

NEW ISSUE

NOT RATED

THE 2024 BONDS ARE INITIALLY OFFERED ONLY TO “ACCREDITED INVESTORS” (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933) AND “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933). SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, interest on the 2024 Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings and court decisions existing on the date of such opinion, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on certain corporations.

\$6,847,000*

CITY OF SAN MARCOS, TEXAS

(a municipal corporation of the State of Texas located in Hays, Caldwell and Guadalupe Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(TRACE PUBLIC IMPROVEMENT DISTRICT)

Dated Date: Closing Date (as defined below)

Due: September 1, as shown on the inside cover

Interest to Accrue from Closing Date

The City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2024 (Trace Public Improvement District) (the “2024 Bonds”), are being issued by the City of San Marcos, Texas (the “City”). The 2024 Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$5,000 in excess thereof. The 2024 Bonds will bear interest at the rates set forth on the inside cover page hereof, be calculated on the basis of a 360-day year of twelve 30-day months, and be payable on each March 1 and September 1, commencing March 1, 2024* until maturity or earlier redemption. The 2024 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the 2024 Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the 2024 Bonds will be paid from the sources described herein by UMB Bank, N.A., Austin, Texas, as trustee (the “Trustee”), to Cede & Co., as the registered owner thereof. See “BOOK-ENTRY ONLY SYSTEM.”

The 2024 Bonds are being issued by the City pursuant to Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance expected to be adopted by the City Council of the City (the “City Council”) on December 19, 2023, and an Amended and Restated Indenture of Trust, dated as of January 9, 2024 (the “Indenture”), entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture. The 2024 Bonds are being issued as “Additional Bonds” pursuant to the terms of the hereinafter defined Original Indenture and are being issued on parity with the 2019 Bonds (as defined herein).

Proceeds of the 2024 Bonds will be used to provide funds for (i) paying or reimbursing all or a portion of the costs of certain public improvements that benefit all of the Trace Public Improvement District (the “District”), (ii) funding a reserve fund for payment of principal of and interest on the 2024 Bonds, and (iii) paying the costs of issuance of the 2024 Bonds. See “THE PUBLIC IMPROVEMENTS” and “APPENDIX B — Form of Indenture.”

The 2024 Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured on parity with the 2019 Bonds by the Trust Estate, consisting primarily of the Assessments levied against assessable properties in the District in accordance with a Service and Assessment Plan and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein. The 2024 Bonds are not payable from funds raised or to be raised from taxation. See “SECURITY FOR THE BONDS SIMILARLY SECURED.” The 2024 Bonds are subject to redemption at the times, in the amounts, and at the redemption price more fully described herein under the subcaption “DESCRIPTION OF THE 2024 BONDS — Redemption Provisions.”

The 2024 Bonds involve a significant degree of risk and are not suitable for all investors. See “BONDHOLDERS’ RISKS” and “SUITABILITY FOR INVESTMENT.” Prospective purchasers should carefully evaluate the risks and merits of an investment in the 2024 Bonds, should consult with their legal and financial advisors before considering a purchase of the 2024 Bonds, and should be willing to bear the risks of loss of their investment in the 2024 Bonds. The 2024 Bonds are not credit enhanced or rated and no application has been made for a rating on the 2024 Bonds.

THE BONDS SIMILARLY SECURED, INCLUDING THE 2024 BONDS, ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS SIMILARLY SECURED.”

This cover page contains certain information for quick reference only. It is not a summary of the 2024 Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The 2024 Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter (identified below), subject to, among other things, the approval of the 2024 Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the 2024 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by the City Attorney, Samuel Aguirre, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for the Developer (as defined herein) by its counsel, Metcalfe, Wolff, Stuart & Williams, LLP. It is expected that the 2024 Bonds will be delivered in book-entry form through the facilities of DTC on or about January 9, 2024 (the “Closing Date”).



* Preliminary; subject to change.

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

CUSIP Prefix: ^(a)

\$6,847,000*

CITY OF SAN MARCOS, TEXAS

(a municipal corporation of the State of Texas located in Hays, Caldwell and Guadalupe Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(TRACE PUBLIC IMPROVEMENT DISTRICT)

\$[] % Term Bonds, Due , 20 , Priced to Yield %; CUSIP No. ^{(a) (b) (c)}

\$[] % Term Bonds, Due , 20 , Priced to Yield %; CUSIP No. ^{(a) (b) (c)}

\$[] % Term Bonds, Due , 20 , Priced to Yield %; CUSIP No. ^{(a) (b) (c)}

(a) CUSIP numbers are included solely for the convenience of owners of the 2024 Bonds. CUSIP is a registered trademark of The American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City's Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.

(b) The 2024 Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September 1, 20 , at the redemption price set forth herein under "DESCRIPTION OF THE 2024 Bonds — Redemption Provisions."

(c) The 2024 Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE 2024 Bonds — Redemption Provisions."

* Preliminary; subject to change.

CITY OF SAN MARCOS, TEXAS

Elected Officials

<u>City Council</u>	<u>Length of Service</u>	<u>Term Expires</u>
Jane Hughson ⁽¹⁾ Mayor	15 Years	November 2024
Matthew Mendoza Councilmember, Place 1	1 Year	November 2025
Saul Gonzales Councilmember, Place 2	7 Years	November 2025
Alyssa Garza Councilmember, Place 3	3 Years	November 2026
Shane Scott ⁽²⁾ Councilmember, Place 4	8 Years	November 2026
Mark Gleason Councilmember, Place 5	3 Years	November 2024
Jude Prather ⁽³⁾ Councilmember, Place 6	8 Years	November 2024

⁽¹⁾ Elected as Mayor on November 6, 2018. Prior to being elected as Mayor, Ms. Hughson served as a City Councilmember for four years. She additionally served as a City Councilmember from 1996 to 2002.

⁽²⁾ Elected as a City Councilmember November 2020. Mr. Scott also previously served as a City Councilmember from 2010-2015.

⁽³⁾ Elected as a City Councilmember November 2021. Mr. Prather also previously served as a City Councilmember from 2010-2016.

Selected Administrative Staff

<u>Name</u>	<u>Position</u>
Stephanie Reyes	City Manager
Joe Pantalion	Assistant City Manager
Chase Stapp	Assistant City Manager
Laurie Moyer	Assistant City Manager
Jon Locke	Director of Finance
Elizabeth Trevino	City Clerk
Samuel Aguirre	City Attorney

BOND COUNSEL

McCall, Parkhurst & Horton L.L.P.
Austin, Texas

FINANCIAL ADVISOR

Specialized Public Finance Inc.
Austin, Texas

PID ADMINISTRATOR

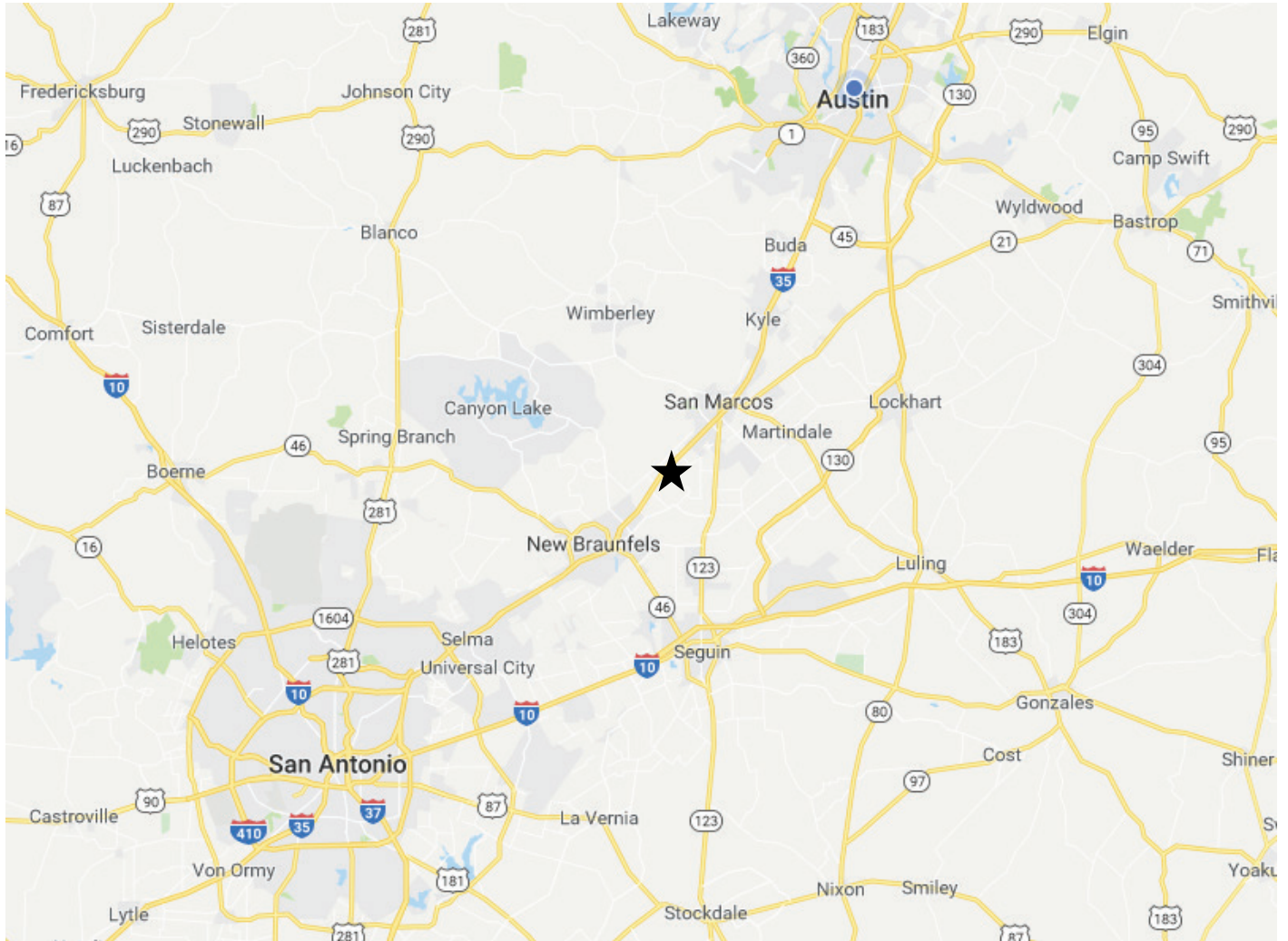
P3Works, LLC
Austin and North Richland Hills, Texas

For additional information regarding the City, please contact:

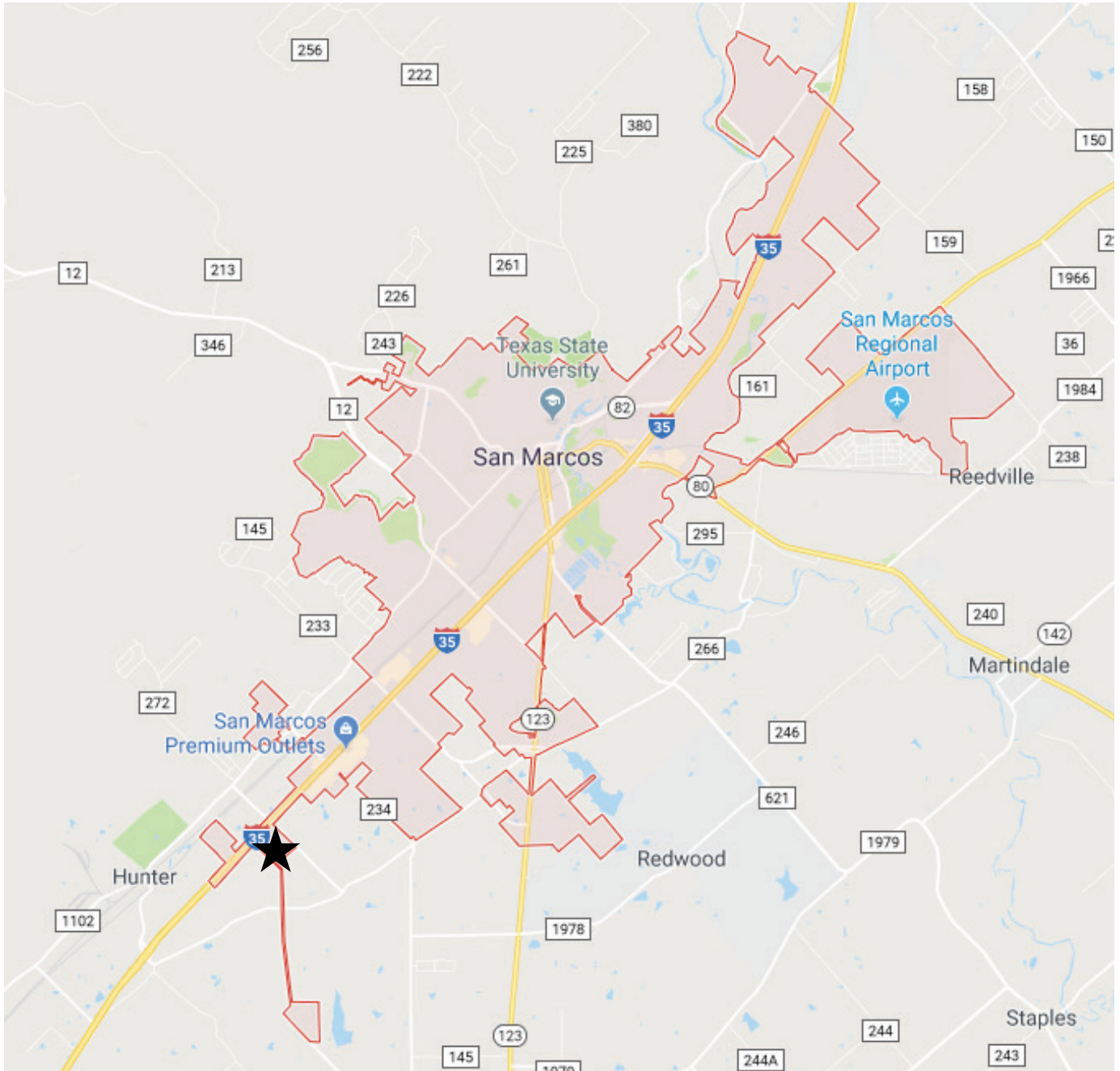
Mr. Jon Locke
Director of Finance
City of San Marcos, Texas
630 East Hopkins
San Marcos, Texas 78666
(512) 393-8126

Mr. Dan Wegmiller
Managing Director
Specialized Public Finance Inc.
248 Addie Roy Road, Suite B-103
Austin, Texas 78746
(512) 275-7300

