 250.00 feet, a central angle of 10°32'17", a chord bearing and distance of N 08°01'54" W, 45.92 feet, for an arc length of 45.98 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 13°18'02" W, a distance of 586.83 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having a radius of 1740.00 feet, a central angle of 29°04'49", a chord bearing and distance of N 01°14'22" E, 873.68 feet, at an arc length of 472.64 feet passing a north line of said 249.051 acre tract, continuing over and across said 608.70 acre tract for a total arc length of 883.13 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

THENCE: Continuing over and across said 608.70 acre tract, the following bearings and distances:

N 15°46'46" E, a distance of 546.29 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the left, said curve having a radius of 755.00 feet, a central angle of 71°53'15", a chord bearing and distance of N 20°09'51" W, 886.36 feet, for an arc length of 947.28 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 33°53'31" E, a distance of 80.00 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a non-tangent curve to the right, said curve having a radius of 835.00 feet, a central angle of 71°53'15", a chord bearing and distance of S 20°09'51" E, 980.28 feet, for an arc length of 1047.65 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 15°46'46" W, a distance of 546.29 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Southwesterly, along a tangent curve to the left, said curve having a radius of 1660.00 feet, a central angle of 29°04'49", a chord bearing and distance of S 01°14'22" W, 833.51 feet, at an arc length of 389.58 feet passing a north line of said 249.051 acre tract, continuing over and across said 249.051 acre tract for a total arc length of 842.53 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

THENCE: Continuing over and across said 249.051 acre tract, the following bearings and distances:

S 13°18'02" E, a distance of 586.83 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

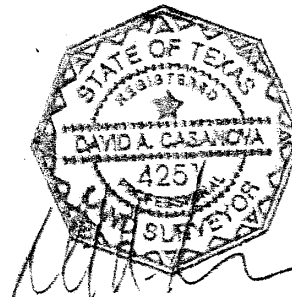
Southeasterly, along a tangent curve to the left, said curve having a radius of 250.00 feet, a central angle of $09^{\circ}33'23''$, a chord bearing and distance of $S\ 18^{\circ}04'44''\ E$, 41.65 feet, for an arc length of 41.70 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

$S\ 22^{\circ}51'25''\ E$, a distance of 57.79 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the right, said curve having a radius of 250.00 feet, a central angle of $09^{\circ}33'23''$, a chord bearing and distance of $S\ 18^{\circ}04'44''\ E$, 41.65 feet, for an arc length of 41.70 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

$S\ 13^{\circ}53'54''\ E$, a distance of 59.24 feet to the POINT OF BEGINNING and containing 5.964 acres partially in the City of Kyle, Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-34 by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: November 4, 2021
JOB NO. 8141-34
DOC. ID. N:\CIVIL\8141-34\WORD\8141-34 FN 5.964 AC.docx



11-GF# 202102039A JPB
Return to: Heritage Title
200 W 6th Street, Suite 1600
Austin, TX 78701

**PAPE-DAWSON
ENGINEERS**

**THE STATE OF TEXAS
COUNTY OF HAYS**

I hereby certify that this instrument was FILED on the
date and the time stamped hereon by me and was duly
RECORDED in the Records of Hays County, Texas.

21068716 ASSIGNMENT
12/16/2021 10:30:45 AM Total Fees: \$90.00

Elaine H. Cárdenas, MBA, PhD, County Clerk
Hays County, Texas



**PARTIAL ASSIGNMENT AND ASSUMPTION OF RIGHTS AND OBLIGATIONS
UNDER BLANCO RIVER RANCH (Phase One Residential Area)
DE-ANNEXATION AND DEVELOPMENT AGREEMENT**

This Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (this “**Assignment**”) is by and between **HMBRR LP #2**, a Texas limited partnership (“**Assignor**”), and **HM 6 Creeks Development, Inc.**, a Texas corporation (“**Assignee**”) as follows.

RECITALS

WHEREAS, the City of Kyle (the “**City**”) and Blanco River Ranch Properties, LP, a Texas limited partnership (“**BRRP**”), entered into the Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective May 16, 2017 and recorded as Document No. 17018505, Official Public Records of Hays County, Texas (the “**Original Development Agreement**”) with respect to 858.7 acres in Hays County, Texas more fully described in the Original Development Agreement (the “**Property**”); and

WHEREAS, by Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective September 20, 2017, and recorded under Document No. 17034183, Official Public Records of Hays County, Texas (the “**BRRP Assignment**”), BRRP assigned its rights under the Original Development Agreement as follows: (i) to HMBRR Development, Inc., a Texas corporation (“**HMBRR Inc**”), as to 61.49 acres of the Property more particularly described in the BRRP Assignment (“**Tract 1**”), (ii) to HMBRR LP, a Texas limited partnership (“**HMBRR LP**”), as to 188.51 acres of the Property more particularly described in the BRRP Assignment (“**Tract 2**”) and (iii) to Assignor, as to 608.7 acres of the Property more particularly described in the BRRP Assignment (“**Tract 3**”); HMBRR Inc, HMBRR LP and Assignor may be referred to collectively as the “**HM Entities**”; and

WHEREAS, the City and the HM Entities modified the Original Development Agreement by First Amendment to Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (the “**First Amendment**”) dated effective October 6, 2020, and recorded under Document No. 20056036, Official Public Records of Hays County, Texas, and the term “**Development Agreement**” as used herein, refers to the Original Development Agreement as modified by the First Amendment; and

WHEREAS, Assignee is under common control with Hanna/Magee LP #1, a Texas limited partnership (“**Hanna/Magee**”), and Section 12.05(b) of the Original Development Agreement, as modified by the First Amendment, provides that, without the consent of City, any of the HM Entities may assign their rights and obligations under the Development Agreement to any entity controlling, controlled by or under common control with Hanna/Magee; and

WHEREAS, on or about September 23, 2020, Assignor sold and conveyed to Assignee 249.05 acres, more or less, out of Tract 3 (the “**249.05 Acres**”), and assigned to Assignee Assignor’s rights and obligations under the Development Agreement as to the 249.05 acres by Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement recorded under Document No. 21054962, Official Public Records of Hays County, Texas; and

WHEREAS, on or about December 15, 2021, Assignor sold and conveyed to Assignee 2 tracts of land out of Tract 3, consisting of (i) 93.991 acres, more or less, in Hays County, Texas, and (ii) 5.964 acres,

more or less, in Hays County, Texas (said 2 tracts of land, the “**99.955 Acres**”), and assigned to Assignee Assignor’s rights and obligations under the Development Agreement as to the 99.955 Acres by Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement recorded under Document No. 21068716, Official Public Records of Hays County, Texas; and

WHEREAS, on or about September 20, 2022 (the “**Effective Date**”), Assignor sold and conveyed to Assignee all remaining portions of Tract 3, being more particularly described as follows:

Tract 1:

Being all of that certain tract or parcel of land consisting of 608.7 acres, more or less, situated in the Samuel Pharass Survey No. 14, Abstract No. 360 and the Caleb W. Baker Survey No. 78, Abstract No. 31, Hays County, Texas, being conveyed by deed recorded under Document No. 17034180 of the Official Public Records of Hays County, Texas, SAVE AND EXCEPT therefrom any portion thereof included within (i) 6 CREEKS BOULEVARD, PHASE 1, SECTION 1 (RIGHT OF WAY ONLY), a subdivision in Hays County, Texas, according to the map or plat thereof recorded under Document No. 18037331 of the Official Public Records of Hays County, Texas, (ii) 6 CREEKS BOULEVARD, PHASE 1, SECTION 2 (RIGHT OF WAY ONLY), a subdivision in Hays County, Texas, according to the map or plat thereof recorded under Document No. 19019778 of the Official Public Records of Hays County, Texas, (iii) 6 CREEKS BOULEVARD, PHASE 1, SECTION 3 (RIGHT OF WAY ONLY), a subdivision in Hays County, Texas, according to the map or plat thereof recorded under Document No. 21038005 of the Official Public Records of Hays County, Texas, (iv) 6 CREEKS-PHASE 1, SECTION 8A, a subdivision in Hays County, Texas, according to the map or plat thereof recorded under Document No. 21058478 of the Official Public Records of Hays County, Texas, (v) that called 249.051 acres, more or less, conveyed by deed recorded under Document No. 20042658 of the Official Public Records of Hays County, Texas, (vi) that called 93.881 acres, more or less, called Tract 1 and conveyed by deed recorded under Document No. 21068715 of the Official Public Records of Hays County, Texas, and (vii) that called 5.964 acres, more or less, called Tract 2 and conveyed by deed recorded under Document No. 21068715 of the Official Public Records of Hays County, Texas;

Tract 2:

Lot 115, Block A, 6 CREEKS-PHASE 1, SECTION 8A, a subdivision in Hays County, Texas, according to the map or plat thereof recorded under Document No. 21058478 of the Official Public Records of Hays County, Texas;

and Assignor wishes to assign to Assignee all of Assignor’s remaining rights and obligations under the Development Agreement as of the Effective Date, are more particularly described below.

AGREEMENT

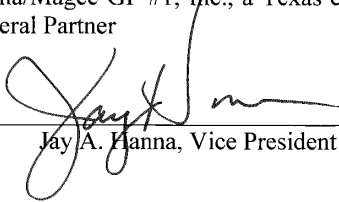
NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants contained herein, the parties agree as follows:

1. The Recitals set out above are true and correct and are incorporated into this Assignment for all purposes.

2. Assignor assigns all its remaining rights and obligations under the Development Agreement to Assignee, so that Assignor retains no remaining rights and obligations under the Development Agreement.
3. Assignee accepts the assignment of Assignor's rights and obligations under the Development Agreement. Following this Assignment, Assignee (and not Assignor) will have all rights and obligations under the Development Agreement as to the entirety of Tract 3.
4. Hanna/Magee is executing this Assignment for the sole purpose of confirming that Assignee is under common control with Hanna/Magee.
5. To facilitate execution, this instrument may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Agreement: (a) the signature pages taken from separate, individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (b) a copy of a signature transmitted by facsimile or e-mail (e.g., .pdf or Adobe) will be deemed to be an original signature for all purposes. It is not necessary to confirm the copy transmitted by facsimile or e-mail (e.g., .pdf or Adobe) by delivery of the original. All executed counterparts of this Agreement will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

This Assignment shall be effective from and after the Effective Date.

(Signature Pages Follow)

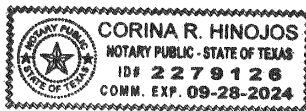

Assignor:**HMBRR LP #2**, a Texas limited partnershipBy: Hanna/Magee GP #1, Inc., a Texas corporation,
General PartnerBy: 
Jay A. Hanna, Vice President

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 19 day of September, 2022 by Jay A. Hanna, Vice President of Hanna/Magee GP #1, Inc., a Texas corporation, General Partner of **HMBRR LP #2**, a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)

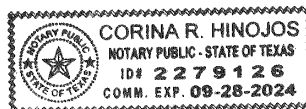



 Notary Public Signature
Assignee:**HM 6 CREEKS DEVELOPMENT, INC.**, a Texas corporationBy: 
Jay A. Hanna, President

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 19 day of September, 2022 by Jay A. Hanna, as President of **HM 6 CREEKS DEVELOPMENT, INC.**, a Texas corporation, on behalf of said corporation.

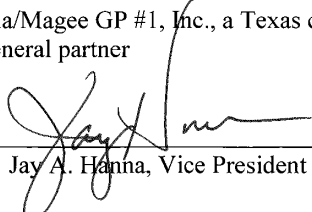
(SEAL)



 Notary Public Signature

Hanna/Magee has executed this Assignment for the sole purpose of confirming the representation contained in Paragraph 4.

HANNA/MAGEE L.P. #1, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,
its general partner

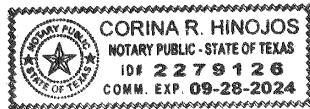
By: 
Jay A. Hanna, Vice President

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 19 day of September 2022 by Jay A. Hanna, as Vice President of Hanna/Magee GP #1, Inc., a Texas corporation that is General Partner of **HANNA/MAGEE LP #1**, a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)




Notary Public Signature

11-GF# 202203395 TPB
Return to: Heritage Title
200 W 6th Street, Suite 1600
Austin, TX 78701

**THE STATE OF TEXAS
COUNTY OF HAYS**

I hereby certify that this instrument was FILED on the
date and the time stamped hereon by me and was duly
RECORDED in the Records of Hays County, Texas.

22044746 ASSIGNMENT
09/21/2022 09:31:45 AM Total Fees: \$42.75

Elaine H. Cárdenas, MBA, PhD, County Clerk
Hays County, Texas



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APPENDIX H

APPRAISAL

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AN APPRAISAL REPORT

OF

**6 CREEKS, PHASE 1, SECTIONS 6A, 7, 13A & 13B,
(FORMERLY KNOWN AS BLANCO RIVER RANCH)**

**BEING 79 UNDER-DEVELOPMENT 45' LOTS IN SECTIONS 6A;
69 PROPOSED 55' LOTS IN SECTION 7;
44 UNDER-DEVELOPMENT 65' LOTS IN SECTION 13A; AND
79 UNDER-DEVELOPMENT 60' LOTS IN SECTION 13B;
LOCATED ALONG THE WEST LINE OF OLD STAGECOACH ROAD
AT 6 CREEKS BOULEVARD, IN THE ETJ OF KYLE, HAYS COUNTY, TEXAS 78640**

FOR

**MR. R.R. "TRIPP" DAVENPORT, III
UNDERWRITER
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: C7991-03

As Of

TRANSMITTAL DATE OF APPRAISAL: JULY 7, 2022

DATE OF SITE VISIT: JUNE 10, 2022

PROSPECTIVE "UPON COMPLETION" DATE- PHASE 1, SECTION 6A: AUGUST 1, 2022

PROSPECTIVE "UPON COMPLETION" DATE- PHASE 1, SECTION 7: FEBRUARY 1, 2023

PROSPECTIVE "UPON COMPLETION" DATE- PHASE 1, SECTION 13A: AUGUST 1, 2022

PROSPECTIVE "UPON COMPLETION" DATE- PHASE 1, SECTION 13B: AUGUST 1, 2022

BARLETTA & ASSOCIATES, INC.

REAL ESTATE APPRAISERS • CONSULTANTS

July 7, 2022

Mr. R.R. "Tripp" Davenport, III
Underwriter
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

RE: An Appraisal Report of 6 Creeks, Phase 1 (formerly known as Blanco River Ranch), being 79 under-development 45' detached garden home lots in Phase 1, Section 6A; 69 proposed 55' lots in Phase 1, Section 7; 44 under-development 65' lots in Phase 1, Section 13A; and 79 under-development 60' lots in Phase 1, Section 13B, located along the west line of Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.

B&A File No. C7991-03

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 **"Upon Completion" Market Values of the subject 79 lots in Phase 1, Section 6A; 69 lots in Phase 1, Section 7; 44 lots in Phase 1, Section 13A; and 79 lots in Phase 1, Section 13B**, 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 Values of the Phase 1, Sections 6A, 7, 13A and 13B sites have not been valued herein.

To conclude, it is my opinion that the **"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	"Upon Completion" Bulk Market Value	Effective Date
6 Creeks, Section 6A	79	\$6,225,000	8/1/2022
6 Creeks, Section 13A	44	\$4,860,000	8/1/2022
6 Creeks, Section 13B	79	\$7,470,000	8/1/2022
6 Creeks, Section 7	69	\$7,075,000	2/1/2023

The Bulk Market Value for 6 Creeks, **Section 6A** above is derived from a Sum of Retail Revenue of **\$6,399,000, plus Builder Fees of \$695,279 (\$8,801 per lot), for Total Revenues of \$7,094,279**, or \$89,801 per lot.

The Bulk Market Value for 6 Creeks, **Section 13A** above is derived from a Sum of Retail Revenue of **\$5,148,000, plus Builder Fees of \$396,644 (\$9,001 per lot), for Total Revenues of \$5,544,644**, or \$126,015 per lot.

The Bulk Market Value for 6 Creeks, **Section 13B** above is derived from a Sum of Retail Revenue of **\$8,532,000, plus Builder Fees of \$707,129 (\$8,951 per lot), for Total Revenues of \$9,239,129**, or \$166,951 per lot.