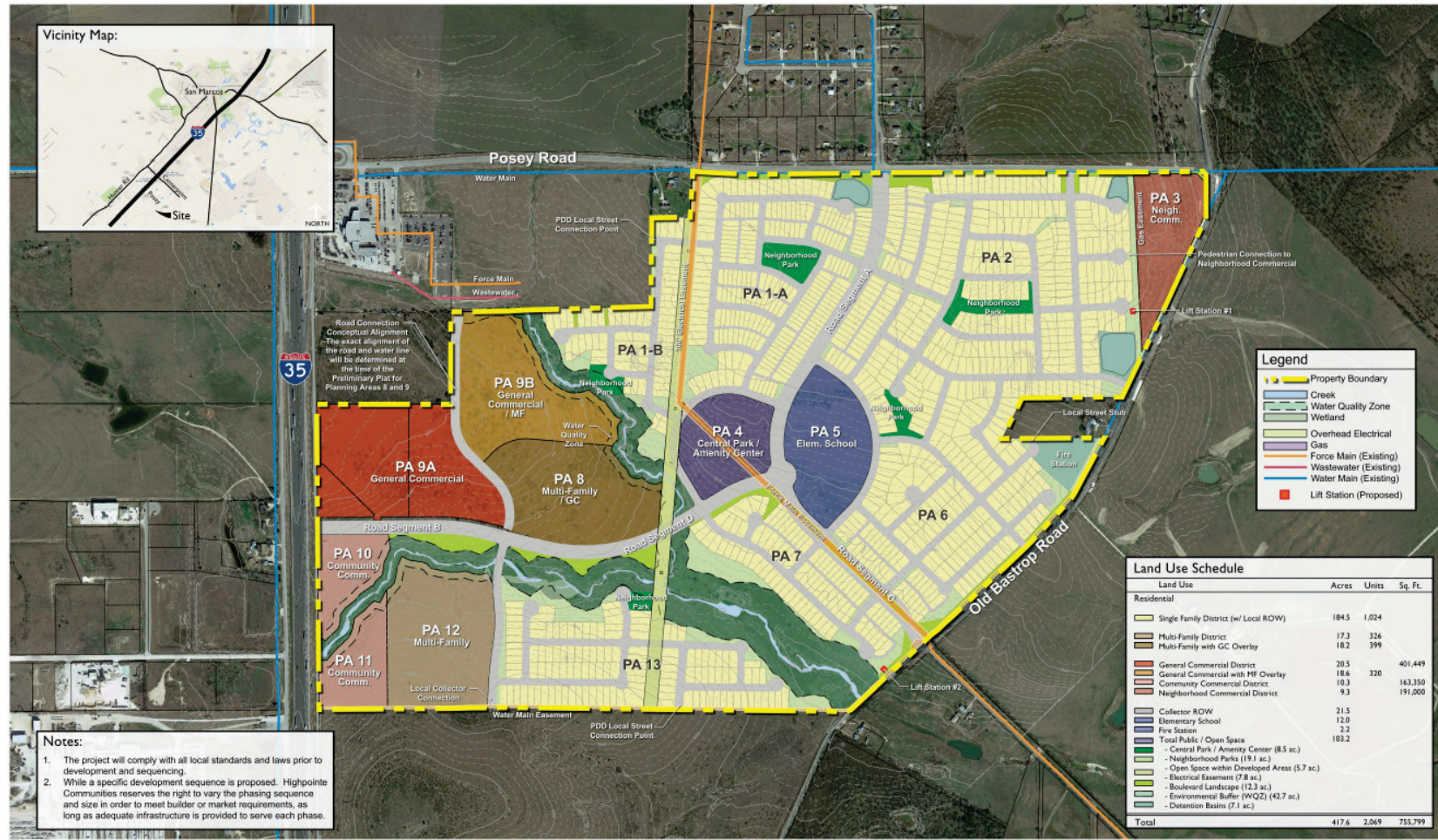
REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT

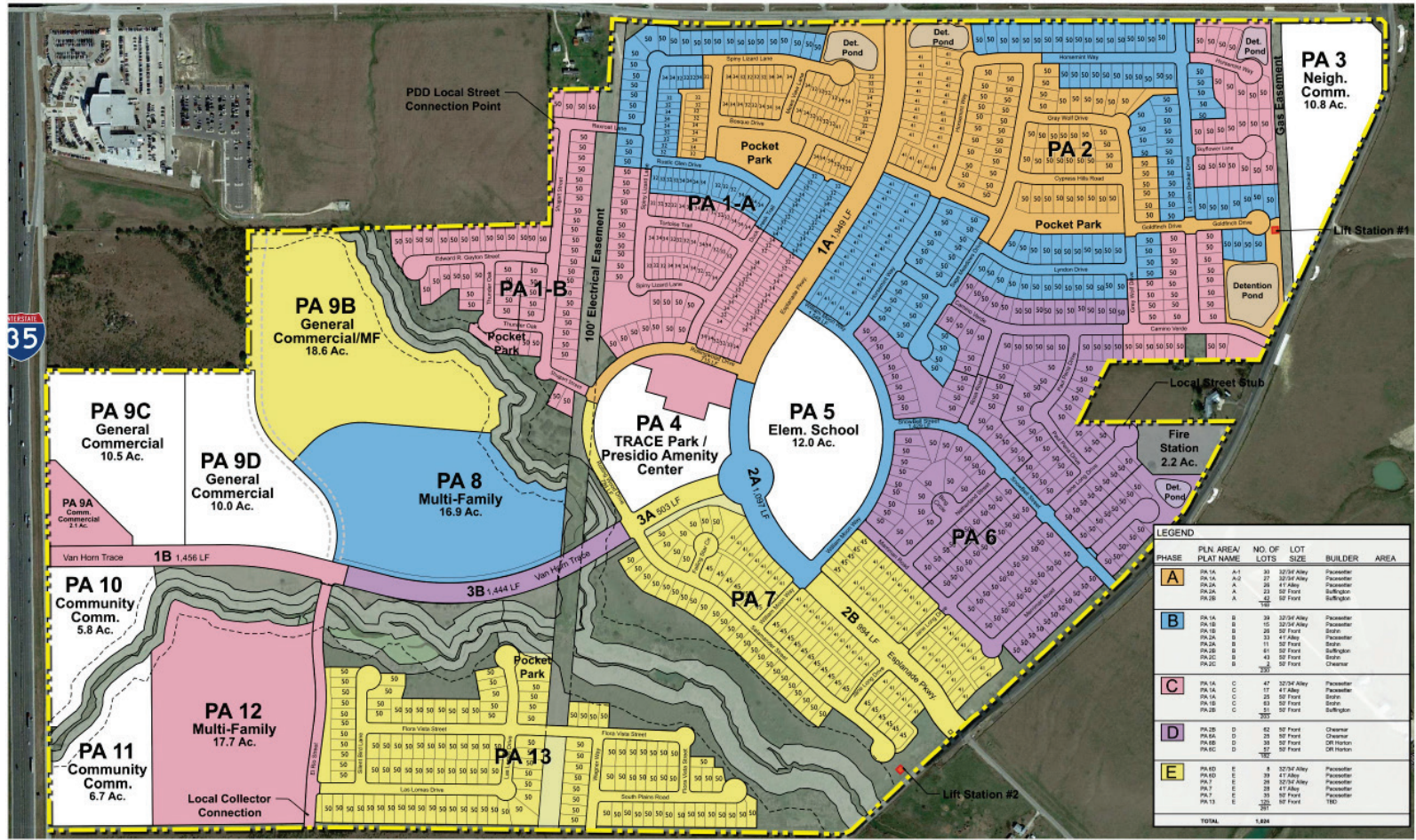


MAP SHOWING CONCEPT PLAN OF THE DISTRICT¹



¹ Parcel PA 9B is zoned for general commercial and multifamily; however, the current intention is for such parcel to only include multifamily.

MAP SHOWING LOT DEVELOPMENT PLAN WITHIN THE DISTRICT¹



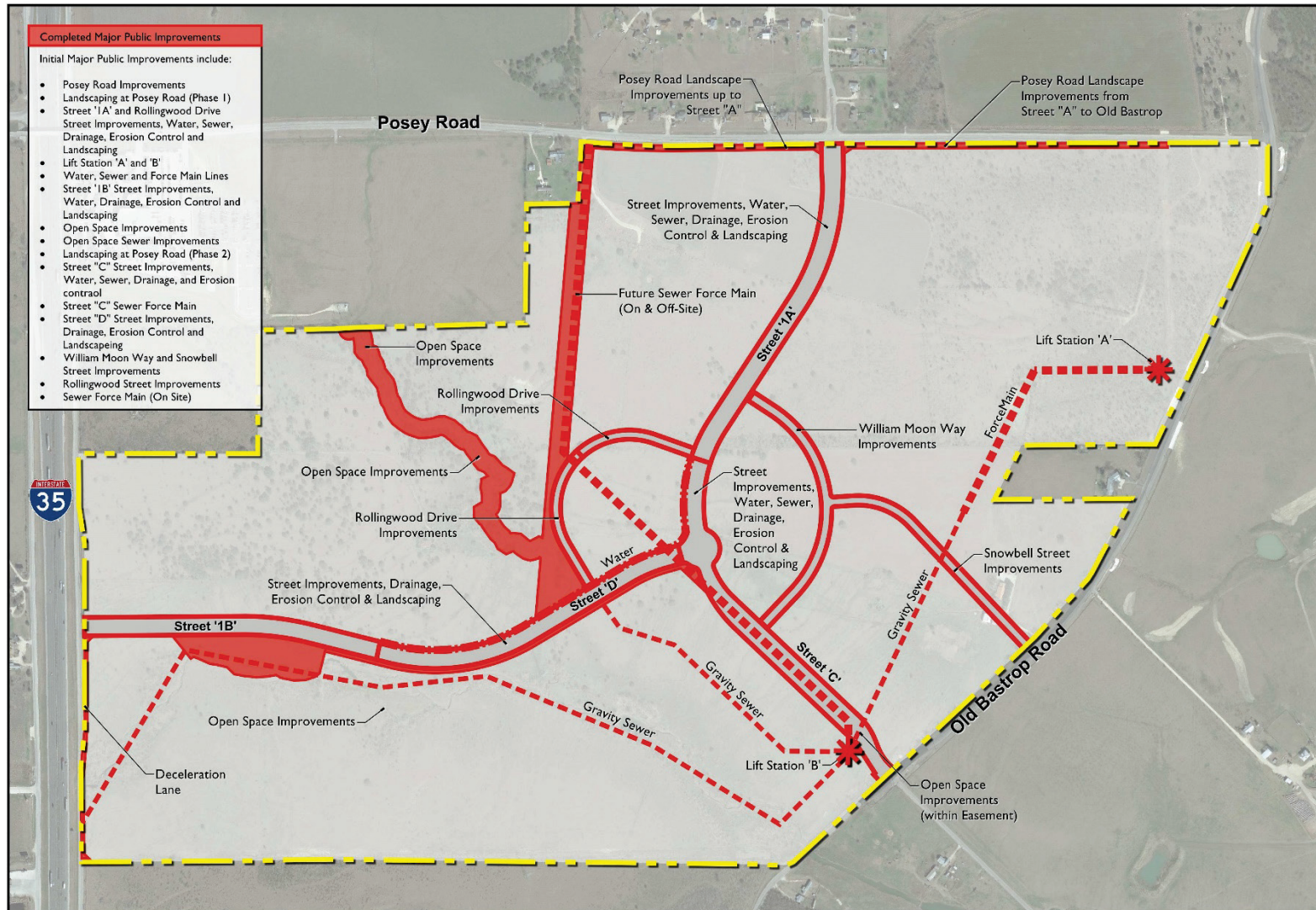
TRACE • PHASING PLAN G7

San Marcos, Texas
May 24, 2023
144115
Highpointe Communities



¹ Parcel PA 9B is zoned for general commercial and multifamily; however, the current intention is for such parcel to only include multifamily.

MAP SHOWING PUBLIC IMPROVEMENTS IN THE DISTRICT



FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM (“RULE 15C2-12”), THIS DOCUMENT CONSTITUTES AN “OFFICIAL STATEMENT” OF THE CITY WITH RESPECT TO THE 2024 Bonds THAT HAS BEEN “DEEMED FINAL” BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE 2024 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INITIAL PURCHASERS ARE ADVISED THAT THE 2024 BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN. EACH PROSPECTIVE INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE 2024 BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE 2024 BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE 2024 BONDS ARE SET FORTH UNDER “BONDHOLDERS’ RISKS” HEREIN. EACH INITIAL PURCHASER, BY ACCEPTING THE 2024 BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

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

NEITHER THE CITY NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE 2024 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE 2024 BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, HAVE PASSED UPON THE MERITS OF THE 2024 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT

OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “BUDGET” OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

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

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE 2024 Bonds OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER’S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS LIMITED OFFERING MEMORANDUM FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, RULE 15C2-12.

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PRELIMINARY LIMITED OFFERING MEMORANDUM

\$6,847,000*

CITY OF SAN MARCOS, TEXAS

(a municipal corporation of the State of Texas located in Hays, Caldwell and Guadalupe Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(TRACE PUBLIC IMPROVEMENT DISTRICT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of San Marcos, Texas (the “City”), of its \$6,847,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (Trace Public Improvement District) (the “2024 Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE 2024 BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND/OR INTEREST ON THE 2024 BONDS. THE 2024 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BONDHOLDERS’ RISKS,” AND “SUITABILITY FOR INVESTMENT.”

The 2024 Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the 2024 Bonds expected to be adopted by the City Council of the City (the “City Council”) on December 19, 2023 (the “Bond Ordinance”), and an Amended and Restated Indenture of Trust, dated as of January 1, 2024 (the “Indenture”), entered into by and between the City and UMB Bank, N.A., Austin, Texas, as trustee (the “Trustee”). The Indenture amends and restates the original Indenture (the “Original Indenture”) dated as of January 15, 2019 (as revised January 29, 2019), entered into by and between the City and the Trustee at the time of issuance of the 2019 Bonds (as defined herein). The 2024 Bonds will be issued as Additional Bonds pursuant to the terms of the Original Indenture on parity with the 2019 Bonds and are secured by a pledge and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenue from special assessments (the “Assessments”), which Assessments consist of (i) special assessments (the “Initial Assessments”) levied against assessable property (the “Assessed Property”) located within the Trace Public Improvement District (the “District”), pursuant to an ordinance (the “Initial Assessment Ordinance”) adopted by the City Council on October 18, 2016 and (ii) special assessments (the “Additional Assessments”) levied against the Assessed Property, pursuant to an ordinance adopted by the City Council on October 16, 2018 (the “Original Additional Assessment Ordinance”), all to the extent and upon the conditions described in the Indenture. On December 12, 2018, the City Council amended and restated the Original Additional Assessment Ordinance through the adoption of an additional ordinance (the “Amended and Restated Assessment Ordinance” and, together with the Initial Assessment Ordinance, the “Assessment Ordinance”).

Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the 2024 Bonds. All capitalized terms used in this Limited Offering Memorandum, except as otherwise noted in “ASSESSMENT PROCEDURES,” that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX B — Form of Indenture.”

Set forth herein are brief descriptions of the City, the District, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Reimbursement Agreement (as defined herein),

* Preliminary; subject to change.

the Financing Agreement (as defined herein), the Elementary School Agreement (as defined herein), the Fire Station Agreement (as defined herein), the Developer (as defined herein), P3Works, LLC (the “PID Administrator”), and Development, Planning & Financing Group, Inc. (the “Special Assessment Consultant”), together with summaries of terms of the 2024 Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the 2024 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the 2024 Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Phone: (214) 302-2246. The form of Indenture appears in “APPENDIX B – Form of Indenture” and the form of Service and Assessment Plan appears as “APPENDIX C – Form of Service and Assessment Plan.” The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Development Plan

Highpointe Trace, LLC, a California limited liability company (the “Developer”) acquired the approximately 417.63 acres within the District in April of 2016 for a master planned, mixed use development (the “Development”), which is zoned to allow single-family residential, multifamily residential, office, business park, retail and other uses, as well as public and private parks and trails. The Developer’s development plans for the District consist of the construction of certain public improvements that benefit the entire District (as further described under “THE PUBLIC IMPROVEMENTS,” the “Public Improvements”) in two separate stages. Concurrent with the construction of the Public Improvements, the Developer has developed the lots within the District in five separate phases (each a “Phase” and, collectively, the “Phases”). The Development is planned to consist of approximately 1,023 single-family residential units, 1,041 units of multifamily housing, 170,100 square feet of “Community Commercial” space, 191,000 square feet of “Neighborhood Commercial” space and 401,449 square feet of “General Commercial” space. The Development also includes or is anticipated to include a fire station, Rodriguez Elementary School, an approximately 3,500 square foot private amenity center (the “Amenity Center”), which center is only available for use by the single-family residents, and certain parks and city trails (which a portion of such parks and trails are part of the Public Improvements). See “MAP SHOWING CONCEPT PLAN OF THE DISTRICT,” “MAP SHOWING LOT DEVELOPMENT PLAN WITHIN THE DISTRICT” and “MAP SHOWING PUBLIC IMPROVEMENTS IN THE DISTRICT” on pages v, vi and vii.

Financing Plan

The Developer and the City entered into the Amended and Restated Trace Public Improvement District Reimbursement Agreement dated September 18, 2018, as amended on January 29, 2019, and as expected to be amended on December 19, 2023 (as amended, the “Reimbursement Agreement”) and the Trace Public Improvement District Financing Agreement on October 20, 2015, which was amended and restated on September 18, 2018, and further amended on January 29, 2019 (as amended, the “Financing Agreement”), which provide, in part, for the construction, acquisition and maintenance of the Public Improvements, the payment of the costs of the Public Improvements, the issuance of bonds secured by the Assessments, and the reimbursement of a portion of the costs to the Developer from the proceeds of such bonds and/or the Assessments. See “THE DEVELOPMENT — Financing Agreement” and “— Reimbursement Agreement” and “APPENDIX F — Financing Agreement.”

The estimated cost of all of the Public Improvements (excluding costs of issuance of the Bonds (as defined herein)) is approximately \$22,386,420. The City has previously issued its “City of San Marcos, Texas Special Assessment Revenue Bonds, Series 2019 (Trace Public Improvement District)” (the “2019 Bonds”) in an original principal amount of \$11,885,000 to pay for approximately \$9,649,257 of the costs of constructing the Public Improvements, of which approximately \$11,100,000 in principal amount of the 2019 Bonds remains Outstanding. The balance of the costs of the Public Improvements, in the total approximate amount of \$12,737,163, were or are being funded by the Developer. Pursuant to the Reimbursement Agreement, the City agreed to pay the Developer for a portion of these remaining costs, in the total approximate amount of \$8,450,743 (the “Reimbursement Obligation”), from the proceeds of Assessments, including the Early Prepayment Amount (as defined herein), or additional bonds

to be issued on parity with the 2019 Bonds (the “Additional Bonds”). The 2024 Bonds are being issued as Additional Bonds. The Original Indenture contains certain conditions precedent (the “Additional Bonds Test”) that must be satisfied prior to the issuance of Additional Bonds to finance the costs of the Public Improvements. The City intends to use the proceeds of the 2024 Bonds to pay a portion of the Reimbursement Obligation, in the approximate amount of \$5,592,337* and, upon issuance of the 2024 Bonds and payment of the net proceeds to the Developer, the Reimbursement Obligation will be terminated. The Developer financed the balance of the costs of the Public Improvements, which will not be reimbursed by the City. See “PLAN OF FINANCE — The 2024 Bonds” and “THE DEVELOPMENT — Reimbursement Agreement.”

Pursuant to the Financing Agreement, if prior to the earlier of (i) the issuance of the 2024 Bonds or (ii) August 31, 2022 (the “Early Prepayment Date”), Prepayments (as defined herein) of Assessments in the aggregate amount do not equal or exceed the Early Prepayment Amount, the City shall reduce the outstanding Assessments on the District by \$2,600,000, less any Prepayments received as of the Early Prepayment Date, for all Assessed Properties within the District on a pro rata basis based on the outstanding Assessments. “Early Prepayment Amount” means any Prepayments made prior to the Early Prepayment Date in the aggregate amount of \$2,600,000 for Assessments levied against any Parcel in the District. Prepayments totaling \$43,233.74 were received prior to August 31, 2022; therefore, the outstanding Assessment was reduced by \$2,556,766.26 on a pro rata basis on all Assessed Properties and the outstanding Reimbursement Obligation was reduced, accordingly. See “ASSESSMENT METHODOLOGY — Reduction of Assessments” and “APPENDIX C — Form of Service and Assessment Plan.”

Status of Public Improvements and Lot Development

The majority of the Public Improvements have been completed, with the exception of a portion of the parks and trail improvements. The Developer has also completed lot development of the 763 single-family lots within Phases A-D and 136 lots within Phase E. The Developer expects that the remaining 124 lots in Phase E will be self-developed by the homebuilder to which such lots are expected to be sold in January 2024. See “THE PUBLIC IMPROVEMENTS” and “THE DEVELOPMENT — Development Plan.”

Homebuilders and Status of Home Construction

The Developer has executed lot purchase and sale agreements for all lots within the District, except for 125 lots within Phase E, with merchant homebuilders, Pacesetter Homes, LLC (“Pacesetter”), LGI Homes-Texas, LLC (formerly Buffington Texas Classic Homes, LLC) (“LGI”), Clayton Properties Group Inc. (“Brohn Homes”), Continental Homes of Texas, L.P. (“DR Horton”) and Chesmar Homes, Ltd. (“Chesmar Homes” and together with Pacesetter, LGI, Brohn Homes and DR Horton, the “Homebuilders”). As of October 31, 2023, the Homebuilders have purchased 899 completed lots, have finished construction of 489 homes and have sold 576 homes (including homes under contract, but not yet closed on) to individual homeowners within the District. The Developer is currently in negotiations with an additional homebuilder for the purchase of the remaining 124 lots within Phase E and expects to execute a contract with such homebuilder by December 2023. See “THE DEVELOPMENT — Single-Family Development and Homebuilder Lot Purchase Agreements.”

Status of Multifamily and Commercial Sites

The Developer expects the District to include (i) three separate parcels of Community Commercial (including the land already sold, as described below) of approximately 170,100 square feet, (ii) two separate parcels of General Commercial of approximately 401,449 square feet, which is expected to consist of office/business park, and (iii) one site of Neighborhood Commercial of approximately 191,000 square feet. Pursuant to the Trace PDD (as defined herein), Community Commercial is established to provide areas for quality larger general retail establishments and service facilities for the retail sale of goods and services to serve not only area residents but community residents, as well. General Commercial is intended to provide shovel ready opportunities for prospective companies and employers. These could include limited (light) commercial and service-related establishments; clean manufacturing; corporate headquarters; and office park/office building uses. Neighborhood Commercial is established to provide low intensity

* Preliminary; subject to change.

office, retail and service facilities for the local neighborhood area, which shall be compatible with residential uses in the neighborhood.

All parcels designated for commercial and multifamily units are fully serviced with Public Improvements and are available for sale to third parties for future vertical development. As of October 31, 2023, Multifamily A (as defined herein), which consists of 326 units, is fully constructed and has an occupancy rate of 95%; Multifamily B (as defined herein), which will consist of 399 units, is under construction with an expected completion date of July of 2024; and construction on Multifamily C (as defined herein), which is expected to consist of 316 townhomes, is anticipated to begin in September 2025.

The Developer sold approximately 2.14 acres of Community Commercial land, which consists of a shell gas station and convenient store. See “THE DEVELOPMENT — Multifamily Development” and “— Commercial Development.”

The 2024 Bonds

Proceeds of the 2024 Bonds will be used to provide funds for (i) paying or reimbursing a portion of the costs of the Public Improvements, (ii) funding a reserve fund for the payment of principal of and interest on the 2024 Bonds, and (iii) paying the costs of issuance of the 2024 Bonds. See “SOURCES AND USES OF FUNDS,” “THE PUBLIC IMPROVEMENTS,” and “APPENDIX B — Form of Indenture.”

Payment of the 2024 Bonds is secured on parity with the 2019 Bonds by a pledge of and a lien upon the Trust Estate, consisting primarily of the Assessments levied against the Assessed Property, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED” and “ASSESSMENT PROCEDURES.”

The 2024 Bonds shall never constitute an indebtedness or general obligation of the City, the State of Texas (the “State”) or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the 2024 Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the full faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the 2024 Bonds.

The 2024 Bonds and the 2019 Bonds issued by the City are separate and distinct issues of securities. Only the 2024 Bonds are offered pursuant to this Limited Offering Memorandum. The 2019 Bonds are not offered pursuant to this Limited Offering Memorandum.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the 2024 Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to “accredited investors” as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 and “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933. Each initial purchaser of the 2024 Bonds (each, an “Investor”) will be deemed to have acknowledged, represented and warranted to the City as follows:

1. The Investor has authority and is duly authorized to purchase the 2024 Bonds and to execute any instruments and documents required to be executed by the Investor in connection with the purchase of the 2024 Bonds.
2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the 2024 Bonds.
3. The 2024 Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the 2024 Bonds, and the Investor intends to hold the 2024 Bonds solely for its

own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the 2024 Bonds. However, the investor may sell the 2024 Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the 2024 Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the 2024 Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Public Improvements, the 2024 Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the 2024 Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the 2024 Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor’s purchase of the 2024 Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the 2024 Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid by the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the 2024 Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district thereof; that the 2024 Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the 2024 Bonds; and that the liability of the City and the State with respect to the 2024 Bonds is subject to further limitations as set forth in the 2024 Bonds and the Indenture.

7. The Investor has made its own inquiry and analysis with respect to the 2024 Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the 2024 Bonds.

8. The Investor acknowledges that the sale of the 2024 Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

DESCRIPTION OF THE 2024 BONDS

General Description

The 2024 Bonds will mature on the dates and in the amounts set forth on the inside cover page of this Limited Offering Memorandum. Interest on the 2024 Bonds will accrue from their date of delivery to the Underwriter (the “Closing Date”) and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the 2024 Bonds will be payable on each March 1 and September 1, commencing March 1, 2024* (each an “Interest Payment Date”), until maturity or prior redemption. UMB Bank, N.A., Austin, Texas is the initial Trustee, Paying Agent and Registrar for the 2024 Bonds.

* Preliminary; subject to change.

The 2024 Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$5,000 in excess thereof (or such smaller amounts of not less than \$5,000 as authorized under the Indenture as a result of partial redemption) (“Authorized Denominations”). Upon initial issuance, the ownership of the 2024 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the 2024 Bonds will be made in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

Prior to the issuance of the 2024 Bonds, satisfactory evidence that the Additional Bonds Test has been satisfied will be submitted to the City, the City’s professional consultants and the Trustee, and the 2024 Bonds will be issued as Additional Bonds pursuant to the terms of the 2019 Indenture.

Redemption Provisions

Optional Redemption. The 2024 Bonds may be redeemed prior to their respective maturities on any date on or after September 1, 20__, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular 2024 Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption (the “Redemption Price”).

Extraordinary Optional Redemption. The City reserves the right and option to redeem 2024 Bonds before their respective scheduled maturity dates, in whole or in part, on any date, at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in the Indenture) or any other transfers to the Redemption Fund under the terms of the Indenture. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments.

Mandatory Sinking Fund Redemption. The 2024 Bonds maturing on _____ in the years ____ and ____ (collectively, the “Term Bonds”) are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price, from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

<u>\$ Term Bonds due September 1, 20</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__	
September 1, 20__†	
† Stated maturity.	
<u>\$ Term Bonds due 1, 20</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__	
September 1, 20__†	
† Stated maturity.	

At least 30 days prior to each mandatory sinking fund redemption date and subject to any prior reduction authorized by the Indenture, the Trustee shall select, in accordance with the Indenture, a principal amount of 2024 Bonds of such maturity equal to the Sinking Fund Installment amount of such 2024 Bonds to be redeemed, shall call such 2024 Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of 2024 Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any 2024 Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such 2024 Bonds plus accrued unpaid interest to the date of purchase thereof and delivered to the Trustee for cancellation.

The principal amount of 2024 Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments for each maturity of 2024 Bonds by the principal amount of any 2024 Bonds which, at least 30 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture and not previously credited to a mandatory sinking fund redemption.

Notice of Redemption. Upon notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of 2024 Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. The notice shall state the redemption date, the redemption price, the place at which the 2024 Bonds are to be surrendered for payment, and, if less than all the 2024 Bonds outstanding are to be redeemed, an identification of the 2024 Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such 2024 Bond shall become due and payable. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the 2024 Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the redemption price of such 2024 Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such 2024 Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such 2024 Bonds are presented and surrendered for payment on such date.

The City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the 2024 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

With respect to any optional redemption of the 2024 Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the 2024 Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the 2024 Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the 2024 Bonds have not been redeemed.

Partial Redemption. If less than all of the 2024 Bonds are to be redeemed, Bonds shall be redeemed in increments of \$5,000 by lot, provided that no redemption shall cause the principal amount of any 2024 Bond to be less than the minimum Authorized Denomination for such 2024 Bond, except as described in the following sentence. Notwithstanding the foregoing, if any 2024 Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single 2024 Bond in an amount less than the Authorized Denomination in effect at the time, a 2024 Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued. Each Bond shall be treated as representing the number of 2024 Bonds that is obtained by dividing the principal amount of such 2024 Bond by the minimum Authorized Denomination for such 2024 Bond.

In selecting the 2024 Bonds to be redeemed pursuant to the mandatory sinking fund redemption provisions, the Trustee may select 2024 Bonds in any method that results in a random selection.

In selecting the 2024 Bonds to be redeemed pursuant to the optional redemption provisions, the Trustee may conclusively rely on the directions provided in a City Certificate.

Notwithstanding the above provisions relating to the 2024 Bonds, if less than all of the 2024 Bonds are called for extraordinary optional redemption, the 2024 Bonds or portion of a 2024 Bond, as applicable, to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding 2024 Bonds.

Upon surrender of any 2024 Bond in part, the Trustee, in accordance with the provisions of the Indenture, shall authenticate and deliver in exchange thereof a 2024 Bond or 2024 Bonds of like tenor, maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the 2024 Bond or 2024 Bonds so surrendered, such exchange being without charge.

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the 2024 Bonds is to be transferred and how the principal of, premium, if any, and interest on the 2024 Bonds are to be paid to and credited by DTC while the 2024 Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The City and the Underwriter believe the source of such information to be reliable, but neither the City nor the Underwriter takes responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the 2024 Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the 2024 Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the 2024 Bonds. The 2024 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the 2024 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of

ownership interests in the 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2024 Bond documents. For example, Beneficial Owners of 2024 Bonds may wish to ascertain that the nominee holding the 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

Principal, interest and all other payments on the 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2024 Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

NONE OF THE CITY, THE TRUSTEE, THE PAYING AGENT, THE CITY'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE 2024 BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE 2024 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SECURITY FOR THE BONDS SIMILARLY SECURED

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the 2024 Bonds. Investors must read the entire Indenture to obtain information essential to the making of an informed investment decision. See "APPENDIX B — Form of Indenture."

General

THE BONDS SIMILARLY SECURED, INCLUDING THE 2024 BONDS, ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE "APPENDIX B — FORM OF INDENTURE."