The Bulk Market Value for 6 Creeks, **Section 7** above is derived from a Sum of Retail Revenue of **\$7,590,000, plus Builder Fees of \$370,944 (\$5,376 per lot), for Total Revenues of \$7,960,944**, or \$115,376 per lot.

Extraordinary Assumptions:

- 1.) 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 \$300,000 to \$900,000 by at least 5 production home builders, including Perry Homes, Pulte Homes, M/I Homes, Coventry Homes, Highland Homes, and Taylor Morrison Homes, or comparable builders.

Mr. R.R. "Tripp" Davenport, III
FMSbonds, Inc.
Page 3

- 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.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

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. In August 2021, I appraised 6 Creeks, Phase 1, being 94 proposed lots in Phase 1, Section 8A; 89 proposed lots in Phase 1, Section 8B; and a total of 174 proposed lots in Phase 1, Sections 9 and 10 (B&A File C7553). In July 2020, February, I appraised 6 Creeks, Phase 1, Sections 1-7, being 32 existing lots in 6 Creeks, Section 2; 16 existing lots in 6 Creeks, Section 3; 415 paper lots in 6 Creeks, Sections 4, 5, 6 and 7; 148 proposed lots in 6 Creeks, Section 4; 116 proposed lots in 6 Creeks, Section 5; and PID Reimbursements for Sections 1, 2, 3, 4 and 5. 6 Creeks, Phase 1 (B&A File C7196-01). In February 2019, I appraised 6 Creeks, Phase 1, being 110 existing residential lots on 34.362 acres in Section 1; 121 proposed residential lots on 27.916 acres in Section 2; and 103 proposed residential lots on 34.361 acres in Section 3 (B&A File C6663-04). In September 2020, I appraised this same property, but with different substantial completion dates (B&A File C7258). I have provided no other 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 June 10, 2022.
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 **“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	“Upon Completion” Bulk Market Value	Effective Date
6 Creeks, Section 6A	79	\$6,225,000	8/1/2022
6 Creeks, Section 13A	44	\$4,860,000	8/1/2022
6 Creeks, Section 13B	79	\$7,470,000	8/1/2022
6 Creeks, Section 7	69	\$7,075,000	2/1/2023

Extraordinary Assumptions:

- 1.) 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 \$300,000 to \$900,000 by at least 5 production home builders, including Perry Homes, Pulte Homes, M/I Homes, Coventry Homes, Highland Homes, and Taylor Morrison Homes, or comparable builders, or comparable builders.
- 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.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

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.) 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 \$300,000 to \$900,000 by at least 5 production home builders, including Perry Homes, Pulte Homes, M/I Homes, Coventry Homes, Highland Homes, and Taylor Morrison Homes, or comparable builders.
- 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.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

SUMMARY OF SALIENT FACTS AND CONDITIONS

Type of Property: **6 Creeks, Phase 1 (formerly known as Blanco River Ranch), being 79 under-development detached garden home condo regime lots in Phase 1, Section 6A; 69 proposed lots in Phase 1, Section 7; 44 under-development lots in Phase 1, Section 13A; and 79 under-development lots in Phase 1, Section 13B, located along the west line of Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.**

Mapscos Reference: Hays County – 699 F & K

Postal Address: Kyle, Texas 78640

Location: 6 Creeks Subdivision is located along the west line of Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.

Tract Sizes

Section 6A: **22.789-acre condo regime** platted for 79 detached garden home lots

Density: 3.47 lots per acre.

Section 7: 17.756 acres platted for 69 lots

Density: 3.89 lots per acre.

Section 13A: 20.455 acres platted for 44 lots

Density: 2.15 lots per acre.

Section 13B: 29.147 acres platted for 79 paper lots

Density: 2.71 lots per acre.

Overall Size: 90.147 acres platted for 271 lots

Density: 3.01 lots per acre.

<u>Section 6A Lot Size Mix</u>	<u>No.</u>	<u>Description</u>	<u>Typical Dimensions</u>	<u>Avg. Size</u>
	79	Under-Development	45' x 120'	5,400 SF

<u>Section 7 Lot Size Mix</u>	<u>No.</u>	<u>Description</u>	<u>Typical Dimensions</u>	<u>Avg. Size</u>
	69	Proposed	55' x 125'	6,875 SF

<u>Section 13A Lot Size Mix</u>	<u>No.</u>	<u>Description</u>	<u>Typical Dimensions</u>	<u>Avg. Size</u>
	44	Under-Development	65' x 130'	8,450 SF

<u>Section 13B Lot Size Mix</u>	<u>No.</u>	<u>Description</u>	<u>Typical Dimensions</u>	<u>Avg. Size</u>
	79	Under-Development	60' x 130'	7,800 SF

Appraisal Dates

- Date of Site Visit:	June 10, 2022
- Date of Report Transmittal:	July 7, 2022
- Prospective Date of Value:	Section 6A – August 1, 2022
- Prospective Date of Value:	Section 7 – February 1, 2023
- Prospective Date of Value:	Section 13A – August 1, 2022
- Prospective Date of Value:	Section 13B – August 1, 2022

Purpose of the Appraisal:

To provide an opinion of the **“Upon Completion” Market Values of the subject 79 under-development detached garden home lots in Phase 1, Section 6A; 69 proposed lots in Phase 1, Section 7; 44 under-development lots in Phase 1, Section 13A; and 79 under-development lots in Phase 1, Section 13B**, per the U.S.P.A.P., the FMSbonds, Inc.’s Appraisal Guidelines, and the Appraisal Institute’s Code of Professional Ethics.

At the request of the client, the “As Is” Market Values of the Phase 1, Sections 6A, 7, 13A & 13B sites have not been valued herein.

Rights Appraised:

Fee Simple Estate

Floodplain:

Zone “X,” being outside of the 100-year and 500-year floodplains, according to FEMA Map Panel No. 48209C0385 dated 9/2/2005.

Utilities/Services

Sanitary Sewer & Water:	City of Kyle
Electricity:	Pedernales Electric Co-Op
Natural Gas:	Center Point Energy
Cable/Telephone Service:	Centric Fiber
Police Protection:	Hays County Sheriff’s Dept.
Fire Protection:	Hays County Emergency Districts #5 & #9
School District:	Hays Consolidated I.S.D.

Zoning:

None (Kyle ETJ)

Restrictions:

None adverse known.

Subject Builders: Perry Homes, Pulte Homes, M/I Homes, Coventry Homes, Highland Homes, and Taylor Morrison Homes.

New Home Price Range: \$300,000 to \$900,000.

Highest & Best Use: Near term, and future residential lot development in phases for lower mid-priced production housing, as economic conditions and demand warrants.

CONCLUSION: To conclude, it is my opinion that the **“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	“Upon Completion” Bulk Market Value	Effective Date
6 Creeks, Section 6A	79	\$6,225,000	8/1/2022
6 Creeks, Section 13A	44	\$4,860,000	8/1/2022
6 Creeks, Section 13B	79	\$7,470,000	8/1/2022
6 Creeks, Section 7	69	\$7,075,000	2/1/2023

Extraordinary Assumptions:

- 1.) 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 \$300,000 to \$900,000 by at least 5 production home builders, including Perry Homes, Pulte Homes, M/I Homes, Coventry Homes, Highland Homes, and Taylor Morrison Homes, or comparable builders.
- 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.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property consists of **6 Creeks, Phase 1 (formerly known as Blanco River Ranch), being 79 under-development detached garden home lots in Phase 1, Section 6A; 69 proposed lots in Phase 1, Section 7; 44 under-development lots in Phase 1, Section 13A; and 79 under-development lots in Phase 1, Section 13B, located along the west line of Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.**

The subject Phase 1, **Section 6A detached garden home condo regime lots** are legally described as:

Lots 1-79, 6 Creeks, Phase 1, Section 6A, Hays County, Texas.

The subject Phase 1, **Section 7 lots** are legally described as:

Lots 11-17, Block D; Lots 2-14, Block E; Lots 30-48, Block N; and Lots 1-30, Block P, 6 Creeks, Phase 1, Section 7, Hays County, Texas.

The subject Phase 1, **Section 13A lots** are legally described as:

Lots 1-15, Block A; Lots 1-13, Block B; Lots 1-10, Block C; and Lots 1-6, Block D, 6 Creeks, Phase 1, Section 13A, Hays County, Texas.

The subject Phase 1, **Section 13B lots** are legally described as:

Lots 11-22, Block C; Lots 7-32, Block D; Lots 1-9 & 11-13, Block E; Lots 1-11, Block F; Lots 1-7, Block G, and Lots 1-11, Block G, 6 Creeks, Phase 1, Section 13B, Hays County, Texas.

HISTORY OF THE SUBJECT PROPERTY

Title to the subject Section 6A and 7 is vested with HMBRR Development, Inc., which is developing 6 Creeks. **Section 6A** is now under development for a total of **79, 45' detached garden home sites on a condo regime lot**. These lots are to be substantially completed by August 1, 2022, and are under contract to Perry Homes, which is purchasing 40 lots, and Highland Homes, which is purchasing the remaining 39 lots. The base lot price is **\$73,750 (\$1,639 PFF)**, with a 7.0% annual escalator. In addition to the base lot price, each builder will also pay a total of **\$8,801 per lot** for marketing fees

(\$450/lot), amenity fees (\$2,000/lot), wastewater tap fees (\$2,826/lot), and water tap fees (\$3,525/lot). Each builder will purchase 10 lots upon substantial completion, and then 10 lots per quarter thereafter.

Section 7 is now proposed for a total of 69, 55' residential lots. These lots are to be substantially completed by February 1, 2023, and are under contract to Highland Homes, which is purchasing 35 lots in bulk, and DFH Coventry Homes (formerly MHI), which is purchasing the remaining 34 lots in bulk. The base lot price is **\$110,000 (\$2,000 PFF)**, with a 20% true-up. In addition to the base lot price, each builder will also pay a total of **\$5,376** per lot for marketing fees (\$550/lot), amenity fees (\$2,000/lot), and wastewater tap fees (\$2,826/lot). Each builder will purchase 10 lots upon substantial completion, and then 10 lots per quarter thereafter.

Sections 13A & 13B: Title to the Subject 6 Creeks, Phase 1, Sections 13A and 13B development tracts is vested with Pulte Homes of Texas, L.P., which purchased a total of 295 paper lots consisting of Sections 13A, 13B, 14A and 14B from HMBRR L.P. #2, on July 16, 2021 (per Purchase and Sale Agreement). The purchase price for the **44 subject 65' paper lots** was \$2,677,048 or **\$60,842 per paper lot**. The purchase price for the **79 subject 60' paper lots** was \$4,437,904 or **\$56,176 per paper lot**. In addition, Pulte Homes will pay lot development fees of **\$43,000 per lot**, plus an additional **\$1,200 per lot in management fees**. Pulte Homes will also pay a total of **\$9,001 per lot** for marketing fees (\$650/lot), amenity fees (\$2,000/lot), wastewater tap fees (\$2,826/lot), and water tap fees (\$3,525/lot) **for the subject 65' lots**, and **\$8,951 per lot** for marketing fees (\$600/lot), amenity fees (\$2,000/lot), wastewater tap fees (\$2,826/lot), and water tap fees (\$3,525/lot) **for the subject 60' lots**.

Thus, the total bulk purchase price for the 44 subject 65' lots amounts to $(\$60,842 + \$43,000 + \$1,200 + \$9,001 = \$114,043)$ **\$114,043, or \$1,755 PFF. The total bulk purchase price for the 79 subject 60' lots** amounts to $(\$56,176 + \$43,000 + \$1,200 + \$8,951 = \$109,327)$ **\$109,327, or \$1,822 PFF. Again, these lots are being purchased**

in bulk along with another 172 paper lots to be developed in Phase 1, Sections 14A and 14B.

According to information provided by Ms. Leanna Einhouse, a total of 160 new homes were sold in 6 Creeks in 2021. For 2022, from January 1 through May 31, there were a total of 91 new home sales, or 18.2 homes per month, for an annualized sales rate of 218 new homes. Thus, the trend for new home sales is increasing. **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 “Upon Completion” Market Values of the subject **79 under-development 45’ detached garden home lots in Phase 1, Section 6A; 69 proposed 55’ lots in Phase 1, Section 7; 44 under-development 65’ lots in Phase 1, Section 13A; and 79 under-development 60’ lots in Phase 1, Section 13B**, to the client, FMSbonds, Inc., for the underwriting of the City’s proposed 6 Creeks Public Improvement District (PID) Bond transaction. The use of the appraisal by anyone other than Mr. Tripp Davenport, III, or 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 subject development sites 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 “**Upon Completion**” Market Values of the subject **79 under-development detached garden home lots in Phase 1, Section 6A; 69 proposed lots in Phase 1, Section 7; 44 under-development lots in Phase 1, Section 13A; and 79 under-development lots in Phase**

1, Section 13B, 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 **Mr. Jay Hanna, with HMBRR Development, Inc. (512/784-8494), and Mr. Tripp Davenport with FMSbonds (214/418-1588)**, both of whom provided significant physical, financial and historical data to the appraiser for this valuation analysis;
- was provided sale data on the Sections 13A and 13B paper lots and the development agreement;
- was provided plats for all of the subject proposed and under-development lots;
- was not provided costs for Phase 1, Sections 6A, 7, 13A or 13B;
- analyzed macro and micro market conditions of this region and market area;
- interviewed active market participants;
- gathered current comparable lot sales referencing such publications as the ABOR MLS, CoStar, CommGate, LoopNet and the appraiser's extensive data base;
- referenced other publications and services such as the Zonda Austin Metrostudy, MapPro, Realty Rates.com, Google Earth, the Hays Central Appraisal District and the Hays County Clerk's Office, among other services;
- 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 **"Upon Completion" Bulk Market Values of the subject 79 under-development detached garden home lots in Phase 1, Section 6A; 69 proposed lots in Phase 1, Section 7; 44 under-development lots in Phase 1, Section 13A; and 79 under-development lots in Phase 1, Section 13B**, for reasonable exposure periods as of the stated prospective effective dates.

While considered, the Cost Approach was not developed, as I was not provided development costs for the subject proposed lots. Further, at the request of the client, the **"As Is" Market Values of the Phase 1, Sections 13A & 13B sites, and the Phase 1, Sections 6A & 7 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.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the **Fee Simple Estate**. Fee Simple Estate is defined by The Dictionary of Real Estate Appraisal, 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 MARKET VALUE

As referred to herein, **Market Value** is defined by FIRREA, as follows:

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 is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and each acting in what they consider their own best interests;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in 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.

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.

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 “SUM OF THE RETAIL VALUES”

As referred to herein, **Sum of Retail Values** is defined by The Dictionary of Real Estate Appraisal, 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, Sixth Edition, revised 2015, by the Appraisal Institute, Page 27, 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 date of the site visitation is June 10, 2022. The prospective “Upon Completion” date of value for Section 6A is August 1, 2022. The prospective “Upon Completion” date of value for Section 13A is August 1, 2022. The prospective “Upon Completion” date of value for Section 13B is August 1, 2022. The prospective “Upon Completion” date of value for Section 7 is February 1, 2023. The date of transmittal of the report is July 7, 2022.

ZONING AND RESTRICTIONS

The subject 6 Creeks is located within the Kyle ETJ and is not zoned. 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.

AD VALOREM TAX DATA

Tax Assessments & Taxes: The subject development tracts are shown to be a portion of a larger 246.834-acre tract under Account R156317. This larger parent tract has an assessed value of \$6,380,590, and has an agricultural exempted value of \$32,900.

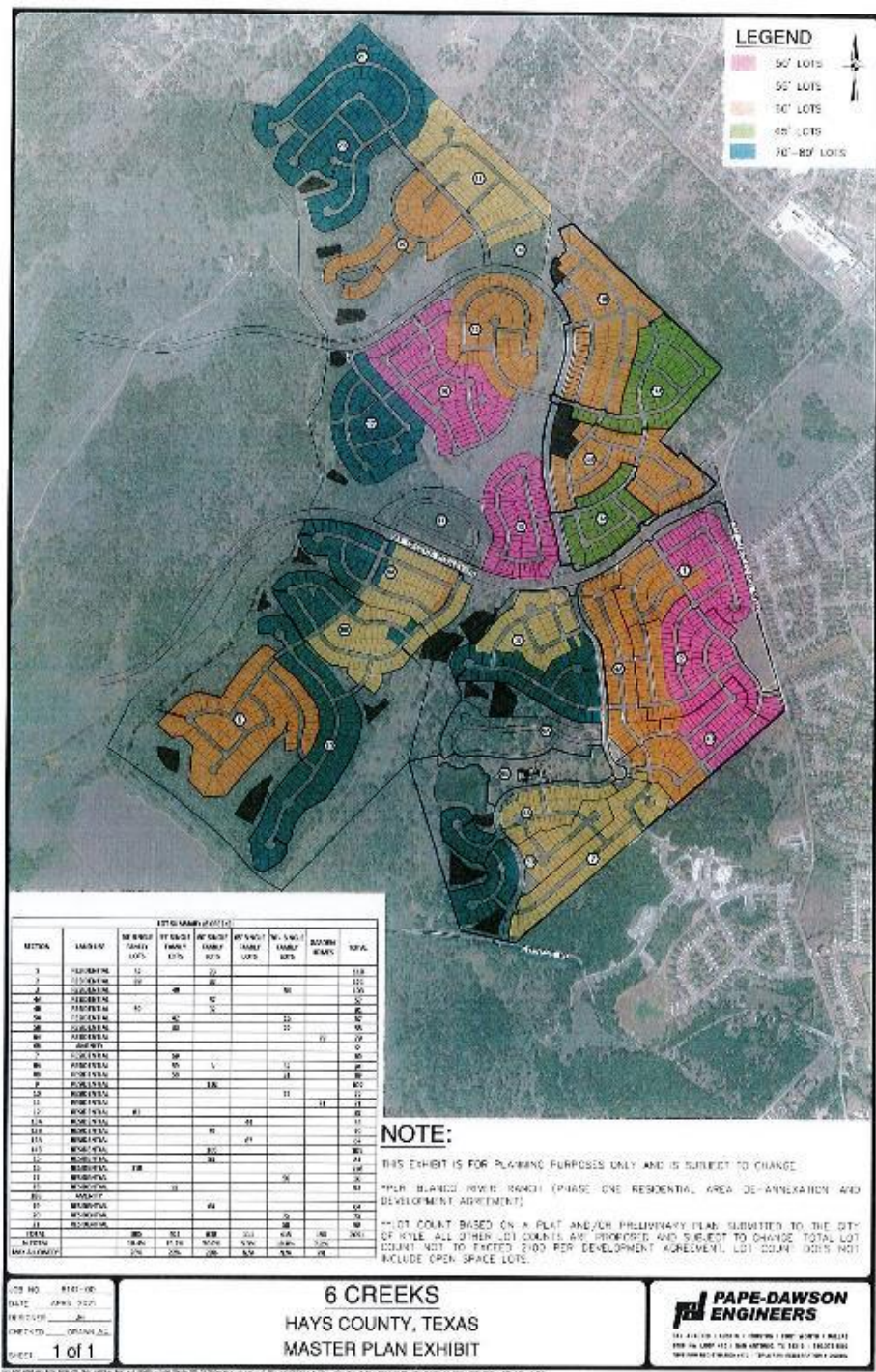
Existing 50' and 55' lots in 6 Creeks are now assessed for \$78,750 per lot, and existing 60' and 65' lots are assessed for \$105,000 per lot. All properties in the State of Texas are taxed at 100% of their assessed value, which are determined for all taxing jurisdictions within a county by a central county appraisal district, in this case, the Hays Central Appraisal District (HCAD). 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, and Austin Community College. In addition, the subject lots will be assessed by the City of Kyle – PID Assessor, with a projected tax rate of \$0.85 per \$100 assessed.

Tax Assessments & Taxes: The tax rates, including the projected City of Kyle – PID Assessor, are as follows:

TAXING AUTHORITY	2021 TAX RATE
Hays County	\$0.362900
Hays County Special Road District	\$0.023800
Hays County Emergency District #9	\$0.058190
Hays County Fire Emergency District #5	\$0.100000
Austin Community College	\$0.104800
Hays C.I.S.D.	\$1.359700
City of Kyle – PID Assessor (Projected)	\$0.850000
TOTAL:	\$2.859390

Rollback Taxes: As previously mentioned, the subject development tracts **do** carry an agricultural exemption; **thus a 3-year rollback of taxes will be applicable.**

6 CREEKS MASTER PLAN



GREATER AUSTIN AREA DATA

(Please refer to the Addenda of this appraisal for an Austin MSA summary analysis.)

MARKET AREA ANALYSIS

Market Area Defined: According to The Dictionary of Real Estate Appraisal, 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 corporate 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 to the south.

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.

Single-Family Market: According to the Zonda Austin Metrostudy, 1st Quarter 2022, the subject 6 Creeks is within the South Market Area, and the Kyle/Buda Submarket. The South Market Area accounted for 4,427 starts, with 2,572 closings, for a VDL Inventory of 4,484 lots, or a 12.2-month severe undersupply. The Kyle/Buda Submarket accounted for 3,229 of those 4,427 starts (72.94%) and 2,037 of those 2,572 closings (79.20%), with a notably undersupplied vacant developed lot inventory of 13.1 months, and an elevated housing inventory of 13.6 months. Typically, a 20 to 24-month lot supply is considered to be equilibrium; thus, the Kyle/Buda Submarket is notably undersupplied at 13.1 months, as is the South Market Area at 12.2 months.

Submarket/ Market Area		4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	Annual Rates/ Inventory Supply (Mos)
Kyle/Buda Submarket	Starts	626	559	758	853	853	722	3,229
	Closings	409	522	505	454	454	553	2,037
	Housing Inv.	1,082	1,119	1,372	1,771	2,142	2,311	13.6 Mos.
	VDL Inv.	2,400	2,859	3,034	3,034	2,703	3,520	13.1 Mos.
South Market Area	Starts	776	675	929	1,78	1,210	1,110	4,427
	Closings	554	668	601	554	675	742	2,572
	Housing Inv.	1,387	1,384	1,722	2,346	2,881	3,249	15.2 Mos.
	VDL Inv.	3,469	3,830	3,996	3,970	3,627	4,484	12.2 Mos.

Source: Zonda Austin Metrostudy, 1st Quarter 2022

Within the South Market Area starts in the 1st Quarter 2022 were up 64.44% over 1st Quarter 2021, and closings were up 11.08% over the same time period. Within the Kyle/Buda Submarket starts in the 1st Quarter 2022 were up 29.16% over 1st Quarter 2021, and closings were up 5.94% over the same time period. The Austin region has experienced unprecedented growth over the past year, and demand for new housing remains very strong. These trends indicate a rapid growth rate.

The housing inventory for both the South Market and the Kyle/Buda Submarket are elevated, and is due, in part, to the dramatic increase in starts, but is primarily attributable to a severe shortage in labor and materials. Further, the VDL inventories in both the

Kyle/Buda Submarket, and the South Market Area have continually remained at undersupplied levels over the past 4 quarters, and are now severely undersupplied.

Notable recent residential developments in proximity to Kyle include 6 Creeks, Anthem, Blanco Vista, Casetta Ranch, Crosswinds, Cypress Forest, Paramount Park, Plum Creek, and Sunfield, as well as the under-development Sage Hollow.

Services/Utilities: Police and fire protection is provided by the city of Kyle for the incorporated areas situated within the City's corporate limits. The areas beyond the City's corporate 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's corporate limits are served through either 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 25 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.

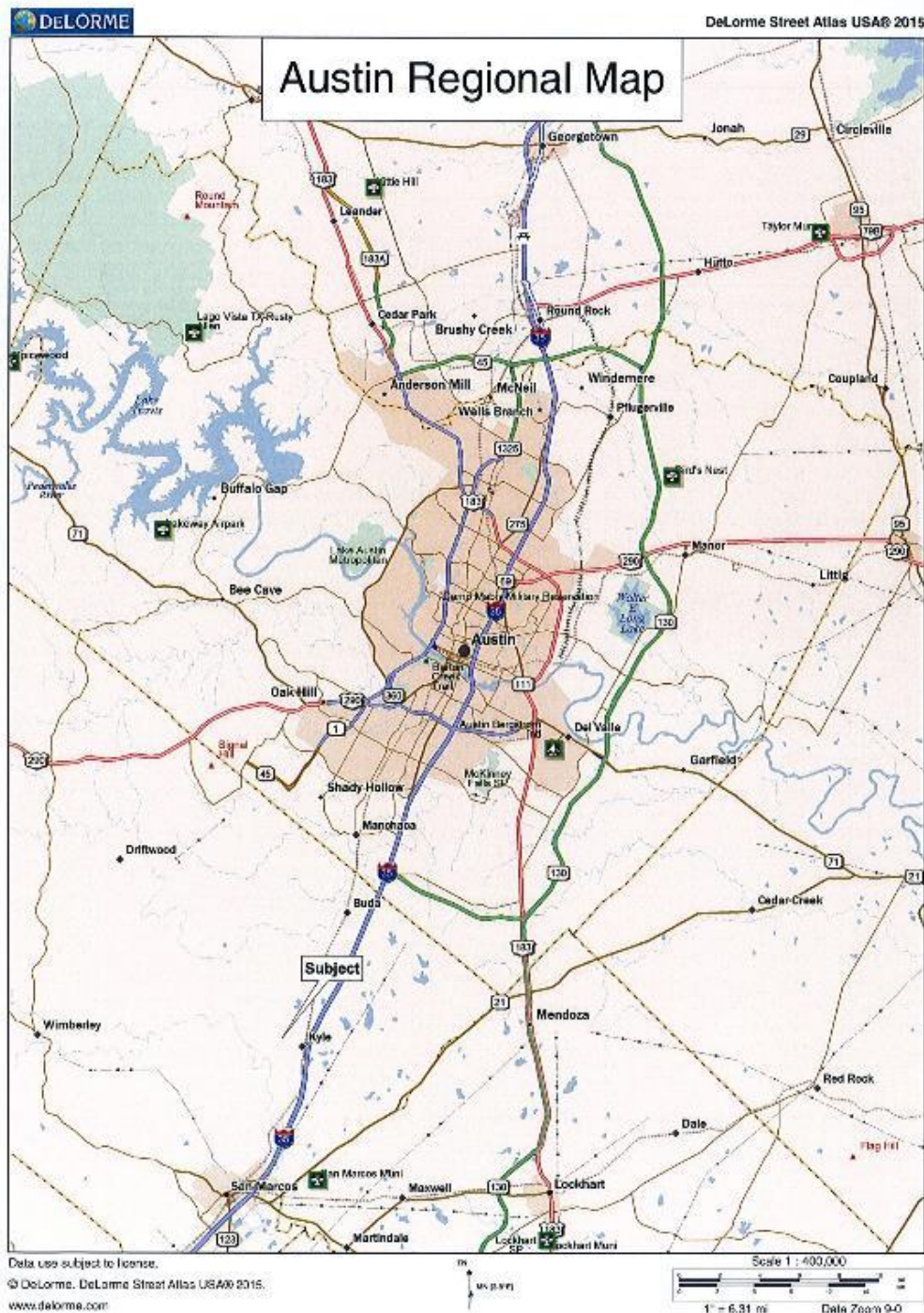
Additional higher education in this region is provided by The University of Texas at Austin, Concordia University, Huston-Tillotson College and St. Edward's University in Austin, Southwestern University in Georgetown, and Texas State University in San Marcos.

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 market area is considered to be in a rapid growth stage of its life cycle, and is expected to continue as such into the foreseeable future. City services and utilities are available in sufficient capacity to accommodate future growth, and I am unaware of any adverse conditions or environmental hazards that would prohibit future development. Overall, the market area is expected to be viable for future residential and supportive commercial development, as economic conditions continue at a steady pace for the remainder of 2022, into 2023. No adverse or detrimental influences were noted, and no adverse zoning or other restrictions are present that would have a negative effect on area development.

The overall economic outlook of the market area has recently improved from the effects of the Coronavirus pandemic with the economy continuing to open up, along with recovering \$110 - \$120+/- per barrel oil. The overall attitude and expectations of most market area participants is that of continued rapid population growth over the foreseeable future. The current Covid-19 pandemic had been receding. However, there had been an uptick in infections during July-September 2021, due to the Delta Variant. The Omicron Variant started to surge in December 2021, but appears to be a far less severe version of the virus thus far and was declining by mid-February 2022.

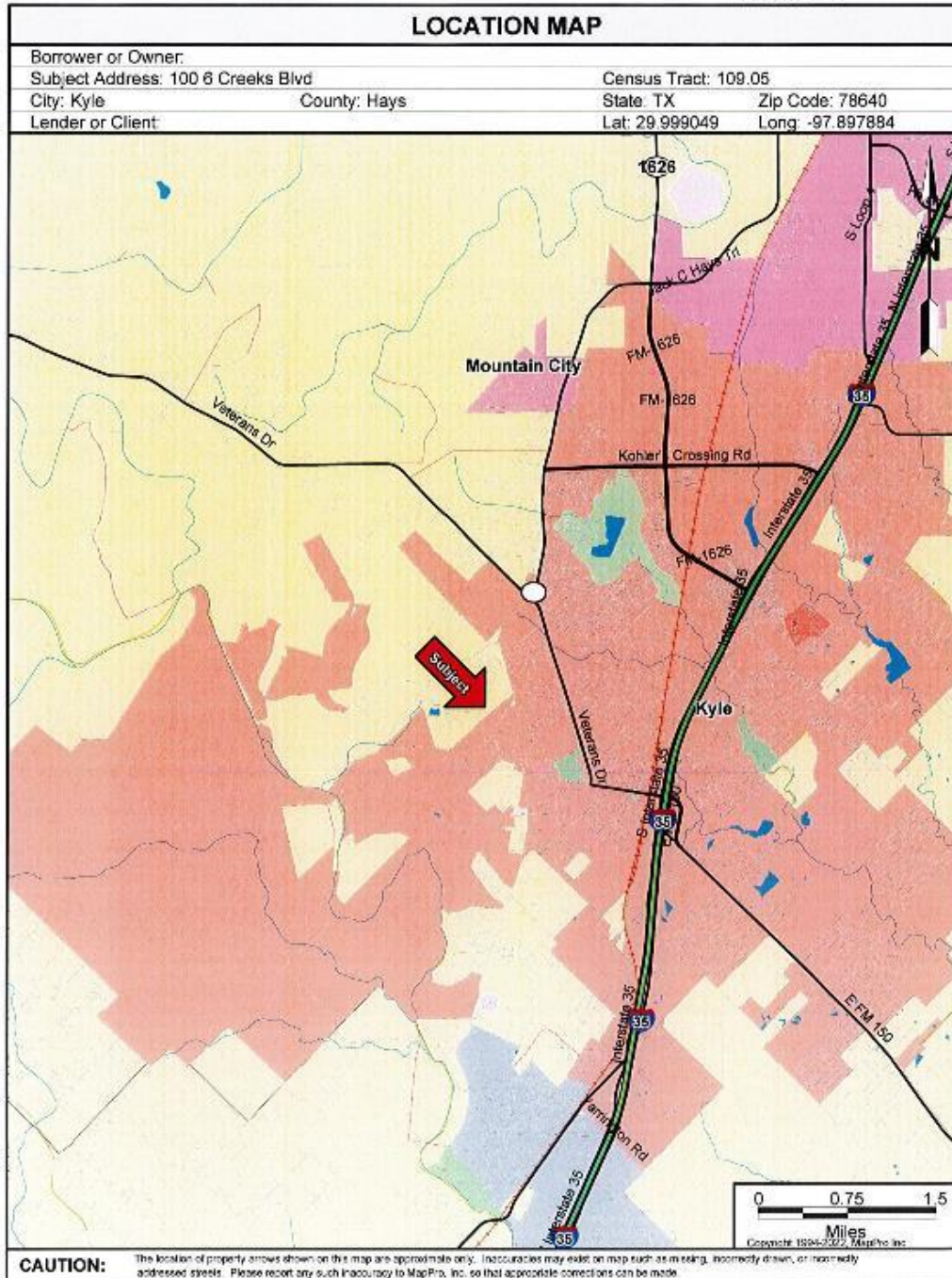
Factors affecting marketability, including retail growth, convenience of employment centers, utilities, property compatibility, protection from detrimental conditions, police and fire protection, general appearance and appeal, are all considered very good for this market area. The market area is expected to experience continued rapid growth market conditions into the foreseeable future.