The principal of, premium, if any, and interest on the Bonds Similarly Secured are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Assessments levied against the Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, on October 18, 2016 the City Council approved and adopted a service and assessment plan (the "Initial Service and Assessment Plan"), which described the special benefit received by the property within the District, provided the basis and justification for the determination of special benefit on such property and established the methodology for the levy of the Initial Assessments. On October 16, 2018 the City Council approved and adopted an amended and restated service and assessment plan (the "October 2018 Amended and Restated Service and Assessment Plan"), which amended and restated the Initial Service and Assessment Plan, established the methodology for the levy of the Additional Assessments, provided for the allocation of both the Initial Assessments and the Additional Assessments and included a revised description of the Public Improvements to be constructed within the District. Thereafter, the City Council determined it was necessary to defer collection of the Additional Assessments. To accomplish such deferral, on December 12, 2018, the City Council approved and adopted an amended and restated service and assessment plan (as updated for the 2019 Bonds, the "December 2018 Amended and Restated Service and Assessment Plan"), which amended and restated the October 2018 Amended and Restated Service and Assessment Plan, deferred the collection of the Additional Assessments and provided for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the 2019 Bonds. On December 19, 2023, the City expects to approve and adopt an amended and restated service and assessment plan (as amended and supplemented from time to time, the "Service and Assessment Plan"), which will amend and

restate the December 2018 Amended and Restated Service and Assessment Plan and provide for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the 2024 Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX C — Form of Service and Assessment Plan.”

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of applicable law to finance the Public Improvements by levying Assessments upon the Assessed Property. For a description of the assessment methodology and the amounts of Assessments levied in the District, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

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

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

“Additional Interest Rate” means the 0.50% interest charged on the Assessments as authorized by the PID Act.

“Annual Installment” means, with respect to each Parcel, each annual payment of: (i) the Assessments (including the principal of and interest on), as shown on the Assessment Roll (as defined herein) attached as Exhibit A to the Service and Assessment Plan, as applicable, and calculated as provided in Section VI of the Service and Assessment Plan, (ii) Annual Collection Costs, and (iii) the Additional Interest.

“Assessment Revenues” means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

“Bonds” means, collectively, the 2019 Bonds and the 2024 Bonds.

“Bonds Similarly Secured” means, collectively, any Outstanding Bonds, Additional Bonds and Refunding Bonds.

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

“Pledged Revenues” means, collectively, the (i) Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds Similarly Secured.

“Refunding Bonds” means bonds issued to refund all or any portion of the Outstanding Bonds Similarly Secured and secured by a parity lien with the Outstanding Bonds Similarly Secured on the Trust Estate, as more specifically described in the indenture authorizing such Refunding Bonds.

Assessments Payable in Annual Installments

The Assessments on each parcel, tract or lot, which are to be collected in each year during the term of the 2024 Bonds, are shown on the Assessment Roll. The Assessments, together with the interest thereon, will be deposited in the Pledged Revenue Fund for the payment of the principal of and interest on the Bonds Similarly Secured, as and to the extent provided in the Service and Assessment Plan and the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED — Pledged Revenue Fund.”

The Assessments assessed to pay or reimburse all or a portion of the costs of constructing the Public Improvements that benefit all of the District together with interest thereon, are payable in Annual Installments

established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds Similarly Secured. An Annual Installment of an Assessment has been made payable in the Assessment Ordinance in each City fiscal year preceding the date of final maturity of the Bonds Similarly Secured which, if collected, will be sufficient to pay debt service requirements attributable to the Bonds Similarly Secured in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

THE PORTIONS OF THE ANNUAL INSTALLMENTS OF ASSESSMENTS COLLECTED TO PAY ANNUAL COLLECTION COSTS AND DELINQUENT COLLECTION COSTS WILL BE DEPOSITED IN THE ADMINISTRATIVE FUND AND SHALL NOT CONSTITUTE PLEDGED REVENUES.

Unconditional Levy of Assessments

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

As authorized by Section 372.018(b) of the PID Act, the City will levy, assess and collect each year while the 2024 Bonds are Outstanding and unpaid, as part of the Annual Installment, an amount to pay the annual costs incurred by the City in the administration and operation of the District (the “Annual Collection Costs”). The portion of each Annual Installment of an Assessment used to pay such Annual Collection Costs shall remain in effect from year to year until all Bonds Similarly Secured are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The amount collected to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinance on or about November 1 of each year and shall be delinquent if not paid by February 1 of the following year. **Amounts collected for Annual Collection Costs do not secure repayment of the 2024 Bonds.**

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

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See “ASSESSMENT PROCEDURES” herein. The Assessment Lien is superior to any homestead rights of a property owner that are properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. See “BONDHOLDERS’ RISKS — Assessment Limitations.”

As of December 12, 2018, there were 17 individual homeowners within the District, whose properties are estimated to collectively represent approximately \$48,468 of outstanding Additional Assessments levied within the District. As of October 31, 2023, four of the 17 homes have been sold. It is unclear under Texas law whether or not Pre-existing Homestead Rights (as defined herein) would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead

Rights. Therefore, the homeowners of the aforementioned 17 homes may have the ability to claim homestead rights under State law, which, if claimed, prohibits these properties from being foreclosed for purposes of collecting their Additional Assessments. The Initial Assessments were in place prior to any individual homeowners having the ability to claim homestead rights upon their properties, and, therefore, foreclosure remains available for collecting the Initial Assessments on these properties. Both the Initial Assessments and Additional Assessments are collectively security for the Bonds Similarly Secured. Amounts in excess of the outstanding Initial Assessments will be required to pay debt service on the Bonds Similarly Secured, therefore, foreclosure proceedings on any Assessed Properties claiming homestead rights prior to the levy of the Additional Assessment, may affect the City's ability to foreclose on such Assessed Properties to meet debt service requirements on the Bonds Similarly Secured. See "BONDHOLDERS' RISKS — Assessment Limitations" and "— Existing Homestead Rights."

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

Collection of Assessments and Enforcement of Lien

For so long as any Bonds Similarly Secured are Outstanding, and/or amounts are due to the Developer to reimburse it for its funds it has contributed to pay Actual Costs of the Public Improvements, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

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

Perfected Security Interest

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

Pledged Revenue Fund

The City created under the Indenture a Pledged Revenue Fund to be held by the Trustee. Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues, as set forth in the Service and Assessment Plan. Specifically, the City shall direct the Trustee in writing to deposit or cause to be deposited the foregoing amounts as follows (each as set forth in a City Certificate specifying the funds or accounts into which the amounts are to be deposited): (i) *first*, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due, (ii)

second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) *third*, to pay other costs of the Public Improvements, and (v) *fourth*, to pay other costs permitted by the PID Act. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in the Indenture and, on each March 1, and on any other day set forth in a City Certificate, the amount of Additional Interest of the Annual Installments, confirmed by the City pursuant to a City Certificate, will be deposited into the Delinquency and Prepayment Reserve Account and/or the Redemption Fund, as applicable.

From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account of the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.

If, after the foregoing transfers and any transfer from the Reserve Fund (as described under the subcaption “Reserve Fund” below), there are insufficient funds to make the payments provided in the preceding paragraph, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.

The Trustee shall transfer the amounts determined in writing by the City as Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

Upon receipt, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and promptly after such deposit shall transfer such amount of Foreclosure Proceeds determined in writing by the City, *first*, to the Reserve Fund to restore any transfers from the Reserve Fund to which the Foreclosure Proceeds relate, and *second*, to the Redemption Fund.

After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the accounts within the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which moneys may be used for any lawful purpose for which assessments may be used under the PID Act. The Trustee may rely upon any such request of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Bond Fund

On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bond Similarly Secured.

If, after the foregoing transfers and any transfer from any account of the Reserve Fund (as described under the subcaptions “Reserve Account of the Reserve Fund” and “Delinquency and Prepayment Reserve Account of the Reserve Fund” below), there are insufficient funds to make the payments provided in the preceding paragraph, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.

Project Fund

Pursuant to the Indenture, a Project Fund has been created to be used for the purposes described in “PLAN OF FINANCE – The 2024 Bonds.”

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds Similarly Secured pursuant to one or more City Certificates. Disbursements from all other Accounts of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of the Public Improvements such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in Improvement Account of the Project Fund will ever be expended for the purposes of the Improvement Account of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Improvement Account of the Project Fund. If such City Certificate is so filed, the amounts on deposit in Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

Upon the filing of a City Certificate stating that all Public Improvements have been completed and that all Actual Costs have been paid, or that any Actual Costs are not required to be paid from the Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to another Account of the Project Fund and used to pay Actual Costs or to the Principal and Interest Account and used to pay interest on the Bonds Similarly Secured, as directed in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account has been created within the Reserve Fund for the benefit of the Bonds Similarly Secured and held by the Trustee and will be funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" shall be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of their date of issuance of each such series of Bonds Similarly Secured, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of their date of issuance of each such series of Bonds Similarly Secured, and (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount shall be reduced by the amount of any transfers made to the Redemption Fund as a result of Prepayments; and provided further that as a result of a mandatory sinking fund redemption, an optional redemption, or an extraordinary optional redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the date of delivery of the 2024 Bonds, the Reserve Account Requirement is \$[_____], which is an amount equal to [Maximum Annual Debt Service] on the Bonds Similarly Secured as of the date of issuance. "Annual Debt Service" means for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds Similarly Secured in such Bond Year, (excluding interest paid from funds on deposit in the Capitalized Interest Account of the Bond Fund), assuming that the Outstanding Bonds Similarly Secured are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds Similarly Secured due in such Bond Year (including any Sinking Fund Installments due in such Bond Year). "Bond Year" means the one-year period beginning on October 1 in each year and ending on September 30 in the following year.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall, as further set forth in the Indenture, transfer *first* from the Delinquency and Prepayment Reserve Account of the Reserve Fund (described below), and *second* from the Reserve Account of the Reserve Fund to the Bond Fund in the amount necessary to cure such deficiency.

In the event of an extraordinary optional redemption of Bonds Similarly Secured pursuant to the Indenture, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal

amount of Bonds Similarly Secured to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of \$5,000, from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

Delinquency and Prepayment Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Delinquency and Prepayment Reserve Account has been created within the Reserve Fund and held by the Trustee for the benefit of the Bonds Similarly Secured. The Trustee will transfer from the Pledged Revenue Fund into the Delinquency and Prepayment Reserve Account on March 1 of each year and on any other day set forth in a City Certificate, an amount equal to the Additional Interest until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. If at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account on March 1 of each year, and on any other day set forth in a City Certificate, until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. The Delinquency and Prepayment Reserve Requirement is 5.5% of the principal amount of the Outstanding Bonds Similarly Secured. The City has allocated the Additional Interest, authorized by Section 372.018(a) of the PID Act, to the Delinquency and Prepayment Reserve Account for such purpose or to the Redemption Fund as described below. Once the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account, any amounts in excess of the Delinquency and Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in the Indenture provided, however, that at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. In determining the amounts to be transferred pursuant to the Indenture, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer. See “APPENDIX B — Form of Indenture” and “APPENDIX C — Form of Service and Assessment Plan.”

Administrative Fund

The City has created under the Indenture an Administrative Fund to be held by the Trustee. Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan.

Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances, and indemnities owed to the Trustee in accordance with the Indenture.

THE ADMINISTRATIVE FUND SHALL NOT BE PART OF THE TRUST ESTATE AND SHALL NOT BE SECURITY FOR THE BONDS SIMILARLY SECURED.

Defeasance

Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of the Indenture (a “Defeased Debt”) when

payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

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

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

Events of Default

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

- (i) the failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;
- (ii) the failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;
- (iii) default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured then Outstanding and so affected by such Event of Default; provided, however, if the

default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice; and

(iv) the failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

Remedies in Event of Default

Upon the happening and continuance of any of the Events of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of at least a majority of the aggregate Outstanding principal amount of the Bonds Similarly Secured so affected by such Event of Default and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

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

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

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing or of which it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of at least a majority of the aggregate Outstanding principal amount of the Bonds Similarly Secured and so affected by such Event of Default have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for sixty (60) days after such notice failed or refused to exercise the powers granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of at least a majority of the aggregate Outstanding principal amount of the Bonds Similarly Secured so affected by such Event of Default, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its,

his or their action or to enforce any right thereunder except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Indenture and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy thereunder.

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

In case the Trustee or any Owners of Bonds Similarly Secured shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners of Bonds Similarly Secured, then and in every such case the City, the Trustee and the Owners of Bonds Similarly Secured shall be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default shall, after payment of the cost, liabilities, advances and expenses of the proceedings resulting in the collection of such amounts, the expenses (including Trustee's counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or redemption price then due on Bonds Similarly Secured, as follows:

(i) FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the registered owners entitled thereto, without any discrimination or preference; and

(ii) SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds Similarly Secured, or redemption price of any Bonds Similarly Secured which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds Similarly Secured due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

In the event funds are not adequate to cure an Event of Default, the available funds will be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of the Indenture.

Within thirty (30) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners of Bonds Similarly Secured.

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

Investment or Deposit of Funds

Money in any Fund or Account established pursuant to the Indenture, other than the Reserve Account, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the

Trustee, provided that the final maturity of any individual Investment Security shall not exceed two hundred seventy (270) days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed ninety (90) days.

Obligations purchased as an investment of moneys in any Fund or Account established pursuant to the Indenture shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of permitted investments as determined and directed in writing by the City.

Against Encumbrances

The City will covenant in the Indenture not to create and, to the extent Pledged Revenues are received, not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

So long as Bonds Similarly Secured are Outstanding under the Indenture or under any indenture relating to any Additional Bonds, the City will not issue any bonds, notes or other evidences of indebtedness other than the Bonds Similarly Secured and Refunding Bonds, secured by any pledge of or other lien or charge on the Trust Estate or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Other Obligations or Other Liens; Refunding Bonds

The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations (which obligations may be secured by future assessments levied in accordance with the PID Act) which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues.

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

Notwithstanding any contrary provision of the Indenture, the City shall not issue additional bonds, notes or other obligations under the Indenture, secured by any pledge of or other lien or charge on the Trust Estate or other property pledged under the Indenture, other than Refunding Bonds and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds Similarly Secured and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State.

Notwithstanding anything herein to the contrary, no Refunding Bonds or subordinate obligations may be issued by the City unless (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds or subordinate obligations are scheduled to mature or be subject to mandatory sinking fund redemption on September 1 in each of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds or subordinate obligations must be scheduled to be paid on March 1 and September 1 in each of the years in which interest is scheduled to be paid; provided, however, that the foregoing restrictions shall not apply to Refunding Bonds issued to redeem all of the then-Outstanding Bonds Similarly Secured, provided that there are no subordinate obligations outstanding on the date such Refunding Bonds are issued.

SOURCES AND USES OF FUNDS

The table that follows summarizes the expected sources and uses of proceeds of the 2024 Bonds⁽¹⁾:

Sources of Funds:

Principal Amount	\$
TOTAL SOURCES	\$

Use of Funds:

Deposit to Improvement Account of the Project Fund	\$
Deposit to Reserve Account of the Reserve Fund	
Deposit to Costs of Issuance Account of the Project Fund	
Underwriter's Discount ⁽²⁾	
TOTAL USES	\$

⁽¹⁾ To be completed upon pricing.

⁽²⁾ Includes Underwriter's Counsel's fee of \$ ____.