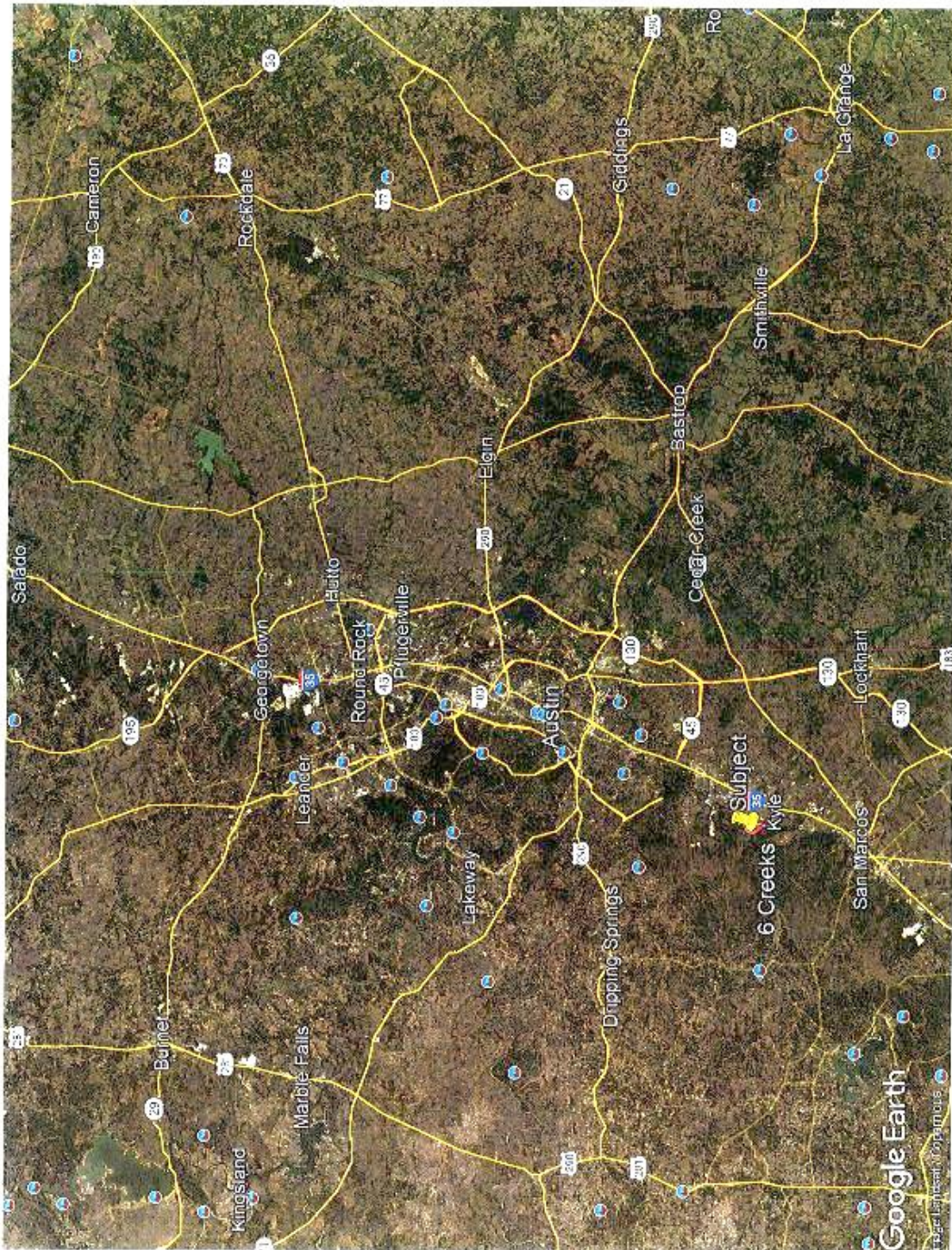
Inflation is at a record high level of 8.6%, causing the Federal Reserve to rapidly increase interest rates during May and June 2022. The overall impact to the local residential market is to be determined, but most experts expect some slower activity throughout the remainder of 2022 and into 2023.

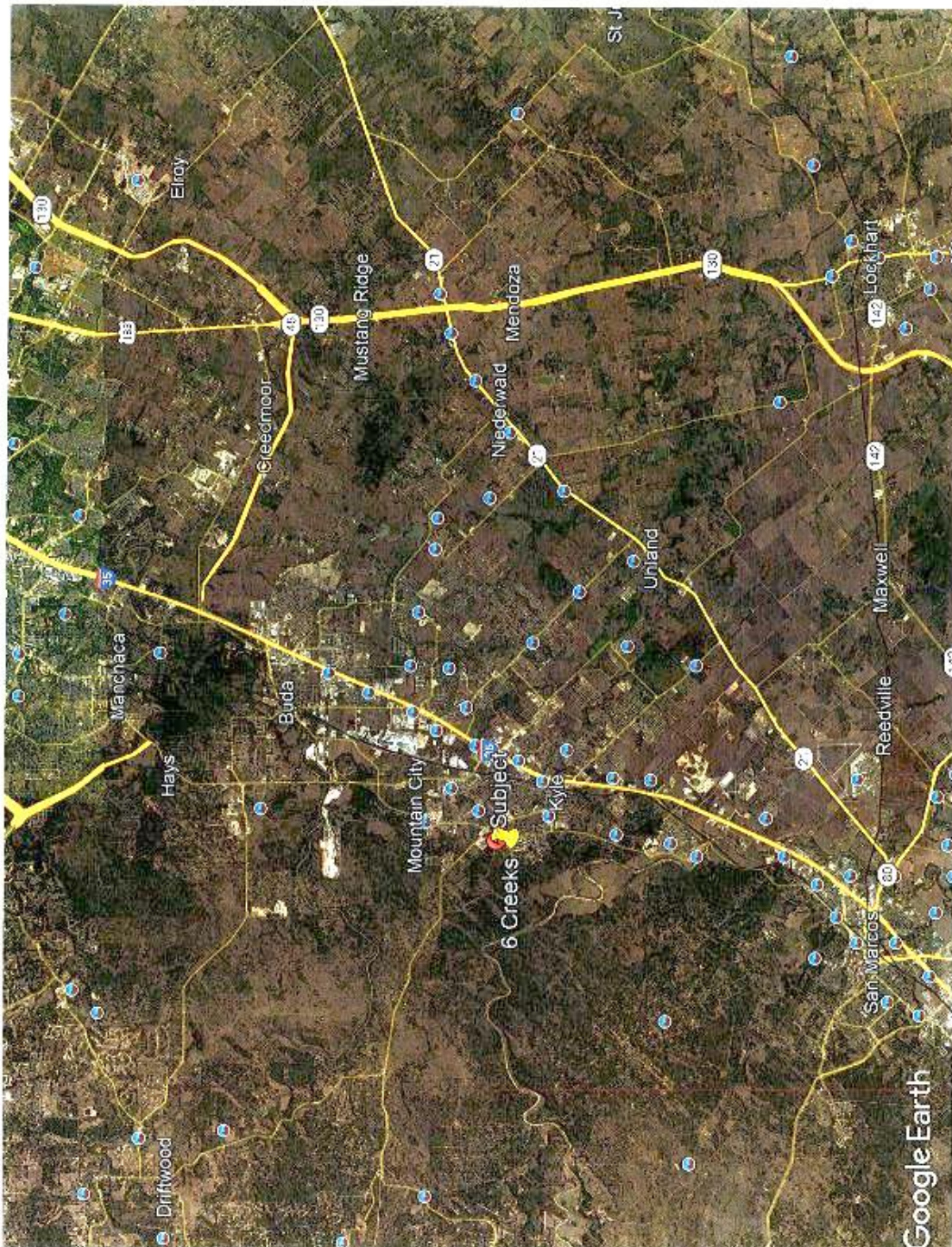


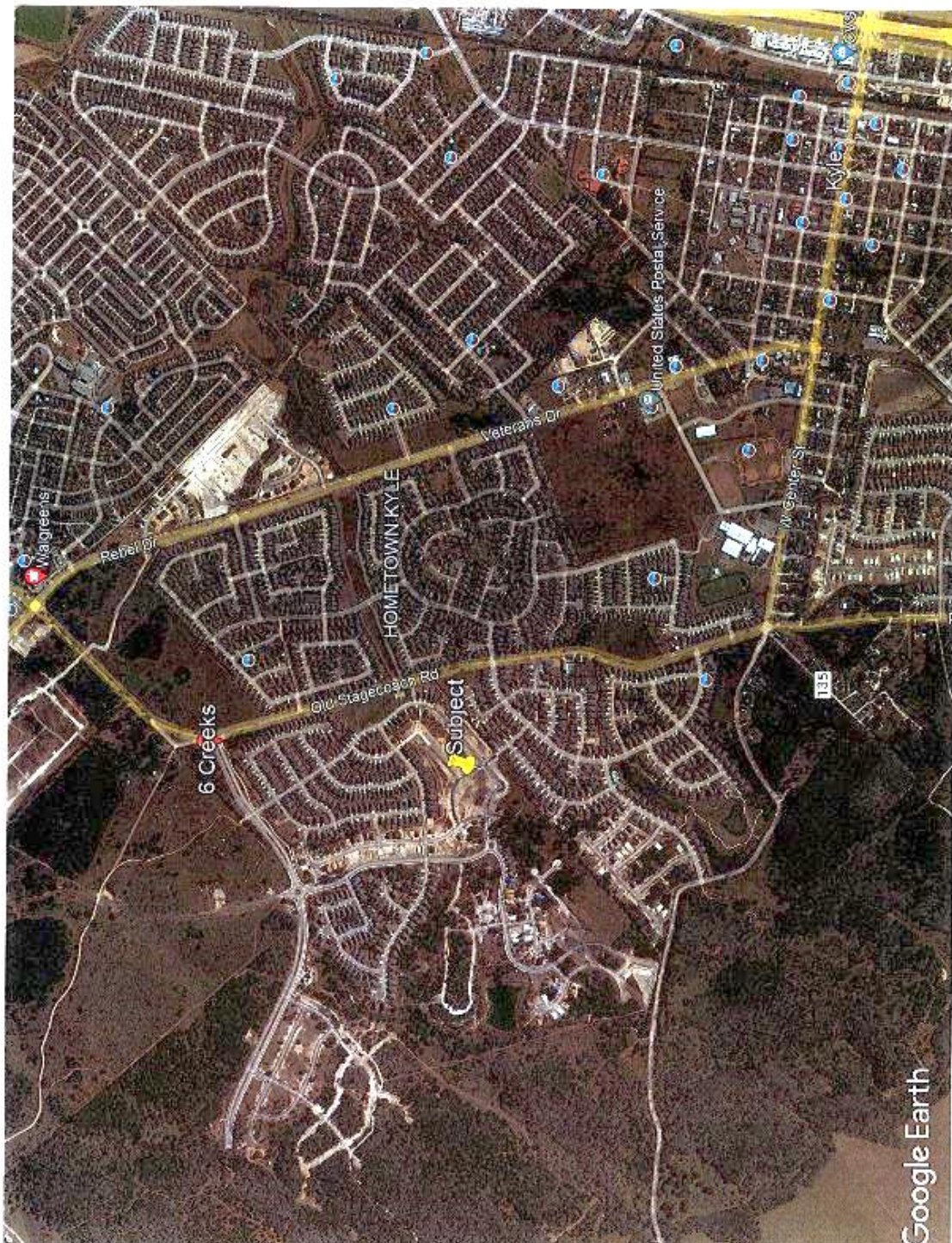
LOCATION MAP

File No. C7991



AERIAL PHOTOGRAPHS





**ANALYSIS OF 6 CREEKS, PHASE 1, SECTION 6A,
79 UNDER-DEVELOPMENT RESIDENTIAL LOTS ON 22.789 ACRES, "UPON COMPLETION"**

Type of Property: **6 Creeks, Phase 1 (formerly known as Blanco River Ranch), being 79 under-development condo regime lots in Phase 1, Section 6A; 69 proposed lots in Phase 1, Section 7; 44 under-development lots in Phase 1, Section 13A; and 79 under-development lots in Phase 1, Section 13B, located along the west line of Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.**

Mapsco Reference: Hays County – 699 F & K

Postal Address: Kyle, Texas 78640

Location: 6 Creeks Subdivision is located along the west line of Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.

Tract Size

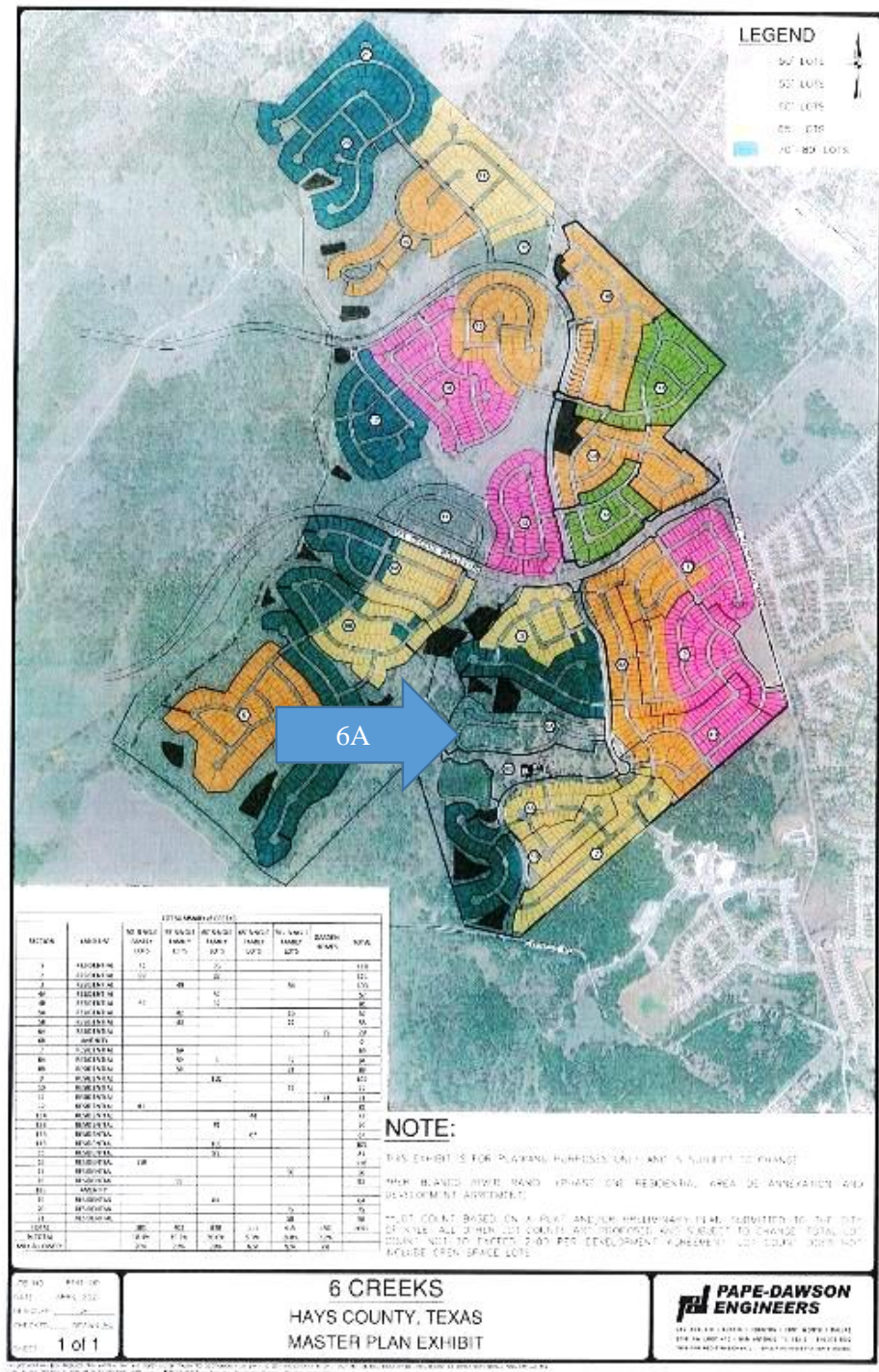
Section 6A: 22.789-acre condo regime platted for 79 detached garden home lots