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DEBT SERVICE REQUIREMENTS FOR THE BONDS SIMILARLY SECURED

The following table sets forth the anticipated debt service requirements for the 2019 Bonds and the 2024 Bonds:⁽¹⁾

Year Ending (September 30)	<u>2019 Bonds</u>			<u>2024 Bonds</u>			Total Debt Service
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2024	\$ 220,000	\$ 625,975	\$ 845,975	\$	\$	\$	\$
2025	230,000	616,075	846,075				
2026	240,000	604,575	844,575				
2027	255,000	592,575	847,575				
2028	265,000	579,825	844,825				
2029	280,000	566,575	846,575				
2030	290,000	552,575	842,575				
2031	310,000	535,900	845,900				
2032	325,000	518,075	843,075				
2033	345,000	499,388	844,388				
2034	365,000	479,550	844,550				
2035	385,000	458,563	843,563				
2036	410,000	436,425	846,425				
2037	430,000	412,850	842,850				
2038	455,000	388,125	843,125				
2039	485,000	361,963	846,963				
2040	510,000	334,075	844,075				
2041	540,000	304,750	844,750				
2042	570,000	273,700	843,700				
2043	605,000	240,925	845,925				
2044	640,000	206,138	846,138				
2045	675,000	169,338	844,338				
2046	715,000	130,525	845,525				
2047	755,000	89,413	844,413				
2048	800,000	46,000	846,000				
Total	\$11,885,000	\$13,005,595	\$24,890,595	\$	\$	\$	\$

⁽¹⁾ To be updated and completed upon pricing.

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OVERLAPPING TAXES AND DEBT

Overlapping Taxes and Debt

The land within the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments. The City, Hays County, San Marcos Consolidated Independent School District (“San Marcos CISD”), Edwards Underground Water District and the York Creek Improvement District may each levy ad valorem taxes upon land in the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes levied by such other taxing authorities. The following table reflects the overlapping ad valorem taxes currently levied on property located in the District.

Taxing Entity	<u>Overlapping Taxes</u>	
	Single-family and Multifamily Tax Year 2023 Ad Valorem Tax Rate ⁽¹⁾	Commercial and Retail Tax Year 2023 Ad Valorem Tax Rate ⁽¹⁾
The City	\$0.603000	\$0.603000
Hays County	0.295000	0.295000
Hays County (Road & Bridge Tax)	0.017500	0.017500
San Marcos CISD	1.133782	1.133782
York Creek Improvement District	-	-
Edwards Underground Water District ⁽²⁾	-	-
Total Current Tax Rate	\$2.049282	\$2.049282
Estimated Average Annual Installment of parcels in the District as a tax rate equivalent ⁽³⁾	\$0.294842	\$0.294787
Estimated Total Tax Rate and Average Annual Installment of parcels in the District as a tax rate equivalent	\$2.348924	\$2.348869

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

⁽²⁾ Edwards Underground Water District does not currently collect taxes.

⁽³⁾ Derived from information in the Service and Assessment Plan, and from lot counts and values provided by the Developer. Approximately 38.15% of the outstanding total Assessment is attributable to the Additional Assessment. As of December 12, 2018, 17 individual homeowners may have the ability to claim homestead rights. See “ASSESSMENT PROCEDURES — Priority of Lien” and “BONDHOLDERS’ RISKS — Existing Homestead Rights.” Preliminary; subject to change.

Source: Hays Central Appraisal District and the Service and Assessment Plan.

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

Taxing or Assessing Entity	<u>Overlapping Debt</u>		
	Gross Outstanding Debt as of <u>September 30, 2023</u>	Estimated Percentage <u>Applicable⁽¹⁾</u>	Estimated Overlapping <u>Debt⁽¹⁾</u>
The City (Assessments - The 2024 Bonds)	\$ 6,847,000 ⁽²⁾	100.00%	\$ 6,847,000 ⁽²⁾
The City (Assessments - The 2019 Bonds)	11,100,000	100.00%	11,100,000
The City (Ad Valorem Taxes)	414,380,000	1.25%	5,179,750
Hays County	500,607,455	0.27%	1,351,640
Hays County (Road & Bridge Tax) ⁽³⁾	-	-	-
San Marcos CISD	343,805,000	1.17%	4,022,519
York Creek Improvement District ⁽³⁾	-	-	-
Edwards Underground Water District ⁽³⁾	-	-	-
Total	\$1,276,739,455		\$28,500,909

⁽¹⁾ Based on the Appraisal (as defined herein) for the District and on certified valuations for the Tax Year 2023 for the taxing entities.

⁽²⁾ Preliminary; subject to change.

⁽³⁾ Hays County (Road & Bridge Tax), York Creek Improvement District and Edwards Underground Water District do not have outstanding general obligation debt.

Sources: Hays Central Appraisal District and Municipal Advisory Council of Texas.

Owners' Association

In addition to the Assessments described above, the Developer anticipates that each property owner in the District will pay an annual maintenance and operation fee and/or a property owners' association fee (the "General Owners' Association Fee") to Trace Master Community Inc. (the "Owners' Association"), an owners' association formed by the Developer. Each property owner in the District may also be required to pay to the Owners' Association one or more additional annual maintenance and operation fee (the "Additional Owners' Association Fee" and together with the General Owners' Association Fee, the "Owners' Association Fees") for the operation and maintenance of any improvements or amenities specific to the property owner's lot. All Owners' Association Fees will be calculated annually based on the estimated expenses to be incurred by the Owners' Association in performing its functions to, among other things, maintain, repair, and manage the improvements or amenities covered by the respective Owners' Association Fee. All Owners' Association Fees are \$79 per month for 2023.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meaning given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Public Improvements through Assessments, it must adopt a resolution generally describing the Public Improvements and the land within the District to be subject to Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared (the "Assessment Roll"), which Assessment Roll shows the Assessed Parcels within the District, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll was filed with the City Clerk and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Public Improvements and funding the same with Assessments. The City levied the Initial Assessments and the Additional Assessments pursuant to the adoption of the Initial Assessment Ordinance and the Additional Assessment Ordinance, respectively. Upon such adoption, the Assessments became legal, valid, and binding liens upon the property against which the Assessments are made.

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

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of Assessed Property as a result of the Public Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Public Improvements to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Public Improvements are being funded with proceeds of the 2024 Bonds, which are payable from and secured by the Trust Estate consisting of the Pledged Revenues, including primarily the Assessments.

Public Improvements (Benefitting Assessed Parcels other than Elementary School Site and Amenity Center Site). As set forth in the Service and Assessment Plan, the benefits received by the Public Improvements will be spread among the Assessed Property, other than the site on which Rodriguez Elementary School was built, (the “Elementary School Site”) (which is not included as Assessed Property), as discussed below, and the Amenity Center Site, as discussed below, based on the ratio of the estimated build out value of each Lot to the total estimated build out value for all Parcels within the District. As Parcels are subsequently divided, the Assessments will be further apportioned based on the ratio of the estimated build out values of the newly created Parcels.

Public Improvements (Benefitting the Elementary School Site). The Elementary School Site is allocated 1% of the costs of the Public Improvements (\$223,864). The City and the Developer have agreed that no Assessment will be levied on the Elementary School Site. Instead, the Developer has agreed to pay the costs of the Public Improvements allocated to the Elementary School Site without reimbursement by the City. See “THE DEVELOPMENT — Education.”

Public Improvements (Benefitting the Amenity Center Site). The site on which the Amenity Center will be constructed (the “Amenity Center Site”) is allocated 1% of the total Assessments (currently outstanding, \$179,470).

The City has determined that allocating the Assessments to the Assessed Property, other than the Elementary School Site and the Amenity Center Site, based on the relative estimated build out value of each Lot will result in the imposition of equal shares of the Assessments on Lots similarly situated. The Assessments and the interest thereon are expected to be paid in Annual Installments as described in the Service and Assessment Plan. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners within the District. See “APPENDIX C — Form of Service and Assessment Plan.”

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The table below provides the estimated value to lien analysis based on Lot Type in the District.

<u>Value to Lien Analysis of the District</u>						
<u>Parcel or Lot Type</u>	<u>Planned Number of Lots/ Units/Sq. Ft.⁽¹⁾</u>	<u>Estimated Finished Lot Value⁽²⁾</u>	<u>Estimated Buildout Value per Lot/ Unit/Sq. Ft. ⁽³⁾</u>	<u>Outstanding Assessment per Lot/ Unit/Sq. Ft. ⁽³⁾</u>	<u>Estimated Ratio of Finished Lot Value to Outstanding Assessment</u>	<u>Estimated Ratio of Buildout Value to Outstanding Assessment</u>
Single-family						
32' – 34'	227	\$61,050	\$192,131	\$ 6,528.24	9.35:1	29.43:1
41'	112	75,850	235,400	7,998.44	9.48:1	29.43:1
50'	684	92,500	259,657	8,822.66	10.48:1	29.43:1
Multifamily	1,041	-	135,000	\$ 4,587.04	N/A	29.43:1
Commercial ⁽⁴⁾						
Retail	354,350	-	150	\$ 5.10	N/A	29.43:1
Business Park	408,199	-	200	6.80	N/A	29.43:1
Amenity Center ⁽⁵⁾	—	—	—	\$179,470.00	—	—

⁽¹⁾ Based on the concept plan for the District. Derived from information in the Service and Assessment Plan. Although the actual unit counts and estimated unimproved land value may vary from that shown above, the Assessment allocation for each Lot Type will not change unless modified in an Annual Service Plan Update approved by the City Council, subject to the terms of the Service and Assessment Plan, the PID Act, and other documents associated with the Bonds.

⁽²⁾ Values provided by Developer, based on the Appraisal.

⁽³⁾ Derived from information presented in the Service and Assessment Plan. Preliminary; subject to change.

⁽⁴⁾ The Trace PDD includes three different types of commercial lots. For purposes of the Service and Assessment Plan, the commercial lots have been divided into two categories: (i) retail and (ii) business park.

⁽⁵⁾ The Amenity Center Site is allocated 1% of the total Assessments.

Collection and Enforcement of Assessment Amounts

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

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

The City covenants, agrees and warrants in the Indenture that, for so long as any 2024 Bonds are Outstanding and amounts are due to the Developer under the Reimbursement Agreement to reimburse it for its funds it has contributed to pay costs of the Public Improvements, that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments. See "SECURITY FOR THE BONDS SIMILARLY SECURED — Collection of Assessments and Enforcement of Lien."

To the extent permitted by law, notice of the Annual Installments will be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such

Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding property. See “SECURITY FOR THE BONDS SIMILARLY SECURED — Collection of Assessments and Enforcement of Lien.”

The City expects to implement the basic timeline and procedures for Assessment collections and pursuit of delinquencies set forth in Exhibit C of the Continuing Disclosure Agreement of the Issuer set forth in APPENDIX E-1 and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Assessments.

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

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

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

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

Assessment Amounts

Assessment Amounts. The amounts of the Assessments have been established by the methodology described in the Service and Assessment Plan. The Assessment Roll sets forth for each year the Annual Installment for each Parcel. The Annual Installments for the District may not exceed the amounts shown on the Assessment Roll. The Assessments will be levied against the parcels comprising the Assessed Property in the District as indicated on the Assessment Roll. See “APPENDIX C — Form of Service and Assessment Plan.”

The Annual Installments shown on the Assessment Roll will be reduced to equal the actual costs of repaying the Bonds Similarly Secured, the Additional Interest and actual Annual Collection Costs (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances. If the total Annual Installments collected from an Assessed Property within the District in a given year are less than the combined Annual Installments of Initial Assessments and Annual Installments of

Additional Assessments due from such Assessed Property for that year, then the Annual Installments collected will be allocated between the Annual Installments of Initial Assessments and the Annual Installments of Additional Assessments proportionally based on the ratio of the total Annual Installments of Initial Assessments and the total Annual Installments of Additional Assessments due from such Assessed Property for that year, unless otherwise directed to a specific Assessment by the Parcel or Lot owner.

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Assessed Property (other than the Amenity Center Site) according to estimated buildout value per Lot. Upon the division of any Assessed Property without the recording of a subdivision plat, the PID Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meaning:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the estimated buildout value of the newly divided Assessed Property

D = the sum of the estimated buildout value for all the newly divided Assessed Properties

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the PID Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on buildout value according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the estimated buildout value of all newly subdivided Lots with same Lot Type

D = the sum of the estimated buildout value for all the newly subdivided Lots excluding
Non-Benefitted Property

E = the number of newly subdivided Lots with the same Lot Type

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

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

<u>Expected Outstanding Assessment Allocation by Lot Type in the District</u>						
<u>Parcel or Lot Type</u>	<u>Planned Number of Lots/ Units/Sq. Ft. ⁽¹⁾</u>	<u>Estimated Buildout Value per Lot/ Unit/Sq. Ft. ⁽²⁾</u>	<u>Outstanding Assessment per Lot/Unit/ Sq. Ft. ⁽³⁾⁽⁴⁾</u>	<u>Total Outstanding Assessments ⁽³⁾⁽⁴⁾</u>	<u>Average Outstanding Annual Installments per Lot/Unit/ Sq. Ft. ⁽³⁾⁽⁴⁾</u>	<u>Equivalent Tax Rate per \$100 AV ⁽³⁾⁽⁴⁾</u>
Single-family						
32' – 34'	227	\$192,131	\$ 6,528.24	\$ 1,481,911.60	\$566.47	\$0.294835
41'	112	235,400	7,998.44	895,825.62	693.93	0.294787
50'	684	259,657	8,822.66	6,034,696.23	765.72	0.294896
Multifamily	1,041	135,000	\$ 4,587.04	\$ 4,775,111.27	\$397.96	\$0.294787
Commercial ⁽⁵⁾						
Retail	354,350	150	\$ 5.10	\$ 1,806,020.58	\$ 0.59	\$0.294787
Business Park	408,199	200	6.80	2,773,964.70	0.44	0.294787
Amenity Center ⁽⁶⁾	—	—	\$179,470.00	\$ 179,470.00	—	—
Total⁽⁷⁾	—	—	—	\$17,887,535.82	—	—

⁽¹⁾ Based on the concept plan for the District. Derived from information in the Service and Assessment Plan. Although the actual unit counts and estimated unimproved land value may vary from that shown above, the Assessment allocation for each Lot Type will not change unless modified in an Annual Service Plan Update approved by the City Council, subject to the terms of the Service and Assessment Plan, the PID Act, and other documents associated with the Bonds.

⁽²⁾ Derived from information in the Service and Assessment Plan.

⁽³⁾ Derived from information in the Service and Assessment Plan. Includes both Initial Assessments and Additional Assessments. Approximately 38.15% of each Assessment per Lot is attributable to the Additional Assessment. As of December 12, 2018, 17 individual homeowners may have the ability to claim homestead rights. See “ASSESSMENT PROCEDURES – Priority of Lien” and “BONDHOLDERS’ RISKS – Existing Homestead Rights.” Preliminary; subject to change.

⁽⁴⁾ The amounts shown as outstanding Assessment per Lot have been rounded; therefore, the total outstanding Assessments may not add due to such rounding.

⁽⁵⁾ The Trace PDD includes three different types of commercial lots. For purposes of the Service and Assessment Plan, the commercial lots have been divided into two categories: (i) retail and (ii) business park.

⁽⁶⁾ The Amenity Center Site is allocated 1% of the total Assessments.

⁽⁷⁾ Total outstanding Assessment takes into consideration seven Prepayments made on single family lots within the District. Such Prepayments are expected to be used to redeem outstanding 2019 Bonds.

The 2024 Bonds are secured by a first lien on and pledge of Pledged Revenues, including the Assessments. See “SECURITY FOR THE 2024 Bonds” and “APPENDIX C — Form of Service and Assessment Plan.”

Prepayment of Assessments

Voluntary Prepayments. Pursuant to the PID Act and the Indenture, the owner of any property assessed may voluntarily prepay (a “Prepayment”) all or part of any Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds Similarly Secured. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Assessments. Unless otherwise directed to a specific Assessment by the Parcel or Lot owner, any Prepayment or partial Prepayment for an Assessed Property within the District will be allocated between the Initial Assessments and the Additional Assessments proportionally based on the ratio of the outstanding Initial Assessments and Additional Assessments due from such Assessed Property at the time of such Prepayment or partial Prepayment.

Mandatory Prepayments. If (i) Assessed Property is transferred to a party that is exempt from the payment of the Assessment under applicable law, or (ii) an owner of Assessed Property causes the Assessed Property to become

Non-Benefited Property, the owner of such Assessed Property shall pay to the City the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs, prior to any such transfer or act, in accordance with the Service and Assessment Plan.

Reduction of Assessments

Voluntary Reduction. If after all Public Improvements to be funded with the Bonds have been completed and the Actual Costs for the Public Improvements are less than the costs used to calculate the Assessments, then the City may reduce the Assessment for each Assessed Property pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs. Additionally, if the City does not undertake some of the Public Improvements, the City may, at its discretion, reduce the Assessment for each Assessed Property pro rata to reflect only the Actual Costs that were expended. The Assessments shall not, however, be reduced to an amount less than the applicable outstanding Bonds.

Mandatory Reduction. Pursuant to the Financing Agreement, the City was required to reduce the outstanding Assessment by \$2,600,000 for all properties within the District pro rata based on the amount of outstanding Assessment if \$2,600,000 in Prepayments had not been received prior to August 31, 2022. Prepayments totaling \$43,233.74 were received prior to August 31, 2022; therefore, the outstanding Assessment was reduced by \$2,556,766.26.

Priority of Lien

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

As of December 12, 2018, there were 17 individual homeowners within the District, whose properties are estimated to collectively represent approximately \$48,468 of outstanding Additional Assessments levied within the District. As of October 31, 2023, four of the 17 homes have been sold. It is unclear under Texas law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights. Therefore, the homeowners of the aforementioned 17 homes may have the ability to claim homestead rights under State law, which, if claimed, prohibits these properties from being foreclosed for purposes of collecting their Additional Assessments. The Initial Assessments were in place prior to any individual homeowners having the ability to claim homestead rights upon their properties, and, therefore, foreclosure remains available for collecting the Initial Assessments on these properties. Both the Initial Assessments and Additional Assessments are collectively security for the Bonds Similarly Secured. Amounts in excess of the outstanding Initial Assessments will be required to pay debt service on the Bonds Similarly Secured, therefore, foreclosure proceedings on any Assessed Properties claiming homestead rights prior to the levy of the Additional Assessment, may affect the City's ability to foreclose on such Assessed Properties to meet debt service requirements on the Bonds Similarly Secured. See "BONDHOLDERS' RISKS — Assessment Limitations" and "— Existing Homestead Rights."

Foreclosure Proceedings

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

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

The City covenants in the Indenture to take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See “APPENDIX B — Form of Indenture.” See also “APPENDIX E-1 — Form of Disclosure Agreement of the Issuer” for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

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

THE CITY

Background

The City is the county seat and principal commercial, education and recreational center of Hays County located in the center of the State in the Austin-San Marcos statistical metropolitan area, approximately midway between the metropolitan areas of San Antonio and Austin. The City is located on Interstate Highway 35, U.S. 81, State Highways 80, 142, 21, 123 and Ranch Road 12. The City contains a total land area of approximately 32 square miles. The City’s 2010 census population was 44,994. The City’s current population estimate is 71,345.

City Government

The City is a political subdivision operating as a home-rule city under the laws of the State and a home-rule charter, initially approved by the voters in 1967. The City operates under the City Council/Manager form of government where the Mayor is elected at-large in even numbered years for a two-year term and six Council Members are elected at-large for staggered three-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administration officer.

The current members of the City Council and their respective expiration of terms of office and the principal administrators of the City are shown on page ii hereof. General information regarding the City and the surrounding area can be found in “APPENDIX A — General Information Regarding the City.”

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by the City in accordance with the PID Act by a resolution adopted

by the City Council on October 20, 2015 in accordance with the PID Act (the “Creation Resolution”), for the purpose of undertaking and financing, in phases, the cost of certain public improvements within the District, including the Public Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the portion of the District property being developed in a phase. The District is not a separate political subdivision of the State and is governed by the City Council. Maps of the property within the District are included on page v and vi hereof.

Powers and Authority of the City

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

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a property owner for the costs of, the financing, acquisition, construction or improvement of the Public Improvements. See “THE PUBLIC IMPROVEMENTS.” Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain water, wastewater, drainage, roadway, hardscape, landscape and public safety improvements comprising the Public Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See “ASSESSMENT PROCEDURES” herein and “APPENDIX C — Form of Service and Assessment Plan.”

Collection and Delinquency History of Assessments

The Annual Installments of Assessments were due before February 1, 2019. The following table shows the collection and delinquency history of the Assessments.

<u>Collection and Delinquency History of Assessments⁽¹⁾</u>							
<u>Due Fiscal Year Ending 9/30</u>	<u>Total Annual Installments Billed</u>	<u>Parcels Levied</u>	<u>Delinquent Amount as of 2/1</u>	<u>Delinquent Percentage as of 2/1</u>	<u>Delinquent Amount as of 9/1</u>	<u>Delinquent Percentage as of 9/1</u>	<u>Total Annual Installments Collected</u>
2019	\$ 830,500.00	1	\$ 0.00	0.00%	\$ 0.00	0.00%	\$830,500.00
2020	\$1,652,850.36	150	\$5,858.98	0.35%	\$ 0.00	0.00%	\$1,661,092.93 ⁽²⁾
2021	\$1,660,091.44	273	\$13,492.88	0.81%	\$ 659.37	0.04%	\$1,671,106.11 ⁽³⁾
2022	\$1,648,050.68	382	\$26,864.72	1.63%	\$ 0.00	0.00%	\$1,697,483.76 ⁽⁴⁾
2023	\$1,457,581.03	546	\$28,280.91	1.94%	\$1,088.61	0.07%	\$1,456,620.05 ⁽⁵⁾

⁽¹⁾ Includes both the Initial Assessments and the Additional Assessments.

⁽²⁾ Includes \$8,242.57 in Prepayments.

⁽³⁾ Includes \$11,014.67 in Prepayments.

⁽⁴⁾ Includes \$49,433.08 in Prepayments.

⁽⁵⁾ As of October 31, 2023.

THE COLLECTION AND DELINQUENCY HISTORY OF THE ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE FUTURE COLLECTION OF THE ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY OF THE ASSESSMENTS.

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The following table shows the largest Assessment payers in the District, as of October 31, 2023.

<u>Largest Assessment Payers⁽¹⁾</u>			
<u>Property Owner</u>	<u>Number of Assessed Parcels</u>	<u>Outstanding Assessments</u>	<u>Percentage of Total Assessments</u>
The Developer	29	\$ 7,937,437.12	44.37%
Highpointe Sendero LLC	1	1,830,229.97	10.23%
Emerson Trace Apartments LP	1	1,495,375.86	8.36%
Continental Homes of Texas LP	83	732,280.39	4.09%
LGI Homes Texas LLC	74	652,876.49	3.65%
Chesmar Homes LLC	62	547,004.63	3.06%
Pacesetter Homes LLC	69	479,852.86	2.68%
Clayton Properties Group Inc	43	379,374.18	2.12%
Trace Master Community Inc	1	179,470.00	1.00%
Total		\$14,233,901.51	79.57%
Total Outstanding Assessments Levied in the District⁽²⁾		\$17,887,535.82	

⁽¹⁾ Does not include those owing less than 1% of total Assessments.

⁽²⁾ Total outstanding Assessment takes into consideration seven Prepayments made on single family lots within the District. Such Prepayments are expected to be used to redeem outstanding 2019 Bonds.

THE PUBLIC IMPROVEMENTS

General

A portion of the cost of the Public Improvements will be funded with the proceeds of the Bonds Similarly Secured or Assessment Revenues. The balance of the costs of the Public Improvements have been or will be financed by the Developer. The Developer has or will construct the Public Improvements, and the Development Manager (as defined herein) will act as construction manager. From the proceeds of the 2024 Bonds, the City will either pay directly or will reimburse the Developer for a portion of the project costs actually incurred in developing and constructing the Public Improvements within or serving the District. The Public Improvements will be designed and constructed in accordance with City standards. See “APPENDIX C — Form of Service and Assessment Plan.”

Public Improvements

Street Improvements. The street improvement portion of the Public Improvements consists of the construction of perimeter road and thoroughfare improvements, including related paving, sidewalks, retaining walls, signage, and traffic control devices, and the acquisition of related rights-of-way which benefit the Assessed Property. The City has determined that the acquisition of rights-of-way related to road improvements meets the requirements of its current policy on the financing of roadway rights-of-way through public improvement district assessments. The road improvements will be constructed according to City standards.

Drainage Improvements. The storm drainage improvement portion of the Public Improvements consists of the construction of one detention pond, storm drainpipes, culverts, catch basins and appurtenances thereto to appropriately control and convey storm water. The storm drainage improvements will be constructed according to City standards.

Erosion and Sedimentation Control/Mobilization and General Conditions. The Erosion and Sedimentation Control Measures (temporary BMPs) of the Public Improvements will include stabilized construction entrances, silt fence located downstream of all disturbed area, rock berms, inlet protection, and protection of mature trees and vegetation.

Water Line Distribution. The water improvement portion of the Public Improvements consists of construction and installation of waterlines, mains, pipes, valves and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be constructed according to City standards.

Wastewater Improvements. The wastewater improvement portion of the Public Improvements consists of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The wastewater improvements will be constructed according to City standards.

Sewer Lift Stations. The sewer Lift Station portion of the Public Improvements consists of construction and installation for Lift Station A of manholes, wet wells, piping, pumps, electrical control equipment and appurtenances necessary to collect wastewater on one side of a geographical highpoint and transporting it across that highpoint to Lift Station B, construction and installation for Lift Station B of manholes, wet wells, piping, pumps, electrical control equipment and appurtenances necessary to collect wastewater on one side of a geographical highpoint and transporting it across that highpoint to a City designated discharge point. All sewer Lift Station improvements will be constructed according to City standards.

Landscaping – Arterial Roads, Open Space and Trails. The landscape portion of the Public Improvements consists of the installation of various landscape improvements along arterial roads. The improvements include street tree plantings, enhanced landscaping on perimeters and medians, bio-swaes in medians (where functionally possible), associated irrigation, street lighting, and hardscape improvements at key locations for wayfinding. The open space and trail systems consist of selective clearing and removal of trees or other select (invasive) vegetative cover to enhance the quality and function of the natural drainage areas and open spaces. Other improvements shall include a variety of trails with either concrete, decomposed granite or natural earth surfacing, throughout the open spaces to provide access to the natural features of the site. Landscaping will include native grasses, wildflowers, trees and shrubs, associated irrigation as required, lighting, fencing or walls if necessary and hardscape improvements.

Public Safety Facilities. The Public Improvements include an amount of \$500,000, which the Developer paid to the City at the closing of the 2019 Bonds, pursuant to the Fire Station Agreement, entered into by the City and the Developer on November 2, 2015. The \$500,000 has gone towards the City's construction of a new fire station (the "Fire Station").

Costs of Public Improvements

The City will pay projects costs for a Public Improvement (or completed segment or phase) from proceeds of the 2024 Bonds upon approval of a Certification of Payment pursuant to the Reimbursement Agreement. The Developer will be paid for costs actually incurred in developing and constructing the Public Improvements within the District upon completion of such projects and dedication to, and acceptance by the City. See "SECURITY FOR THE BONDS SIMILARLY SECURED — Project Fund."

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The following table reflects the total estimated costs and Actual Costs of the Public Improvements.

<u>Type of Improvement</u>	<u>Public Improvement Costs⁽¹⁾</u>	
	Total <u>Estimated Cost⁽³⁾</u>	Total <u>Actual Costs⁽⁴⁾</u>
Street Improvements	\$ 5,788,090	\$5,632,395
Drainage Costs	1,272,692	2,006,107
Erosion Control/Mobilization & General Conditions	563,672	1,579,117
Water Line Distribution	728,070	1,600,593
Wastewater ⁽²⁾	1,026,228	4,008,686
Sewer Lift Station	3,967,557	1,741,719
Landscaping – Arterial Roads, Open Space, and Trails	2,989,342	1,661,641
Public Safety Facilities	500,000	500,000
Construction Management Fee	1,327,000	148,922
Contingency	711,072	-
Soft Costs	<u>3,512,697</u>	<u>4,073,062</u>
Total	\$22,386,420	\$22,952,242

⁽¹⁾ Does not include approximately \$3,496,866* in costs related to the issuance of the Bonds Similarly Secured, including \$2,235,743 in costs related to the issuance of the 2019 Bonds (including original issue discount) and \$1,261,123* in costs related to the issuance of the 2024 Bonds. See “SOURCES AND USES OF FUNDS.” Preliminary; subject to change.

⁽²⁾ Represents the costs of the wastewater improvements allocable to the District. Any costs relating to upsizing the wastewater system will be paid by the Developer and reimbursed by the City, pursuant to the Developer Participation Agreement (Trace Sewer Improvements), entered into by the City and the Developer on May 15, 2018.

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

⁽⁴⁾ Actual Costs spent to date, as of October 31, 2023.

The cost of all of the Public Improvements (including the costs of issuance of the Bonds) was expected to be approximately \$25,883,285*. A portion of such costs in the total approximate amount of \$19,434,800*, were funded or are being funded in part by the Bonds Similarly Secured and Assessment Revenues pursuant to the Reimbursement Agreement. The remaining costs, in the approximate amount of \$6,448,485*, and any additional cost overruns, were or will be paid by a contribution from the Developer.

The Appraisal estimates that the value of the property within the District under certain conditions, including the construction of the Public Improvements is \$120,453,750. The Appraisal is attached hereto as APPENDIX G and should be read in its entirety in order to understand the meaning and basis of the information set forth therein. The Appraisal is addressed to the City and the Underwriter. The estimates of value presented in the Appraisal are no indication of the appraised property’s actual market value. Investors should not assume that the disposition of the lots in the District in the event of default would provide sufficient funds to pay the principal of 2024 Bonds outstanding at that time. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth in the Appraisal. See “APPRAISAL” for further information regarding the Appraisal, including with respect to such assumptions, hypothetical conditions and qualifications.

Ownership and Maintenance of Public Improvements

The Public Improvements have been or will be dedicated to and accepted by the City and constitute a portion of the City’s infrastructure improvements. The City will provide for the ongoing maintenance and repair of the Public Improvements constructed and conveyed, as outlined in the Service and Assessment Plan.

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* Preliminary; subject to change.

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information.

Overview

The Development is an approximately 417.63-acre master-planned mixed-use community with single-family residential, multifamily, retail and office/business park/commercial components as further described below. The Development is located within the City's corporate limits, in southeast Hays County, approximately halfway between Austin and San Antonio. Access to the Development is provided by Interstate 35 and Posey Road.

Development Plan

In April of 2016, the Developer acquired the property comprising the District for a long-term development project. The Development is planned to consist of approximately 1,023 single-family residential units, 1,041 units of multifamily housing, 170,100 square feet of "Community Commercial" space, 191,000 square feet of "Neighborhood Commercial" space and 401,449 square feet of "General Commercial" space. The Development also includes or is anticipated to include the Fire Station, Rodriguez Elementary School, the Amenity Center and certain parks and trails. See "THE DEVELOPMENT — Fire Station Agreement, — Education" and "— Amenities."