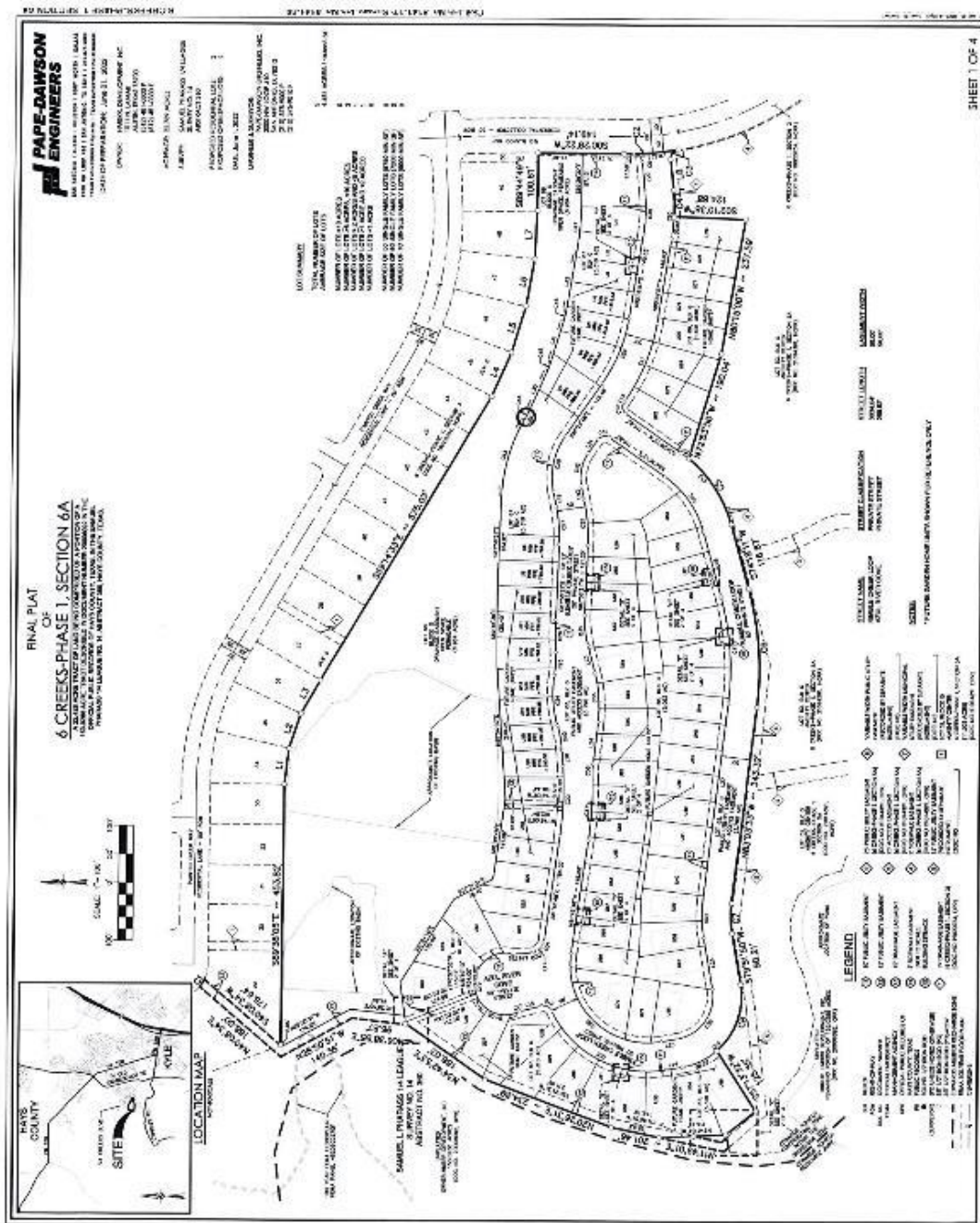
Density: 3.47 lots per acre.

<u>Section 6A Lot Size Mix</u>	<u>No.</u>	<u>Description</u>	<u>Typical Dimensions</u>	<u>Avg. Size</u>
	79	Under-Development	45' x 120'	5,400 SF
<u>Utilities/Services</u>				
Sanitary Sewer & Water:		City of Kyle		
Electricity:		Pedernales Electric Co-Op		
Natural Gas:		Center Point Energy		
Telephone Service:		Centric Fiber		
Police Protection:		Hays County Sheriff's Dept.		
Fire Protection:		Hays County Emergency Districts #5 & #9		
School District:		Hays Consolidated I.S.D.		
Accessibility:		The subject is accessible via Old Stagecoach Road.		
Topography:		Functionally level, and above street grade.		
Zoning:		None (City of Kyle ETJ).		
Restrictions:		I am not aware of any adverse deed restrictions on the subject lots.		

Floodplain:	Zone "X," outside of the 500-year floodplain, according to FEMA Map No. 48209C0385F, dated 9/2/2005.
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 paper lots.

Conclusion: The subject 6 Creeks subdivision has a good suburban location in the rapidly growing Kyle/Buda area of far south Austin, within the Hays Consolidated I.S.D. All public utilities are available, and no detrimental zoning, encroachments, or restrictions were noted, which would represent an adverse influence to residential construction for lower to mid-priced production homes in the range of \$300,000 to \$500,000, as proposed.





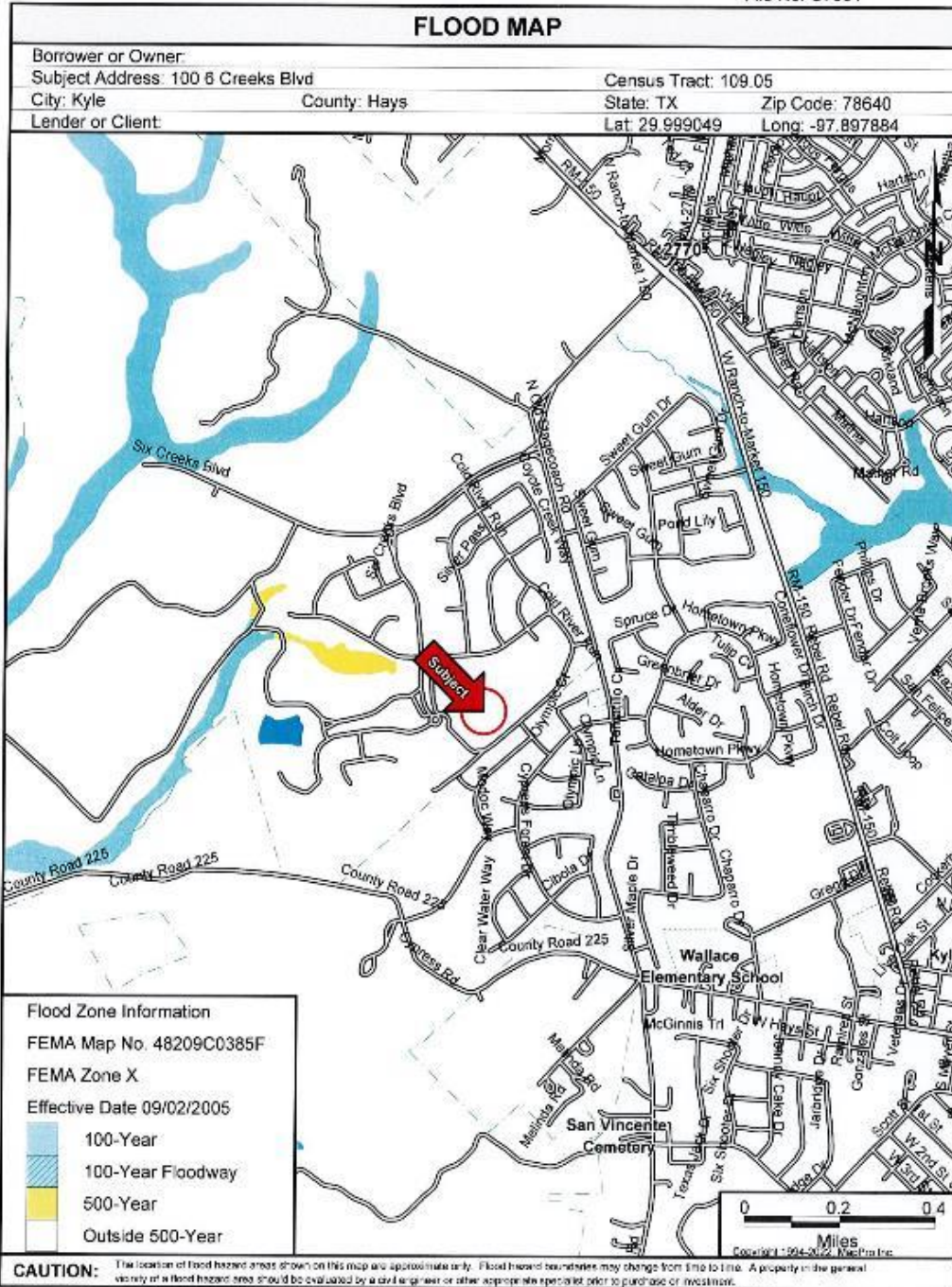
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BARLETTA & ASSOCIATES, INC.

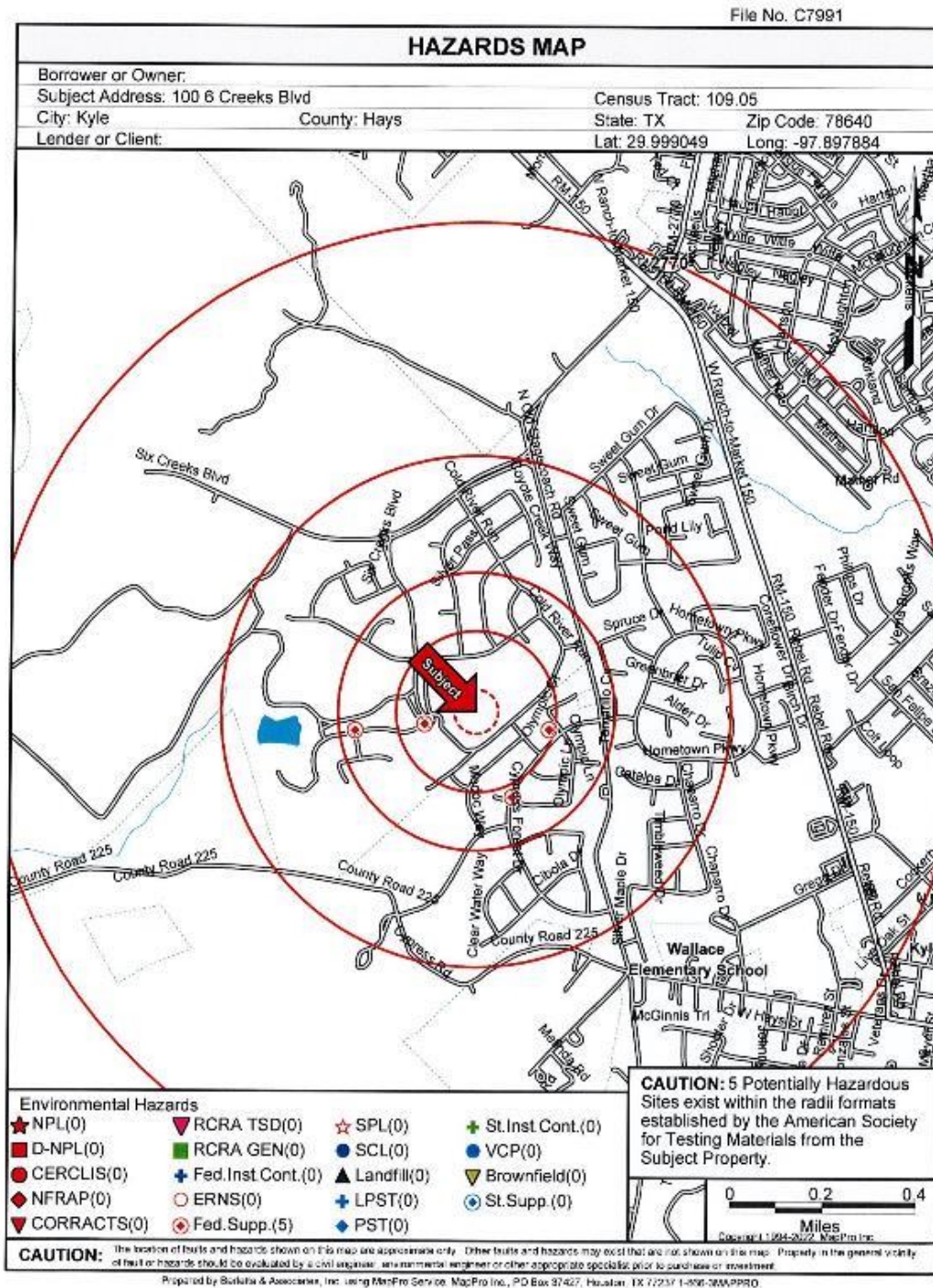
SHEET 4 OF 4

FLOOD MAP

File No. C7991



HAZARDS MAP



**ANALYSIS OF 6 CREEKS, PHASE 1, SECTION 7,
69 PROPOSED RESIDENTIAL LOTS ON 17.756 ACRES, "UPON COMPLETION"**

Type of Property: **6 Creeks, Phase 1 (formerly known as Blanco River Ranch), being 79 under-development lots in Phase 1, Section 6A; 69 proposed lots in Phase 1, Section 7; 44 under-development lots in Phase 1, Section 13A; and 79 under-development lots in Phase 1, Section 13B, located along the west line of Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.**

Mapsco Reference: Hays County – 699 F & K

Postal Address: Kyle, Texas 78640

Location: 6 Creeks Subdivision is located along the west line of Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.

Tract Sizes

Section 7: 17.756 acres platted for 69 lots
Density: 3.89 lots per acre.

<u>Section 7 Lot Size Mix</u>	<u>No.</u>	<u>Description</u>	<u>Typical Dimensions</u>	<u>Avg. Size</u>
	69	Proposed	55' x 125'	6,875 SF

Utilities/Services

Sanitary Sewer & Water: City of Kyle
Electricity: Pedernales Electric Co-Op
Natural Gas: Center Point Energy
Cable/Telephone Service: Centric Fiber
Police Protection: Hays County Sheriff's Dept.
Fire Protection: Hays County Emergency Districts #5 & #9
School District: Hays Consolidated I.S.D.

Accessibility: The subject is accessible via Old Stagecoach Road.