Pursuant to the Developer's current concept plan, the Development is divided into five separate Phases, Phases A-E, as discussed below, and as shown on "MAP SHOWING CONCEPT PLAN OF THE DISTRICT" and "MAP SHOWING LOT DEVELOPMENT PLAN WITHIN THE DISTRICT" on pages v and vi. The majority of the Public Improvements have been completed, with the exception of a portion of the parks and trail improvements. The Developer has also completed lot development of the 763 single-family lots within Phases A-D and 136 lots within Phase E. The Developer expects that the remaining 124 lots in Phase E will be developed by the homebuilder to which such lots are expected to be sold in January 2024. See "THE PUBLIC IMPROVEMENTS."

Single-Family Development and Homebuilder Lot Purchase Agreements

Of the 1,023 single-family residential units, the Developer expects to include 3 different product types: 32'-34' Lots, 41' Lots and 50' Lots. The following table shows the number and type of lots within each Phase.

Single-Family Lots within the District By Phase

<u>Lot Type</u>	<u>Phase A</u>	<u>Phase B</u>	<u>Phase C⁽²⁾</u>	<u>Phase D⁽²⁾</u>	<u>Phase E⁽²⁾</u>	<u>Total Lots</u>
32' - 34'	57 ⁽¹⁾	54	47	-	69	227
41'	26 ⁽¹⁾	33	17	-	36	112
50'	65 ⁽¹⁾	143 ⁽¹⁾	139	182	155	684
Total	148	230	203	182	260	1,023

⁽¹⁾ Numbers include one model home.

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The Developer has executed lot purchase and sale agreements with the Homebuilders for all lots within the District, except for 124 lots within Phase E. The Developer is currently in negotiations with an additional homebuilder for the purchase of the remaining 124 lots within Phase E and expects to execute a contract with such homebuilder by December 2023. The previously completed build-out of the single-family lots within the District and the Developer's current expectations regarding the build-out of the remaining single-family lots within the District and the sale of lots and homes therein is shown in the following table.

Actual and Expected Build-Out Schedule of Single-Family Lots within the Development

<u>Phase</u>	<u>Single-Family Lots⁽¹⁾</u>	<u>Actual In Tract Completion Date</u>	<u>Actual/Expected Final Sale Date of Single-Family Lots to Homebuilders⁽²⁾</u>	<u>Actual/Expected Final Sale Date of Single-Family Lots to Residents⁽²⁾</u>
A	148	November 2018	June 2019	June 2021
B	230	May 2020	October 2020	March 2023
C	203	January 2021	April 2022	December 2023
D	182	January 2022	October 2022	June 2024
E	<u>260</u>	June 2024 ⁽³⁾	January 2024 ⁽³⁾	March 2025
Total	1,023			

⁽¹⁾ Numbers include model homes.

⁽²⁾ Expected final sale date provided by the Developer.

⁽³⁾ The Developer expects that the final 124 lots in Phase E will be developed by the homebuilder to which such lots are expected to be sold. Therefore, the Developer expects such lots to be sold by January 2024 and anticipates that such homebuilder will complete lot development on such lots by June 2024.

The actual and anticipated schedule of single-family lots to Homebuilders within the District by lot type is shown in the following table.

Actual/Expected Sale of Single-Family Homes to Homebuilders by Lot Type

<u>Final Sale Date</u>	<u>32' - 34'</u>	<u>41'</u>	<u>50'</u>	<u>Total Lots</u>
2019	90	60	108	258
2020	20	0	100	120
2021	47	17	101	165
2022	0	0	220	220
2023	70	35	31	136
2024	<u>-</u>	<u>-</u>	<u>124</u>	<u>124</u>
Total	227	112	684	1,023

The actual and anticipated schedule for sale of single-family homes to residents within the District by lot type is shown in the following table.

Actual/Expected Sale of Single-Family Homes to Residents by Lot Type⁽¹⁾

<u>Final Sale Date</u>	<u>32' - 34'</u>	<u>41'</u>	<u>50'</u>	<u>Total Lots</u>
2019	44	16	27	87
2020	26	23	47	96
2021	21	6	37	64
2022	33	20	70	123
2023	15	4	220	239
2024	88	43	222	353
2025	<u>-</u>	<u>-</u>	<u>61</u>	<u>61</u>
Total	227	112	684	1,023

⁽¹⁾ Represents homes closed to residents.

The following table shows the status of lot and home construction within the District as of October 31, 2023.

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

<u>Phase</u>	<u>Lot Type</u>	<u>Total No of Lots</u>	<u>Completed Lots</u>	<u>Total Builder Contracted Lots⁽¹⁾</u>	<u>Builder Contracted Lots Taken-down⁽¹⁾</u>	<u>Homes Under Construction</u>	<u>Completed Homes Not Sold to Residents</u>	<u>Homes Under Contract, But Not Closed With Residents</u>	<u>Homes Closed With Residents</u>
A	32'- 34'	57	57	57	57	1	-	1	49
	41'	26	26	26	26	-	-	-	26
	50'	<u>65</u>	<u>65</u>	<u>65</u>	<u>65</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>62</u>
<i>Subtotal</i>		148	148	148	148	2	0	1	137
B	32'- 34'	54	54	54	54	-	-	-	54
	41'	33	33	33	33	-	-	-	33
	50'	<u>143</u>	<u>143</u>	<u>143</u>	<u>143</u>	<u>42</u>	<u>0</u>	<u>25</u>	<u>98</u>
<i>Subtotal</i>		230	230	230	230	42	0	25	185
C	32'- 34'	47	47	47	47	8	-	3	34
	41'	17	17	17	17	7	-	1	8
	50'	<u>139</u>	<u>139</u>	<u>139</u>	<u>139</u>	<u>61</u>	<u>0</u>	<u>35</u>	<u>34</u>
<i>Subtotal</i>		203	203	203	203	76	-	39	76
D	50'	182	182	182	182	50	0	22	91
E ⁽²⁾	32'- 34'	69	69	69	69	-	-	-	-
	41'	36	36	36	36	-	-	-	-
	50'	<u>155</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>-</u>	<u>0</u>	<u>-</u>	<u>-</u>
<i>Subtotal</i>		<u>260</u>	<u>47</u>	<u>136</u>	<u>47</u>	<u>-</u>	<u>0</u>	<u>-</u>	<u>-</u>
TOTAL		1,023	899	899	899	170	0	87	489

⁽¹⁾ Lot totals include model homes.

⁽²⁾ The Developer is currently in negotiations with an additional homebuilder for the purchase of the remaining 124 lots within Phase E and expects to execute a contract with such homebuilder by December 2023. The Developer expects such homebuilder to take down the lots in January 2024 and complete lot development by June 2024.

The current average lot and home prices in the District are as follows.

Single-Family Lot and Home Prices in the District

<u>Lot Type</u>	<u>Quantity</u>	<u>Average Base Lot Price⁽¹⁾</u>	<u>Average Base Home Price⁽²⁾</u>
32'- 34'	227	\$45,500	\$293,000
41'	112	\$55,700	\$351,000
50'	<u>684</u>	<u>\$66,100</u>	<u>\$362,000</u>
Total	1,023		

⁽¹⁾ Base lot prices are based on the actual prices in the lot purchase agreements and include an amenity center fee and a marketing fee.

⁽²⁾ Average base home price was provided by the Developer, as of October 31, 2023.

Multifamily Development

The Development will include three sites for multifamily units, one consisting of 326 units (“Multifamily A”), one consisting of 399 units (“Multifamily B”), and one consisting of 316 units (“Multifamily C”). The Developer completed the infrastructure necessary to serve all of the multifamily sites in August 2022.

The Developer sold the Multifamily A site (PA 12) to Emerson at Trace Apartments LLC (“Emerson Apartments”). Emerson Apartments completed construction of Multifamily A, which consists of 25 two-story walk-up buildings, in April of 2022. The average monthly rental rate of the units within Multifamily A is approximately \$1.83 per square foot. As of October 31, 2023, the reported occupancy rate is approximately 95%.

The Developer sold approximately 16.86 acres (PA8) within the District to Highpointe Sendero LLC, an affiliated entity of the Developer (“Highpointe Sendero”), for the construction of Multifamily B, which is expected to consist of 15 three-story walk-up buildings. Highpointe Sendero commenced construction of Multifamily B in August of 2022 and expects to complete such construction in July of 2024. The expected average monthly rental rate of the units within Multifamily B is approximately \$1.92 per square foot.

The Developer sold approximately 18.6 acres (PA 9B) within the District to Highpointe TTH LLC, an affiliate of the Developer (“Highpointe TTH”) for the construction of Multifamily C, which is expected to consist of 316 townhomes built in row-like configurations. Highpointe TTH is expected to commence construction of Multifamily C in September of 2025 and expects to complete such construction in September of 2026.

See “MAP SHOWING CONCEPT PLAN OF THE DISTRICT” and “MAP SHOWING LOT DEVELOPMENT PLAN WITHIN THE DISTRICT” on pages v and vi.

Commercial Development

The Developer has completed the infrastructure necessary to serve the parcels designated as office/business park space and retail space.

The Developer anticipates that the Development will include General Commercial, consisting of one office/business park site of approximately 401,449 square feet on approximately 20.05 acres comprised of PA 9C and PA 9D, as shown on “MAP SHOWING LOT DEVELOPMENT PLAN WITHIN THE DISTRICT.” The Developer anticipates that the office/business park will include office, retail, restaurants, and hotels.

The Developer also expects the District to include (i) three separate parcels of Community Commercial (including the land already sold, as described below) totaling approximately 170,100 square feet on approximately 14.6 acres, including approximately 6,750 square feet on PA 9A and 163,350 square feet on PA 10 and PA 11 and (ii) one site of Neighborhood Commercial of approximately 191,000 square feet on approximately 10.8 acres comprised of PA 3.

The Developer sold approximately 2.14 acres comprising PA 9A to Satcharan Holdings, LLC (“Satcharan”). Satcharan completed construction of a shell gas station and convenient store on such land in July 2021. The Developer has not contracted with any party to construct the remaining commercial sites.

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Photographs of the Development

The pictures below depict two different home designs out of the five different floor plans offered by Pacesetter Homes.



The pictures below depict two different home designs out of the six different floor plans offered by LGI.



The pictures below depict two different home designs out of the five different floor plans offered by Chesmar Homes.



The pictures below depict two different home designs out of the nine different floor plans offered by Brohn Homes.



The pictures below depict two different home designs out of the nine different floor plans offered by DR Horton.



The photographs below depict an aerial view of the developed Trace Community, Tejas Pocket Park and the Amenity Center, respectively.





The photograph below shows the Multifamily A units.



The photographs below show the current construction of Multifamily B and a rendering of the completed Multifamily B, respectively.





The photograph below shows the shell gas station and convenient store on PA 9A.



Financing Agreement

Pursuant to the Financing Agreement, the Developer has the right to construct public improvements for the District, including the Public Improvements, according to certain rules and regulations of the City, and to be reimbursed for a portion of the costs of such construction through the proceeds of assessments and/or bonds. The Financing Agreement provides certain requirements to be met for the issuance of the 2019 Bonds and any Additional

Bonds, including the 2024 Bonds (collectively, “PID Bonds”), including (i) the total amount of PID Bonds may not exceed \$19,500,000; (ii) the total reimbursement amount may not exceed \$15,500,000, plus the Early Prepayment Amount, which is equal to \$43,233.74 (the amount of Prepayments collected prior to the Early Prepayment Date); (iii) the final maturity of each series of PID Bonds may not occur later than thirty years from the date of the levy of the Additional Assessments; (iv) the maximum annual installment tax rate equivalent, calculated as of the date of the pricing of the PID Bonds, will not exceed \$0.50; (v) the minimum appraised value to lien ratio at the issuance date of each series of PID Bonds is 3:1; and (vi) the maximum annual permitted increase in Annual Installments is 2%. The City and the Developer may amend the Financing Agreement at any point without approval of the Owners of the Bonds. See “APPENDIX F — Financing Agreement.”

Reimbursement Agreement

The estimated cost of all of the Public Improvements (excluding costs of issuance of the Bonds) is approximately \$22,386,420. The City financed approximately \$9,649,257 of the costs of constructing the Public Improvements with proceeds of the 2019 Bonds. The balance of the costs of the Public Improvements, in the total approximate amount of \$12,737,163, were or are being funded by the Developer. Pursuant to the Reimbursement Agreement, the City agreed to pay the Developer for a portion of these remaining costs, from the proceeds of Assessments, including the Early Prepayment Amount, or the 2024 Bonds. However, the total maximum amount that the Developer may receive either from proceeds of the Bonds Similarly Secured or pursuant to the Reimbursement Agreement is equal to \$15,500,000, plus an amount equal to the Early Prepayment Amount, which is equal to \$43,233.74 (the amount of Prepayments collected prior to the Early Prepayment Date). The Developer has previously been reimbursed for a portion of the Reimbursement Obligation, in the amount of \$475,000, with Assessment Revenues collected under the Reimbursement Agreement. The Developer expects to be reimbursed for a portion of the balance of the costs to construct the Public Improvements in the total approximate amount of \$5,592,337*, from the proceeds of the 2024 Bonds, and, upon issuance of the 2024 Bonds and payment of the net proceeds to the Developer, the Reimbursement Obligation will be terminated. The Developer financed the balance of the costs of the Public Improvements, which will not be reimbursed by the City. See “PLAN OF FINANCE — The 2024 Bonds.”

Fire Station Agreement

The City and the Developer entered into the Agreement Regarding Fire Station (the “Fire Station Agreement”), effective as of November 2, 2015, whereby the Developer agreed to contribute approximately \$2,500,000, as described below, to pay the costs of constructing the Fire Station. Pursuant to the Fire Station Agreement, the Developer agreed to (i) dedicate between 3 and 3.3 acres of land within the District, which land is valued at \$500,000 (the “Land Contribution”), on which the Fire Station will be constructed (the “Fire Station Site”), (ii) make a cash contribution of \$500,000 concurrent with the issuance of the 2019 Bonds (the “Closing Contribution”) for the design and construction of the Fire Station, and (iii) make an additional cash contribution of \$1,500,000 (the “Cash Contribution” and together with the Land Contribution and the Closing Contribution, the “Fire Station Contribution”) to the City for the design and construction of the Fire Station to be paid in the following manner: (a) \$750,000 within two years after the first certificate of occupancy has been issued for a single-family residence in the District; and (b) \$750,000 within four years after the first certificate of occupancy has been issued for a single-family residence in the District. The first certificate of occupancy for a single-family residence was issued in June of 2018. In consideration for the Fire Station Contribution, the City agreed that any funds or land provided by the Developer will be used only for the Fire Station and that the City will complete construction of the Fire Station within 18 months after the City’s receipt of the total Cash Contribution.

As of October 31, 2023, the Developer has made the entire Fire Station Contribution. The City awarded the Fire Station project to Seidel Construction. The Fire Station is complete and in operation.

Zoning/Permitting

The development of the property within the District will be governed by the concept plan for the District, the Financing Agreement, and the Master Plan and Planned Development District standards (the “Trace PDD”), pursuant

* Preliminary; subject to change.

to Ordinance No. 2015-42, adopted by the City Council, as amended (collectively, the “Applicable Regulations”). The concept plan of the District is shown on page v.