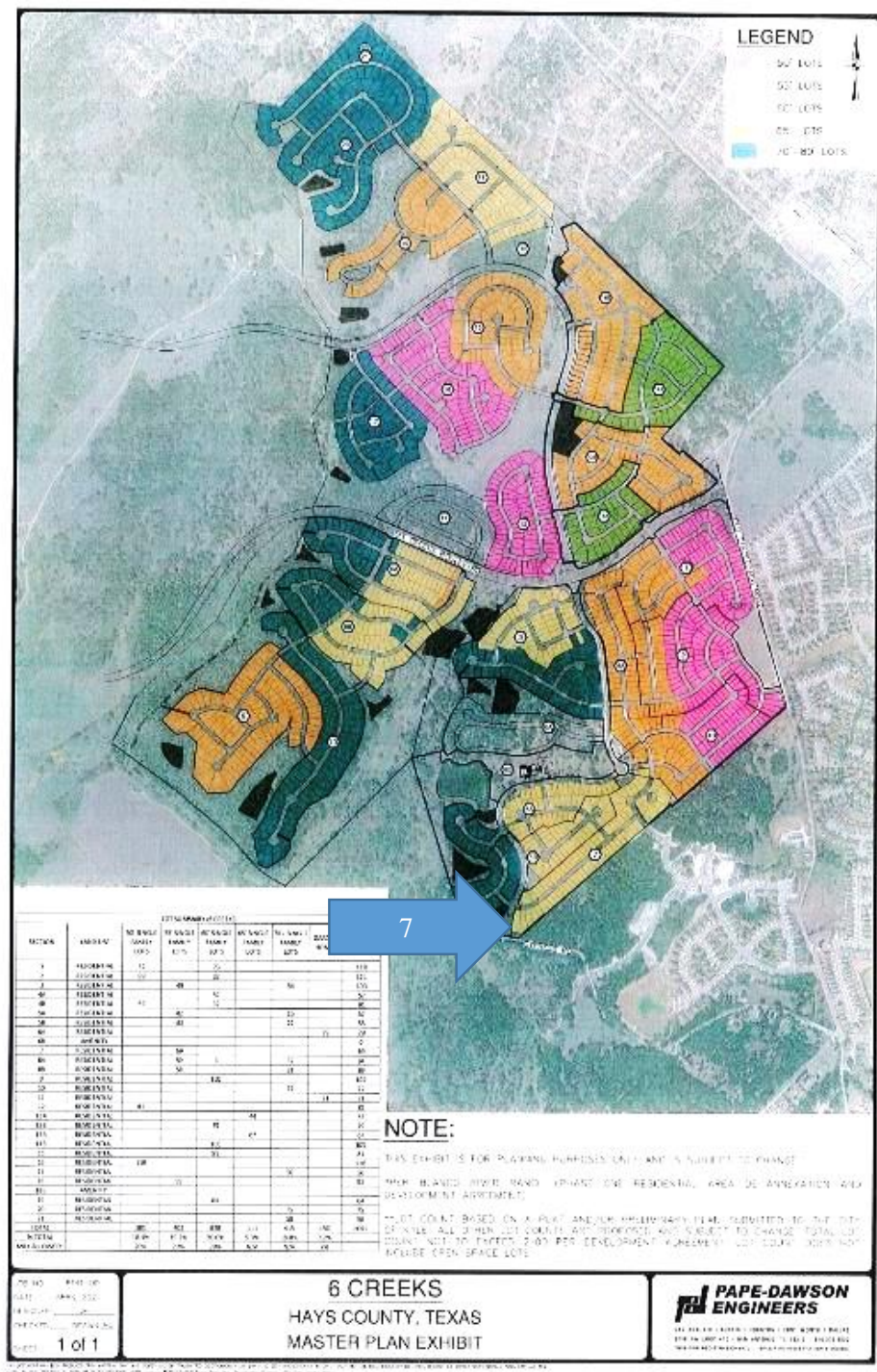
Topography: Functionally level, and above street grade.

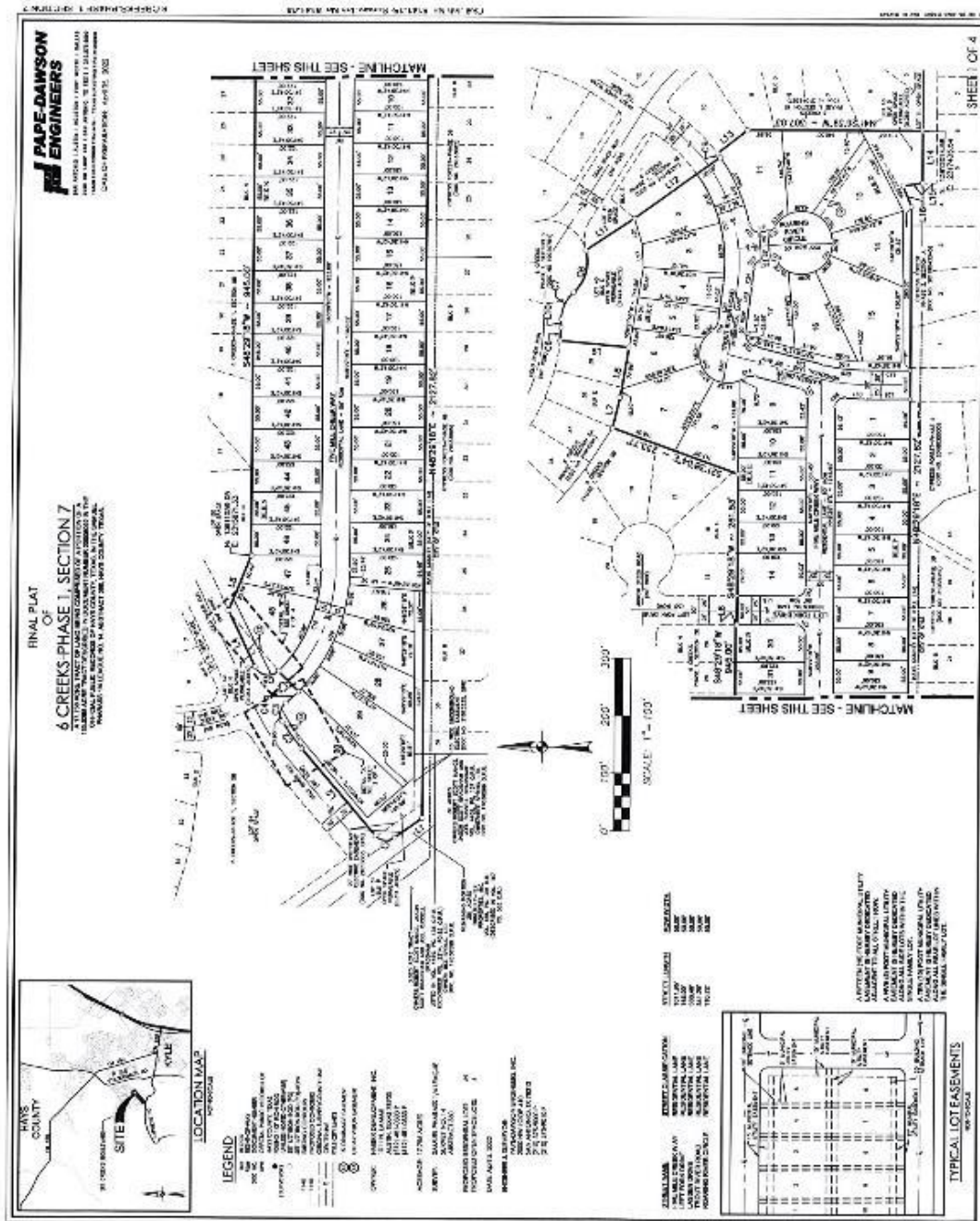
Zoning: None (City of Kyle ETJ).

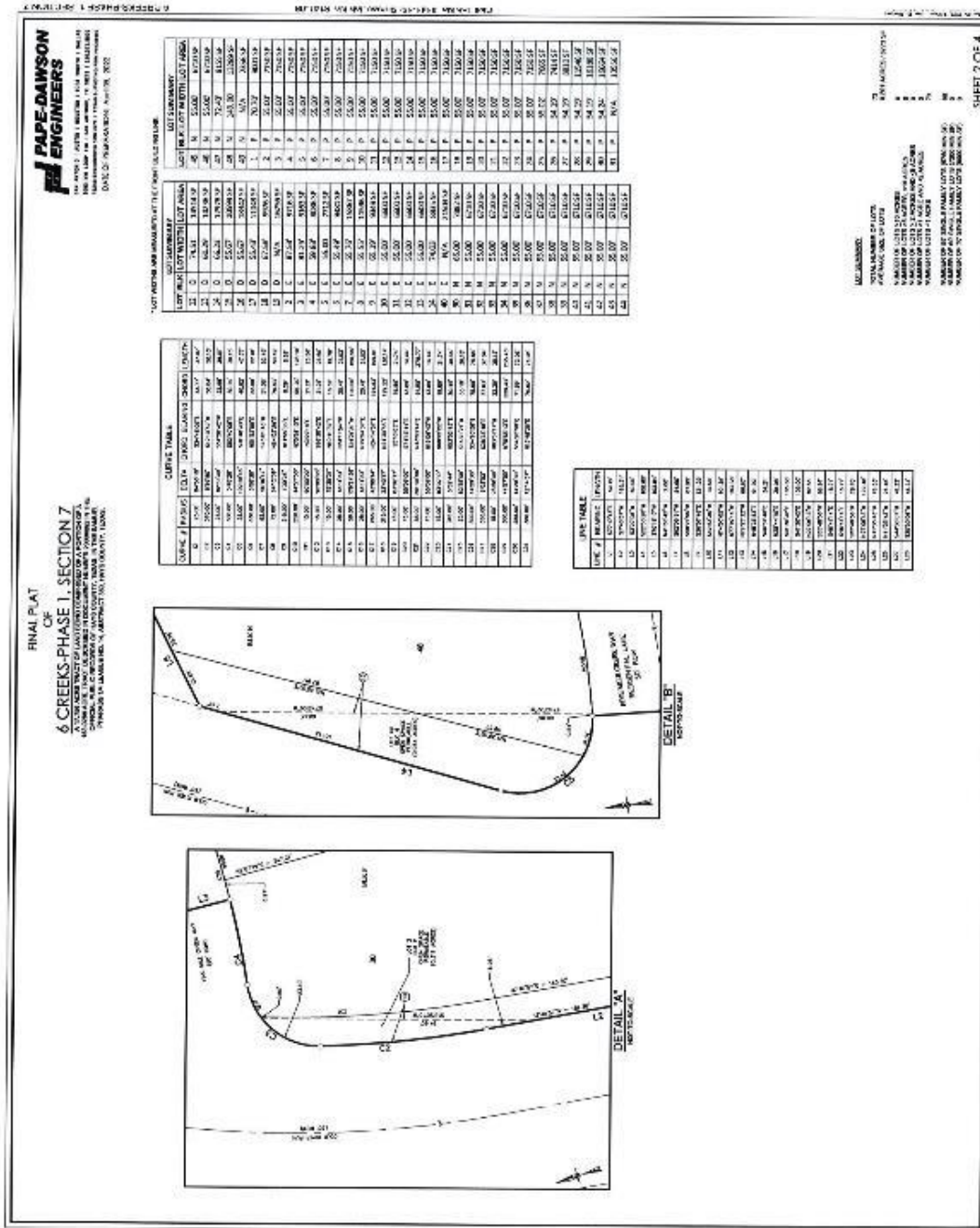
Restrictions: I am not aware of any adverse deed restrictions on the subject lots.

Floodplain:	Zone "X," outside of the 500-year floodplain, according to FEMA Map No. 48209C0385F, dated 9/2/2005.
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 paper lots.

Conclusion: The subject 6 Creeks subdivision has a good suburban location in the rapidly growing Kyle/Buda area of far south Austin, within the Hays Consolidated I.S.D. All public utilities are available, and no detrimental zoning, encroachments, or restrictions were noted, which would represent an adverse influence to residential construction for lower to mid-priced production homes in the range of \$450,000 to \$600,000, as proposed.







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SURVEY METES AND BOUNDS
TO BE PLACED HERE

SHEET 3 OF 4

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**ANALYSIS OF 6 CREEKS, PHASE 1, SECTIONS 13A & 13B,
123 UNDER-DEVELOPMENT RESIDENTIAL LOTS ON 49.602 ACRES, "UPON COMPLETION"**

Type of Property: **6 Creeks, Phase 1 (formerly known as Blanco River Ranch), being 79 under-development lots in Phase 1, Section 6A; 69 proposed lots in Phase 1, Section 7; 44 under-development lots in Phase 1, Section 13A; and 79 under-development lots in Phase 1, Section 13B, located along the west line of Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.**

Mapscos Reference: Hays County – 699 F & K

Postal Address: Kyle, Texas 78640

Location: 6 Creeks Subdivision is located along the west line of Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.

Prospective Date of Completion

Section 13A: August 1, 2022
Section 13B: August 1, 2022

Tract Sizes

Section 13A: 20.455 acres platted for 44 lots
Density: 2.15 lots per acre.

Section 13B: 29.147 acres platted for 79 lots
Density: 2.59 lots per acre.

Overall Size: 49.602 acres platted for 123 lots
Density: 2.48 lots per acre.

<u>Section 13A Lot Size Mix</u>	<u>No.</u>	<u>Description</u>	<u>Typical Dimensions</u>	<u>Avg. Size</u>
	44	Under-Development	65' x 130'	8,450 SF

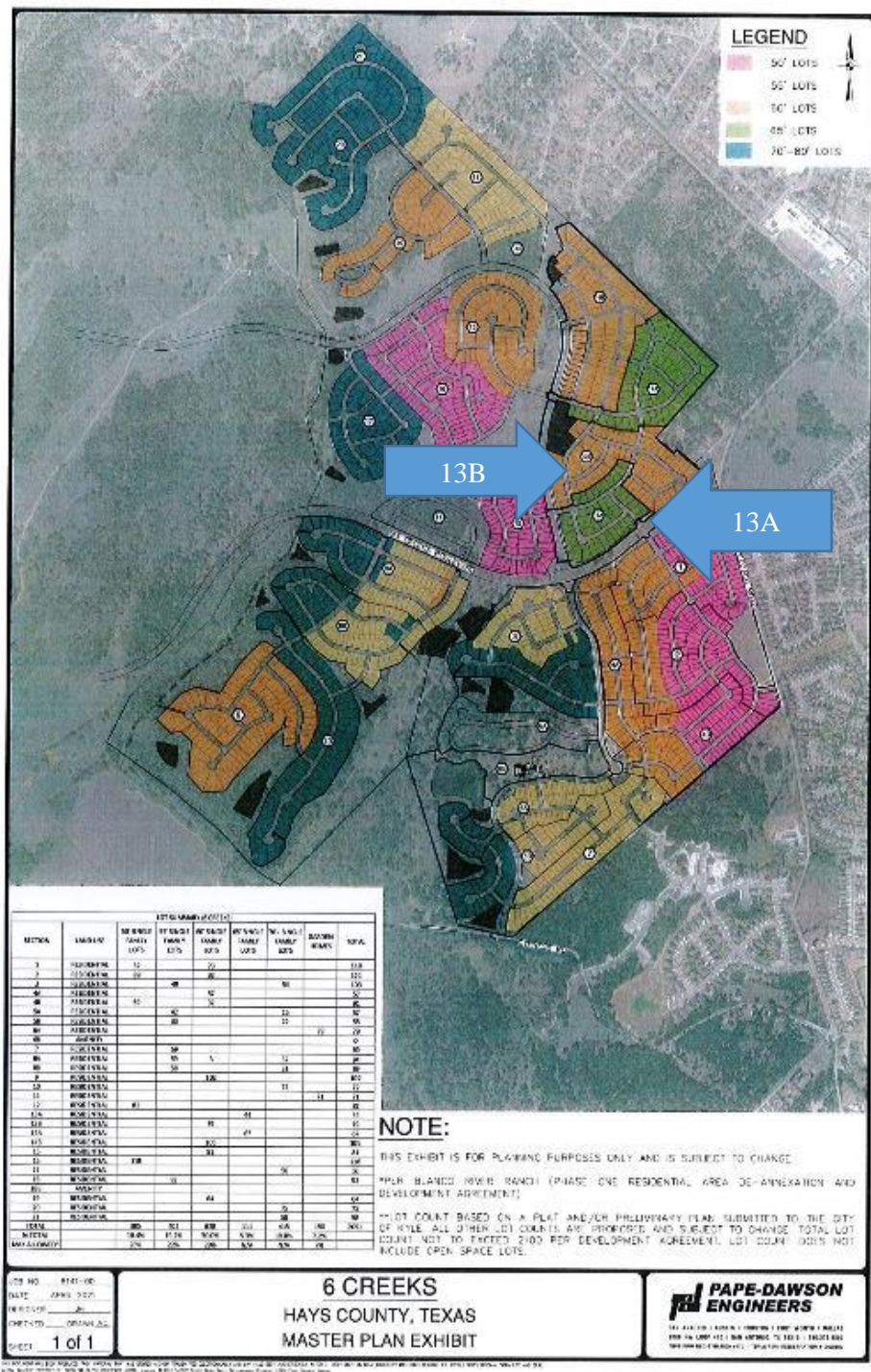
<u>Section 13B Lot Size Mix</u>	<u>No.</u>	<u>Description</u>	<u>Typical Dimensions</u>	<u>Avg. Size</u>
	79	Under-Development	60' x 130'	7,800 SF

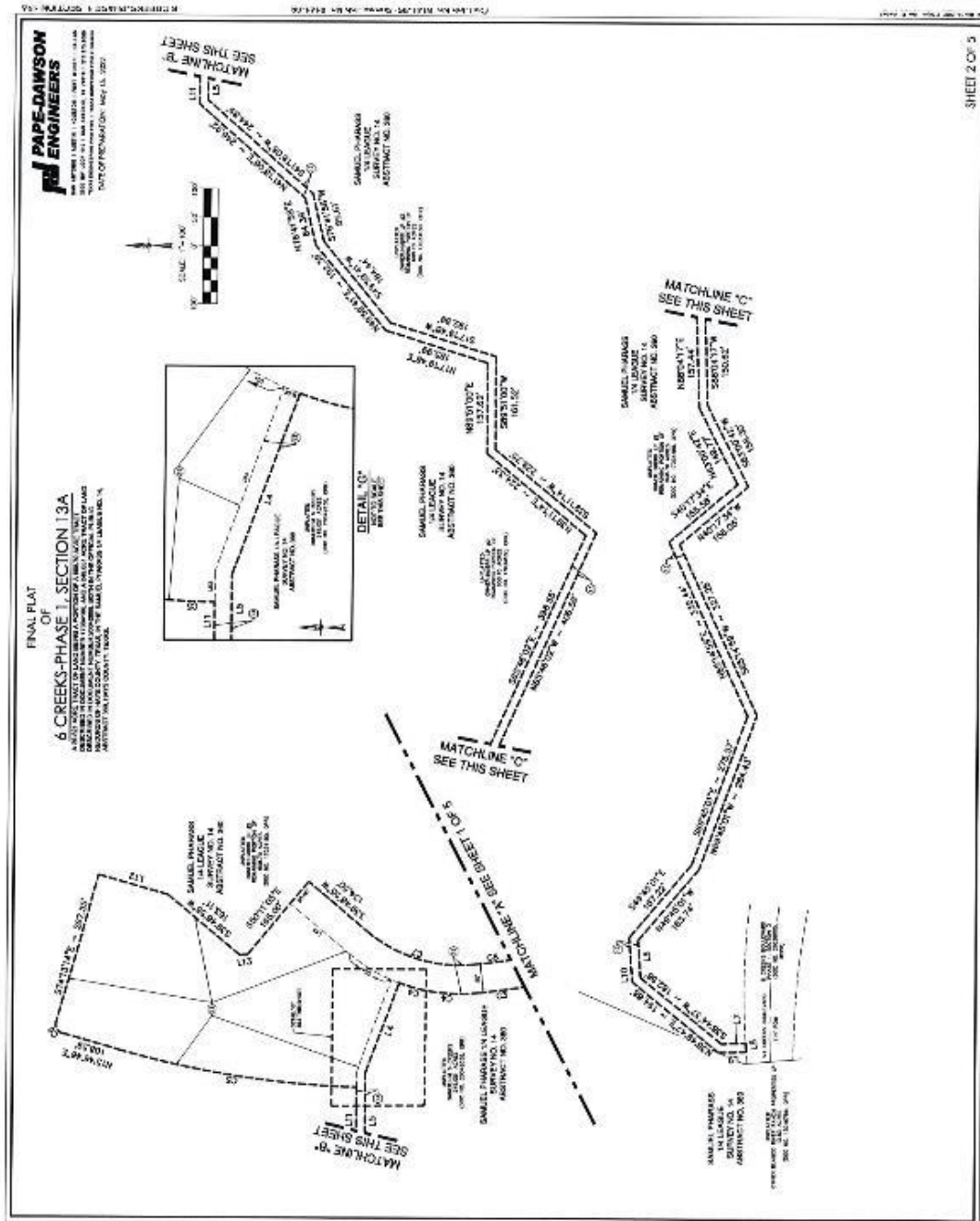
Utilities/Services

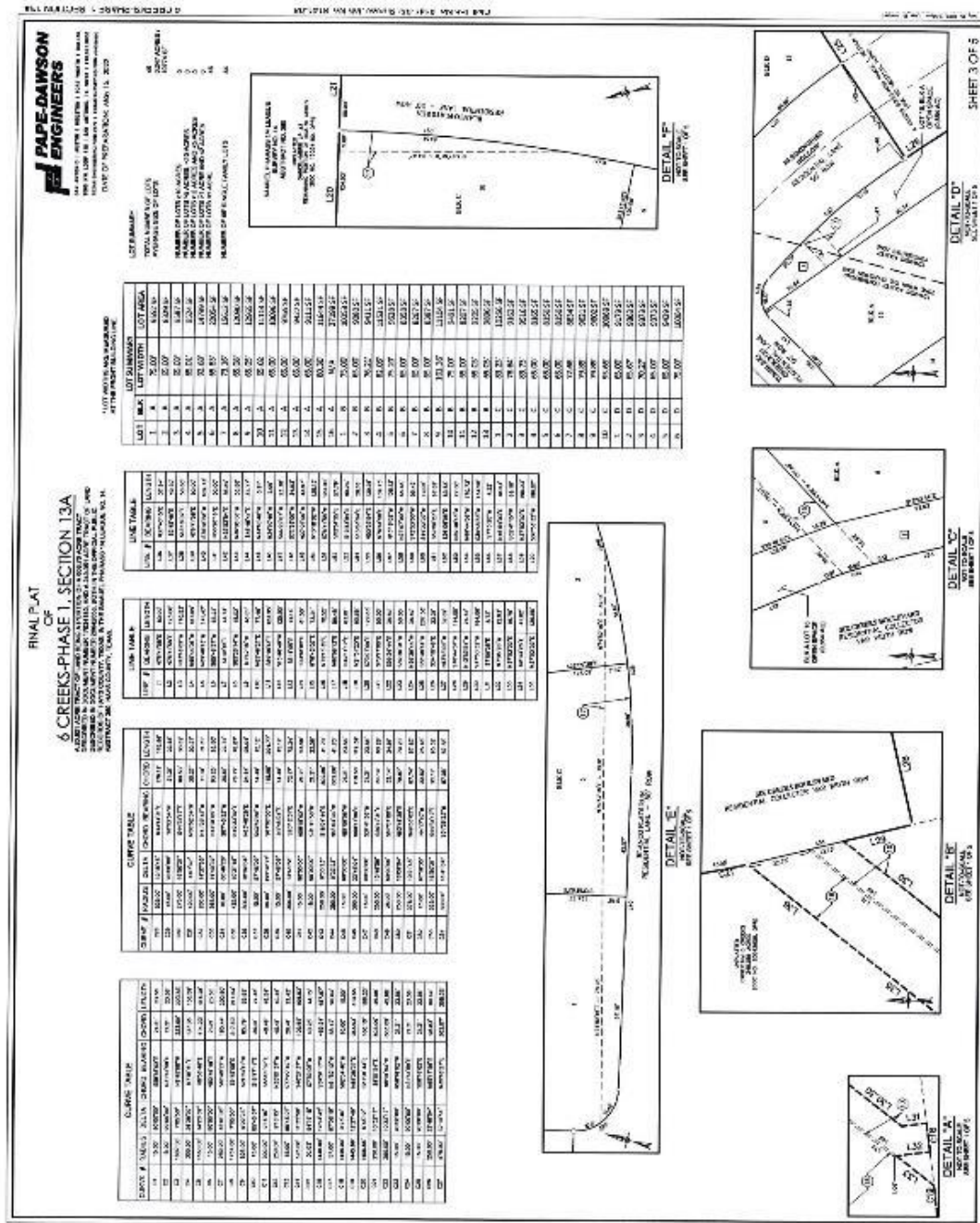
Sanitary Sewer & Water: City of Kyle
Electricity: Pedernales Electric Co-Op
Natural Gas: Center Point Energy
Cable/Telephone Service: Centric Fiber
Police Protection: Hays County Sheriff's Dept.

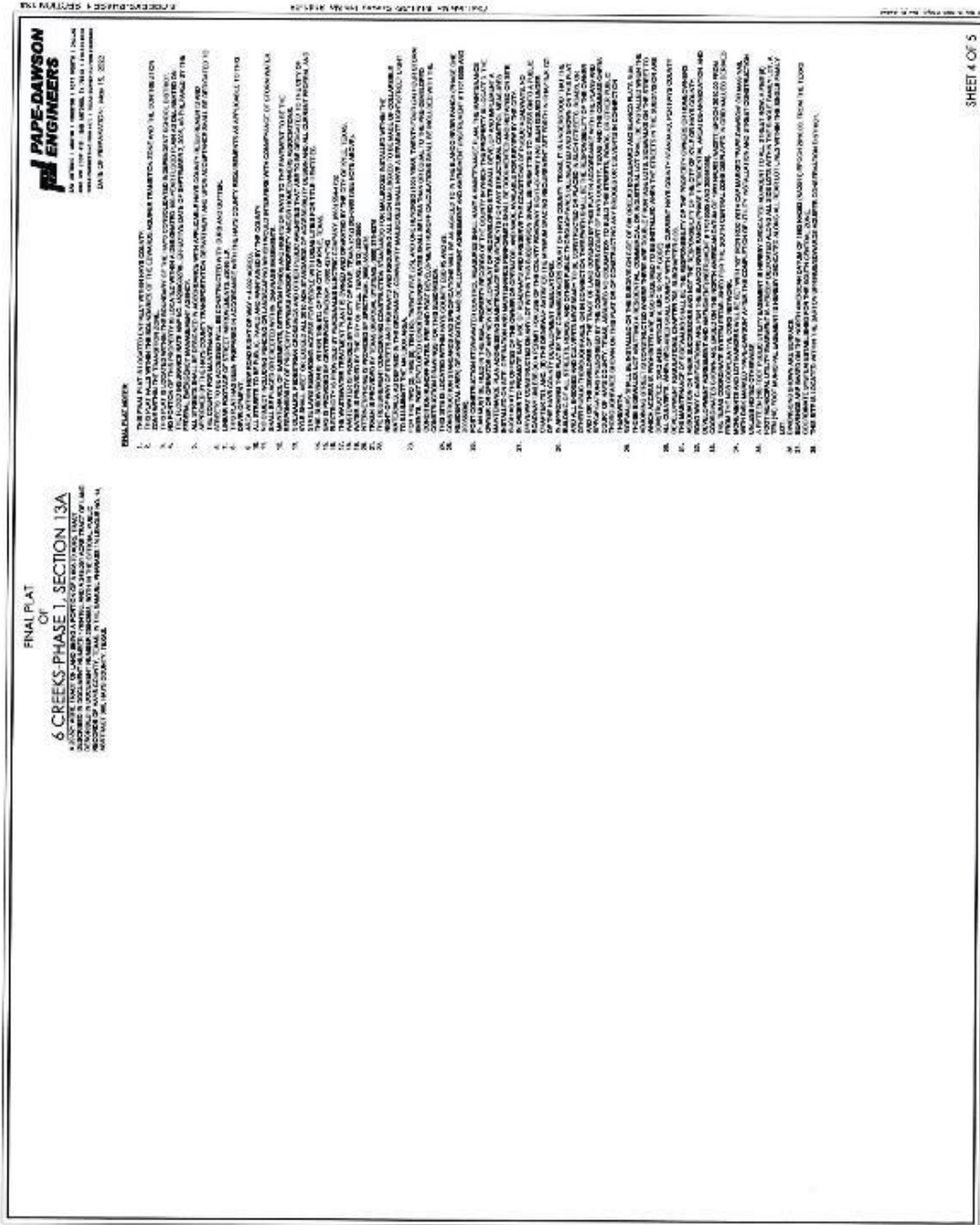
Fire Protection:	Hays County Emergency Districts #5 & #9
School District:	Hays Consolidated I.S.D.
Accessibility:	The subject is accessible via Cypress Road.
Topography:	Functionally level, and above street grade.
Zoning:	None (City of Kyle ETJ).
Restrictions:	I am not aware of any adverse deed restrictions on the subject lots.
Floodplain:	Zone "X," outside of the 500-year floodplain, according to FEMA Map No. 48209C0385F, dated 9/2/2005.
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 paper lots.

Conclusion: The subject 6 Creeks subdivision has a good suburban location in the growing Kyle/Buda area of far south Austin, within the Hays Consolidated I.S.D. All public utilities are available, and no detrimental zoning, encroachments, or restrictions were noted, which would represent an adverse influence to residential construction for lower to mid-priced production homes in the range of \$500,000 to \$900,000, as proposed.



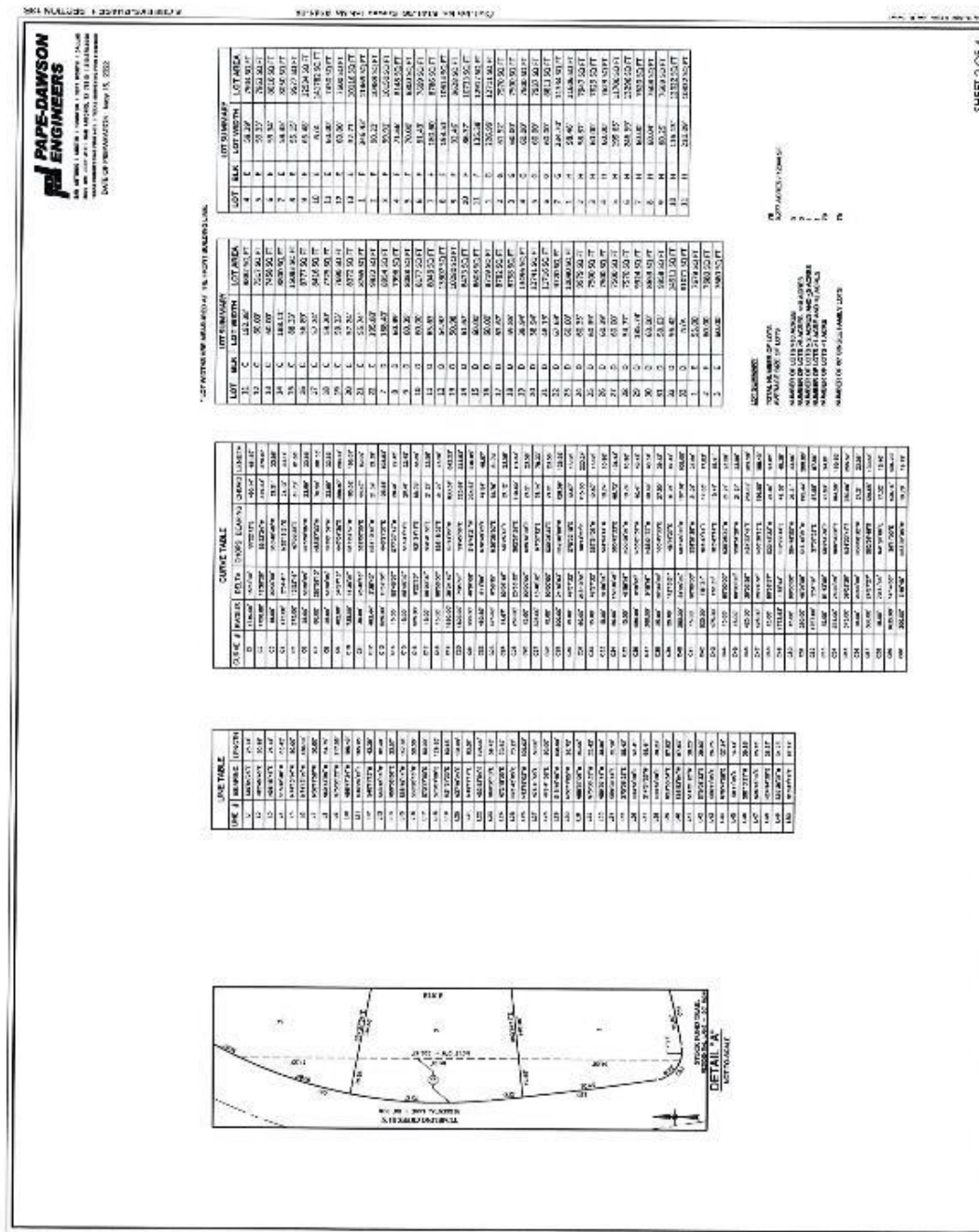






SHEET 5 OF 5





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PAPE-DAWSON ENGINEERS
INCORPORATED IN THE STATE OF CALIFORNIA
 10000 BAYVIEW DRIVE, SUITE 100
 SAN FRANCISCO, CALIFORNIA 94134
 DATE OF PREPARATION: MAY 15, 2022

**THE STATE OF TEXAS
COUNTY OF TARRANT**

BEFORE ME, the undersigned authority, on this _____ day of _____, 2022, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

My commission expires on _____.

**THE STATE OF TEXAS
COUNTY OF TARRANT**

BEFORE ME, the undersigned authority, on this _____ day of _____, 2022, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

My commission expires on _____.

**THE STATE OF TEXAS
COUNTY OF TARRANT**

BEFORE ME, the undersigned authority, on this _____ day of _____, 2022, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

My commission expires on _____.

**THE STATE OF TEXAS
COUNTY OF TARRANT**

BEFORE ME, the undersigned authority, on this _____ day of _____, 2022, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

My commission expires on _____.

SUBJECT PROPERTY PHOTOGRAPHS



The entry to 6 Creeks from Old Stagecoach Road



Northerly and southerly views of Old Stagecoach Road



Model Homes in 6 Creeks





Views of Subject Section 6A under-development lots



Views of Subject Section 13A



Views of Subject Section 13A & 13B



Views of Subject Section 13B



Views of Subject Section 7 development tract



Existing lots and typical street scene



Existing lots and typical street scene



Existing lots

HIGHEST AND BEST USE

The "**Highest and Best Use**" is defined 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, Seventh Edition, 2022, page 88, 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. The subject residential paper lots are located within the ETJ of Kyle, and are not zoned. 6 Creeks is assumed to be deed restricted, but I am unaware of any adverse deed restrictions which would preclude development to the subjects' highest and best use.

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 6 Creeks, Phase 1 (formerly known as Blanco River Ranch), being 79 under-development detached garden home lots in Phase 1, Section 6A; 69 proposed lots in Phase 1, Section 7; 44 under-development lots in Phase 1, Section 13A; and 79 under-development lots in Phase 1, Section 13B, located along the west line of Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640. All public utilities are available in sufficient capacity for a low-density residential development. The subject proposed and under-development lots are unencumbered by any adverse easements, and are within the highly regarded 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 2022, the subject 6 Creeks is within the South Market Area, and the Kyle/Buda Submarket. The South Market Area accounted for 4,427 starts, with 2,572 closings, for a VDL Inventory of 4,484 lots, or a 12.2-month severe undersupply. The Kyle/Buda Submarket accounted for 3,229 of those 4,427 starts (72.94%) and 2,037 of those 2,572 closings (79.20%), with a notably undersupplied vacant developed lot inventory of 13.1 months, and an elevated housing inventory of 13.6 months. Typically, a 20 to 24-month lot supply is considered to be equilibrium; thus, the Kyle/Buda Submarket is notably undersupplied at 13.1 months, as is the South Market Area at 12.2 months.

Submarket/ Market Area		4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	Annual Rates/ Inventory Supply (Mos)
Kyle/Buda Submarket	Starts	626	559	758	853	853	722	3,229
	Closings	409	522	505	454	454	553	2,037
	Housing Inv.	1,082	1,119	1,372	1,771	2,142	2,311	13.6 Mos.
	VDL Inv.	2,400	2,859	3,034	3,034	2,703	3,520	13.1 Mos.
South Market Area	Starts	776	675	929	1,78	1,210	1,110	4,427
	Closings	554	668	601	554	675	742	2,572
	Housing Inv.	1,387	1,384	1,722	2,346	2,881	3,249	15.2 Mos.
	VDL Inv.	3,469	3,830	3,996	3,970	3,627	4,484	12.2 Mos.

Source: Zonda Austin Metrostudy, 1st Quarter 2022

Within the South Market Area starts in the 1st Quarter 2022 were up 64.44% over 1st Quarter 2021, and closings were up 11.08% over the same time period. Within the Kyle/Buda Submarket starts in the 1st Quarter 2022 were up 29.16% over 1st Quarter 2021, and closings were up 5.94% over the same time period. The Austin region has experienced unprecedented growth over the past year, and demand for new housing remains very strong. These trends indicate a rapid growth rate.

The housing inventory for both the South Market and the Kyle/Buda Submarket are elevated, and is due, in part, to the dramatic increase in starts, but is primarily attributable to a severe shortage in labor and materials. Further, the VDL inventories in both the Kyle/Buda Submarket, and the South Market Area have continually remained at undersupplied levels over the past 4 quarters, and are now severely undersupplied.

Notable recent residential developments in proximity to Kyle include 6 Creeks, Anthem, Blanco Vista, Casetta Ranch, Crosswinds, Cypress Forest, Paramount Park, Plum Creek, and Sunfield, as well as the under-development Sage Hollow.

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 physically possible and legally permissible use of the subject under-development Sections 6A, 7, 13A and 13B strongly supports a

residential use. Thus, the maximally productive use of the various subject proposed and under-development lots are for phased lot development for lot sales to 3rd party home builders, as proposed, and as economic conditions and demand warrant.

SALES COMPARISON APPROACH – BUILDER TAKEDOWN LOT 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, Seventh Edition, Appraisal Institute, 2022, p. 170).

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.

BUILDER LOT TAKEDOWN CONTRACT NUMBER ONE

Subdivision Name: 6 Creeks, Phase 1, Section 6A
 Mapsco Map: Hays County – 699 F, G, K & L
 Location: The west line of N. Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.
 Grantor: HMBRR Development, Inc.
 Grantee: Perry Homes
 New SFR Price Range: \$300,000 to \$500,000

Sales Data:

<u>No. of Lots</u>	<u>Lot Width</u>	<u>Purchase Price/Lot</u>	<u>Purchase Price/FF</u>	<u>Sales Date</u>
10	45'	\$73,750	\$1,639	8/1/2022

Financing: Cash to seller
 Annual Escalator: 7.0%
 Utilities: All available
 School District: Hays Consolidated I.S.D.
 Zoning/Restrictions: None/6 Creeks, Section 6A Deed Restrictions
 Floodplain: No
 Confirmation: Lot Purchase Contract

Comments: This is the pending purchase of 10 lots out of a total of 40 lots out of the subject 6 Creeks, Section 6A. In addition to the base lot price, Perry Homes will pay an additional \$8,801 per lot in builder fees. The contract was negotiated in June 2021.

BUILDER LOT TAKEDOWN CONTRACT NUMBER TWO

Subdivision Name: 6 Creeks, Phase 1, Section 6A
 Mapsco Map: Hays County – 699 F, G, K & L
 Location: The west line of N. Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.
 Grantor: HMBRR Development, Inc.
 Grantee: Highland Homes
 New SFR Price Range: \$300,000 to \$500,000

Sales Data:

<u>No. of Lots</u>	<u>Lot Width</u>	<u>Purchase Price/Lot</u>	<u>Purchase Price/FF</u>	<u>Sales Date</u>
10	45'	\$73,750	\$1,639	8/1/2022

Financing: Cash to seller
 Annual Escalator: 7.0%
 Utilities: All available
 School District: Hays Consolidated I.S.D.
 Zoning/Restrictions: None/6 Creeks, Section 6A Deed Restrictions
 Floodplain: No
 Confirmation: Lot Purchase Contract

Comments: This is the pending purchase of 10 lots out of a total of 39 lots out of the subject 6 Creeks, Section 6A. In addition to the base lot price, Highland Homes will pay an additional \$8,801 per lot in builder fees. The contract was negotiated in June 2021.

BUILDER LOT TAKEDOWN CONTRACT NUMBER THREE

Subdivision Name: 6 Creeks, Phase 1, Section 7
 Mapsco Map: Hays County – 699 F, G, K & L
 Location: The west line of N. Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.
 Grantor: HMBRR Development, Inc.
 Grantee: Highland Homes
 New SFR Price Range: \$450,000 to \$600,000

Sales Data:

<u>No. of Lots</u>	<u>Lot Width</u>	<u>Purchase Price/Lot</u>	<u>Purchase Price/FF</u>	<u>Sales Date</u>
10	55'	\$110,000	\$2,000	2/1/2023

Financing: Cash to seller
 Annual Escalator: None (20% true-up).
 Utilities: All available
 School District: Hays Consolidated I.S.D.
 Zoning/Restrictions: None/6 Creeks, Section 7 Deed Restrictions
 Floodplain: No
 Confirmation: Lot Purchase Contract

Comments: This is the pending purchase of 10 lots out of a total of 35 lots out of the subject 6 Creeks, Section 7. In addition to the base lot price and true-up, Highland Homes will pay an additional \$5,376 per lot in builder fees.

BUILDER LOT TAKEDOWN CONTRACT NUMBER FOUR

Subdivision Name: 6 Creeks, Phase 1, Section 7
 Mapsco Map: Hays County – 699 F, G, K & L
 Location: The west line of N. Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.
 Grantor: HMBRR Development, Inc.
 Grantee: DFH Coventry (formerly MHI)
 New SFR Price Range: \$450,000 to \$600,000

Sales Data:

<u>No. of Lots</u>	<u>Lot Width</u>	<u>Purchase Price/Lot</u>	<u>Purchase Price/FF</u>	<u>Sales Date</u>
10	55'	\$110,000	\$2,000	2/1/2023

Financing: Cash to seller
 Annual Escalator: None (20% true-up).
 Utilities: All available
 School District: Hays Consolidated I.S.D.
 Zoning/Restrictions: None/6 Creeks, Section 7 Deed Restrictions
 Floodplain: No
 Confirmation: Lot Purchase Contract

Comments: This is the pending purchase of 10 lots out of a total of 34 lots out of the subject 6 Creeks, Section 7. In addition to the base lot price and true-up, DFH Coventry Homes will pay an additional \$5,376 per lot in builder fees.

BUILDER LOT TAKEDOWN NUMBER FIVE

Subdivision Name: Easton Park, Section 3A, Phases 1 & 2
 Mapsco Map: 705 H
 Location: In the vicinity of Apogee Boulevard and Moonbeam Drive, in the Austin ETJ of far south Travis County, Texas 78744.
 Grantor: Carma Easton, LLC
 Grantee: Newmark Homes, LLC
 SFR Price Range: \$480,000 to \$620,000

Sales Data:

<u>No.</u>	<u>Lot Dimensions</u>	<u>Purchase Price/Lot</u>	<u>Purchase Price/FF</u>	<u>Sales Date</u>
4	45' x 120'	\$81,000	\$1,800	11/22/2021
4	60' x 120'	\$108,000	\$1,800	11/22/2021
8	Total/Avg.	\$94,500	\$1,800	

Financing: Cash to seller
 Builder Fees: \$7,055 per 45' Lot & \$7,655 per 60' Lot.
 Utilities: All available
 School District: Del Valle I.S.D.
 Zoning/Restrictions: None (Austin ETJ)/Easton Park Deed restrictions
 Floodplain: No
 Confirmation: Purchase Contract; File #2021257588, and Purchaser's Statement GF No. 20-3249-C.

Comments: This is the purchase of quad lots by Newmark Homes.

BUILDER LOT TAKEDOWN NUMBER SIX

Subdivision Name: Headwaters at Barton Creek, Phase 5, Section 1, and Phase 4, Sections 2 & 3

Mapsco Map: 637 V

Location: Along the north line of U.S. Highway 290 at Headwaters Boulevard, in the Dripping Springs ETJ of Hays County, Texas 78620.

Grantor: WFC Headwaters Owner VII, LP

Grantee: Ashton Woods

SFR Price Range: \$550,000 to \$600,000

Sales Data:

<u>No.</u>	<u>Lot Dimensions</u>	<u>Purchase Price/Lot</u>	<u>Purchase Price/FF</u>	<u>Sales Date</u>
5	60' x 125'	\$96,000	\$1,600	8/2/2021

Financing: Cash to seller

Utilities: All available

School District: Dripping Springs I.S.D.

Zoning/Restrictions: None/Residential Deed Restrictions

Floodplain: No

Confirmation: Lot Purchase Contract, File #202121041597, & Mr. Matt Matthews with Freehold Communities.

Comments: The base lot price was \$96,000 per lot, with an annual escalator of 6.0% beginning in September 2021. In addition to the base lot price, additional builder fees amount to \$10,900 per lot, or **\$182 PFF**.

BUILDER LOT TAKEDOWN NUMBER SEVEN

Subdivision Name: Headwaters at Barton Creek, Phase 5, Section 1

Mapscot Map: 637 V

Location: Along the north line of U.S. Highway 290 at Headwaters Boulevard, in the Dripping Springs ETJ of Hays County, Texas 78620.

Grantor: WFC Headwaters Owner VII, LP

Grantee: Newmark Homes

SFR Price Range: \$400,000 to \$550,000

Sales Data:

<u>No.</u>	<u>Lot Dimensions</u>	<u>Purchase Price/Lot</u>	<u>Purchase Price/FF</u>	<u>Sales Date</u>
6	50' x 125'	\$80,000	\$1,600	10/25/2021

Financing: Cash to seller

Utilities: All available

School District: Dripping Springs I.S.D.

Zoning/Restrictions: None/Residential Deed Restrictions

Floodplain: No

Confirmation: File #202121058334 & Mr. Matt Matthews with Freehold Communities.

Comments: The base lot price is \$80,000 per lot, with an annual escalator of 6.0% beginning in September 2021. In addition to the base lot price, additional builder fees amount to \$10,900 per lot, or **\$218 PFF**.

BUILDER BULK LOT DEVELOPMENT CONTRACT NUMBER EIGHT

Subdivision Name: 6 Creeks, Phase 1, Sections 13 A & 13 B

Mapscot Map: Hays County – 699 F, G, K & L

Location: The west line of N. Old Stagecoach Road at 6 Creeks Boulevard, in the ETJ of Kyle, Hays County, Texas 78640.

Grantor: HMBRR Development, Inc.

Grantee: Pulte Homes

New SFR Price Range: \$500,000 to \$900,000

Sales Data:

<u>No. of Lots</u>	<u>Lot Width</u>	<u>Purchase Price/Lot</u>	<u>Purchase Price/FF</u>	<u>Sales Date</u>
44	65'	\$105,042	\$1,616	2/1/2023
79	60'	\$100,376	\$1,673	2/1/2023
123	61.79'	\$102,045	\$1,651	2/1/2023

Financing: Cash to seller

Annual Escalator: None

Utilities: All available

School District: Hays Consolidated I.S.D.

Zoning/Restrictions: None/6 Creeks, Sections 13A & 13B Deed Restrictions

Floodplain: No

Confirmation: Lot Development Contract

Comments: Pulte Homes of Texas, L.P., purchased a total of 295 paper lots consisting of Sections 13A, 13B, 14A and 14B from HMBRR L.P. #2, on July 16, 2021 (per Purchase and Sale Agreement). The purchase price for the **44 subject 65' paper lots** in Section 13A was \$2,677,048 or **\$60,842 per paper lot**. The purchase price for the **79 subject 60' paper lots** was \$4,437,904 or **\$56,176 per paper lot**. In addition, Pulte Homes will pay lot development fees of **\$43,000 per lot**, plus an additional **\$1,200 per lot in management fees**.

Thus, the total bulk purchase price for the 44 subject 65' lots amounts to (\$60,842 + \$43,000 + \$1,200 = \$105,042) \$105,042, or \$1,616 PFF. The total bulk purchase price for the 79 subject 60' lots amounts to (\$56,176 + \$43,000 + \$1,200 = \$100,376) \$109,327, or \$1,673 PFF. Again, these lots are being purchased in bulk along with another 172 paper lots to be developed in Phase 1, Sections 14A and 14B.

Pulte Homes will also pay a total of **\$9,001 per lot** for marketing fees (\$650/lot), amenity fees (\$2,000/lot), wastewater tap fees (\$2,826/lot), and water tap fees (\$3,525/lot) **for the subject 65' lots**, and **\$8,951 per lot** for marketing fees (\$600/lot), amenity fees (\$2,000/lot), wastewater tap fees (\$2,826/lot), and water tap fees (\$3,525/lot) **for the subject 60' lots**.