Education

The District is located within San Marcos CISD. San Marcos CISD operates seven elementary schools, two middle schools and one high school. Rodriguez Elementary School, which is within the District, Miller Middle School, which is approximately three miles from the District and San Marcos High School, which is approximately three miles from the District, are expected to serve the District.

Both Miller Middle School and San Marcos High School are rated “below average” by GreatSchools.org. Rodriguez Elementary School has not yet been rated by GreatSchools.org. According to the Texas Education Agency annual school report cards Rodriguez Elementary School was rated as “B,” both San Marcos CISD and San Marcos High School were rated as “C”, and Miller Middle School was rated as “Not Rated” for 2021-2022. The categories for public school districts and public schools are A, B, C, D, F or Not Rated. A Not Rated label is used when the domain or overall scaled score is less than 70.

Pursuant to the Land Contribution Agreement (the “Elementary School Agreement”), effective April 17, 2018, entered into by the Developer and San Marcos CISD, the Developer agreed to dedicate the Elementary School Site to San Marcos CISD and San Marcos CISD agreed to design and construct Rodriguez Elementary School and provide for the ongoing operation and maintenance of the elementary school and Elementary School Site, as described below. In the Elementary School Agreement, the Developer agreed to (i) commence construction of certain segments of William Moon Way and Snowbell Street, including various utilities to be constructed therein (the “William and Snowball Improvements”), on or before August 31, 2018 and to complete such construction by January 31, 2019; and (ii) commence construction of certain segments of Esplanade Parkway, including various utilities to be constructed therein (the “Esplanade Improvements” and together with the William and Snowball Improvements, the “Elementary School Improvements”), on or before November 30, 2018 and to complete such construction by June 30, 2019. In consideration for the dedication of the Elementary School Site and the construction of the Elementary School Improvements, the City agreed to construct and complete Rodriguez Elementary School for use by public school students in the Fall of 2019.

In accordance with the Elementary School Agreement, the Developer dedicated the Elementary School Site to San Marcos CISD in May of 2018, commenced and completed construction of the Elementary School Improvements by the required dates and Rodriguez Elementary School was completed and open to students in the Fall of 2019.

The Elementary School Site is allocated 1% of the costs of the Public Improvements (\$223,864). The City and the Developer have agreed that no Assessment will be levied on the Elementary School Site. Instead, the Developer has agreed to pay the costs allocated to the Elementary School Site without reimbursement by the City.

Amenities

Amenity Center. Pursuant to the Trace PDD, the Developer agreed to construct the Amenity Center, including a 3,462 square foot pavilion with outdoor grills, restrooms, resort style swimming pool, splash toys, water harvesting cistern, outdoor children’s playscape, and a volleyball and sports court. The Developer completed construction of the Amenity Center, which is only available to the single-family residential units, in September of 2019. The Amenity Center has been dedicated to and accepted by the Owners’ Association. The Owners’ Association provides for the ongoing operation, maintenance, and repair of the Amenity Center through an Additional Owners’ Association Fee to be paid by each owner of a single-family residential unit.

The Amenity Center Site is allocated 1% of the total Assessments (currently outstanding, \$179,470).

Parks and Trails. The Developer has constructed or expects to construct a city park (the “Trace Central Park”), five pocket parks and three miles of trails throughout the District (collectively, the “Parks and Trails”). The Developer has completed three pocket parks and a portion of the trails. The Developer expects to complete the Trace

Central Park, the remaining two pocket parks and the trails by September 2025. The Parks and Trails will be dedicated to the City and the City will provide for the ongoing operation, maintenance and repair of the Parks and Trails. The Parks and Trails will be open to the public.

Environmental

Site Evaluation. A Phase One Environmental Site Assessment (the “Phase One ESA”) of the property within the District was completed in February of 2016. Based on the information presented in the Phase One ESA, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the site.

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

Mineral Rights and Easement Rights

There are certain mineral rights reservations of prior owners of real property within the District (the “Mineral Owners”) pursuant to one or more deeds in the chain of title for the property in the District.

While there is currently no drilling or exploration of minerals, the Developer cannot predict whether the Mineral Owners will take new action in the future to explore or develop the above-described mineral rights. The Developer is not aware of any real property (including mineral rights) owned by the Mineral Owners adjacent to the District. Certain rules and regulations of the Texas Railroad Commission may restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues.

Although the Developer does not expect the exercise of such rights or any other mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See “BONDHOLDERS’ RISKS — Exercise of Mineral Rights.”

Geotechnical Exploration

A Geotechnical Engineering Study (the “Geotech Study”) was prepared for the property within the District by MLA Geotechnical, dated August 24, 2016. The Geotech Study made recommendations for subgrade and foundation soil preparation and pavement thickness. The Developer followed all such recommendations.

Utilities

Water and Wastewater. The City will provide both water and wastewater service to the Development. The City currently has sufficient capacity to provide water and wastewater service to the Development. See “THE PUBLIC IMPROVEMENTS — Public Improvements.”

Other Utilities. The Developer anticipates additional utilities to be provided by the following entities:

Gas	CenterPoint Energy
Phone/Data	Century Link
Electric	Pedernales Electric Cooperative
Cable	Grande Communications

THE DEVELOPER

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

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of the revenue bonds, such as the 2024 Bonds, issued by a public improvement district. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of Developer

The Developer is an affiliate of Highpoint Investments, Inc. ("Highpoint Investments") and was created by Highpoint Investments for the purpose of managing and ultimately conveying property in the District to third parties, as described under the caption "THE DEVELOPMENT." The Developer is a nominally capitalized limited liability company, the primary asset of which is unsold property within the District. The Developer will have no source of funds with which to pay Assessments or taxes levied by the City or any other taxing entity other than funds resulting from the sale of property within the District or funds advanced to the Developer by an affiliated party.

Description of Development Manager

Highpoint Communities, Inc. (the "Development Manager"), an affiliate of the Developer and Highpoint Investments is a real estate development firm specializing in the creation of a diverse range of real estate investment and development opportunities. The Development Manager possesses the experience, expertise, commitment and discipline that will ensure successful end-to-end transactions and project management strategies to the following areas of the real estate industry: (i) land entitlement process; (ii) land development and infrastructure; (iii) federal and state regulatory permitting; and (iv) land sale (undeveloped to fully-graded, ready-to-build lots).

Since its founding in 1997, the Development Manager has acquired, planned and/or developed 38 communities consisting of nearly 11,000 single family home sites, over 1,500 multi-family units and nearly 80 acres of commercial retail, and office sites. The Development Manager's team of industry professionals can process and manage any real estate development project from start to finish throughout all aspects of a project. From initial entitlements to plan processing, plan amendments, zoning, tract mapping, infrastructure improvement plans, infrastructure development and permitting and clearances, its knowledge and experience allows it to navigate through the often complicated processes to obtain a successful project completion.

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A snapshot of some of the communities the Developer/Development Manager has developed or is currently developing is presented below.

<u>Project</u>	<u>Project Type</u>	<u>Number of Units/Acres</u>	<u>Location</u>	<u>Status</u>
Acton Estates	Single-Family	71 Lots	Acton, CA	Complete
Anaverde	Single-Family	207 Lots	Palmdale, CA	Complete
Ardis Ranch	Single-Family	196 Lots	Menifee, CA	Entitlement Processing
Aster Apartments	Multifamily	228 Lots	Hemet, CA	Siteplan/Permit Processing
Beaumont Village	Single-Family	47 Lots	Beaumont, CA	Complete
Canyon Ranch	Single-Family	153 Lots	Loma Linda, CA	Entitlement Processing
Country Creek	Single-Family	199 Lots	Victorville, CA	Complete
Curtis Trails	Single-Family, Multifamily, Retail	224 Lots, 213 MF Units, 4 Acres	Loma Linda, CA	Complete, Under Construction, Held for Investment
Driftwood Estates	Single-Family	13 Lots	Laguna Beach, CA	Complete
Elroy Master Plan	Single-Family, Multifamily, Retail	394 Lots, 1,374 MF Units, 5 Acres	Travis, TX	Entitlement Processing
Emerald Ridge	Single-Family	204 Lots	Jurupa Valley, CA	Approved Tentative Map - 184 lots Approved Final Map - 20 Lots
Frederick's Ridge	Single-Family	422 Lots	Winchester, CA	Entitlement Processing
Hallberg Ranch	Single-Family	472 Lots	Menifee, CA	Entitlement Processing
Miraval Apartments	Multifamily	232 MF Units	Loma Linda, CA	Siteplan/Permit Processing
Moreno Valley Associates – Golf Course	Single-Family	1078 Lots	Morena Valley, CA	Complete
Morgan Hill	Single-Family	1126 Lots	Temecula, CA	Complete
Northfork at Eastvale	Single-Family	593 Lots	Chino, CA	Complete
Oso Ranch	Multifamily	700 Units	San Juan Capistrano, CA	Entitlement Processing
Rancho Del Oro II – Village Seven	Multifamily	280 Lots	Oceanside, CA	Complete
Rancho Del Oro – Retail		10 Acres	Oceanside, CA	Complete
San Marcos Heights	Single-Family	38 Lots	San Marcos, CA	Complete
Sendero Apartments	Multifamily	399 MF Units	San Marcos, TX	Under Construction
Senna Apartments	Multifamily	216 MF Units	Hemet, CA	Entitlement Processing
Spanish Walk	Single-Family	212 Lots	Palm Desert, CA	Completed
Sunset Crossings	Single-Family	241 Lots	Moreno Valley, CA	Entitlement Processing
The Greens – Fairfield	Multifamily	260 MF Units	Murrieta, CA	Complete
The Groves	Single-Family, Multifamily, Retail	154 Lots, 165 MF Units, 5 Acres	Loma Linda, CA	Approved Tentative Map, Siteplan/Permit Processing, Held for Investment
Trace Townhomes	Multifamily	316 Units	San Marcos, TX	Planning & Zoning Approved
Vesta Apartments	Multifamily	384 MF Units	Palm Desert, CA	Siteplan/Permit Processing
Washington Street	Single-Family	69 Lots	Murrieta, CA	Complete

Executive Biography of Principals of the Development Manager

Steve Vliss. Steve Vliss is the President, Chief Executive Officer and co-founder of the Development Manager. By leading the company through various transitions during ever changing economic climates, Mr. Vliss leads the company with through strong leadership, knowledge and wisdom that is the culmination of more than thirty years of experience in the real estate development industry. His vision for the company embraces the concept of community building throughout the supply chain to include sensitivity and consideration of the needs and desires of

landowners, neighboring communities, local government, permitting agencies, builders and ultimately homeowners to ensure the successful completion of each project.

A Southern California native, Mr. Vliess began his career in real estate development after attending the University of California, Irvine. Shortly after, Mr. Vliess joined Inco Homes, a publicly-traded California homebuilder where he quickly advanced to the level of Senior Vice President and soon thereafter, Chief Operating Officer. Following his tenure at Inco, Mr. Vliess joined Kaufman & Broad in 1995 as president of its Homebuilding and Development Division for Orange County and the Inland Empire Region of Southern California. Mr. Vliess has also served as a member of the Board of Directors of the Building Industry Association and is also a member of the Urban Land Institute.

Timothy England. Timothy D. England is the Senior Vice President and Chief Financial Officer of the Development Manager has over 20 years' experience in real estate development, finance and account. Mr. England began his career in finance with Kenneth Leventhal & Company, a real estate industry specialist, and became a Certified Public Accountant in 1989. For the next ten years, Mr. England served in various positions with Brookfield Development Corporation, including Vice President and Chief Financial Officer of the U.S. Western Region. For four years prior to joining the Development Manager, Mr. England served as Senior Vice President and Chief Financial Officer for the Polygon Group of Companies. There he was responsible for the company's financing and investor relations activities as well as overseeing several operating entities and joint venture investments. Mr. England has worked on over one billion dollars in financing transactions including corporate lines of credit, acquisition, development, and construction loans for commercial and residential projects, community facility and other assessment districts and bonding lines. Mr. England received his B.S. degree in Business Administration from California State University, Fullerton in 1984.

History and Financing of the District

The Developer purchased the property in April of 2016 from JOQ-San Marcos Ventures, L.P. for a purchase price of \$8,100,000. The Developer financed its acquisition of the District and is financing its development activities within the District through a loan agreement (the "Loan") with Trez Capital Funding II LLC and Trez Capital (2015) Corporation ("Trez") for \$22,434,039. The Loan, which is dated April 5, 2016, as amended, is a revolving line of credit secured by a first lien deed of trust against the property owned by the Developer in the District and an assignment of any land sale contract receivables relating to the District. The Loan matures on December 31, 2023. As of October 31, 2023, there is an outstanding balance of approximately \$11,813,579. The Developer is processing a thirty-day loan extension with Trez, which will be executed before loan maturity.

The PID Act provides that the Assessment Lien is a first and prior lien against the assessed property within the District and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. Additionally, at or prior to delivery of the 2024 Bonds, Trez shall consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the Loan to the assessment liens on property within the District securing payment of the Assessments. As a result, the lien on the property within the District securing the Assessments will have priority over any liens on the property within the District securing the Loan.

THE SPECIAL ASSESSMENT CONSULTANT

The following information has been provided by the DPFG, as the Special Assessment Consultant. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

In its role as Special Assessment Consultant to the Developer, Development Planning & Financing Group, Inc. ("DPFG") (www.dpfg.com) is primarily responsible for the preparation of the Service and Assessment Plan. DPFG is a national real estate consulting firm with 6 offices in four states (California, Texas, Florida and North Carolina). Since its inception in 1991, it has focused on providing real estate and financial consulting services principally to residential and commercial real estate developers as well as lenders, public agencies and other institutional investors. A key emphasis is identifying the lowest cost and the lowest risk manner of financing and

funding public improvements and infrastructure such as roadways, utilities, etc., as well as the vertical improvements of a project.

To accomplish this, DPFG typically provides, among others, the following services:

- Preparation of financial analyses and projections;
- Preparation of financial feasibility studies, including compliance analyses with debt covenants;
- Identification of available and applicable public/private financing alternatives;
- Preparation of fiscal and economic impact studies;
- Negotiation of development agreements;
- Evaluation of development impact fee arrangements;
- Tracking of reimbursable development costs; and
- Structuring of reimbursement agreements.

The financing programs that are involved usually include some type of public financing and/or public/private partnerships. These have included land secured financings such as public improvement districts (PIDs), municipal utility districts (MUDs), tax increment reinvestment zones (TIRZs), community facility districts (CFDs), as well as general obligation, revenue and assessment bonds. The firm has been involved in the formation, structuring, feasibility analysis and issuance of more than \$16.0 billion of bonds for more than 2,500 special taxing districts (or their equivalents) since 1991.

THE PID ADMINISTRATOR

The following information has been provided by P3Works, LLC, as the PID Administrator. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information.

The City has selected P3Works, LLC as the initial PID Administrator. The City has entered into an agreement with the PID Administrator to provide specialized services related to the administration of the District needed to support the issuance of the 2024 Bonds. The PID Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The PID Administrator is a consulting firm focused on providing district services relating to the formation and administration of public improvement districts, and has offices in Austin, Houston and North Richland Hills, Texas.

The PID Administrator's duties will include:

- Preparation of the annual update to the Service and Assessment Plan;
- Preparation of assessment rolls for billing and collection;
- Establishing and maintaining a database of all County Parcel IDs within the District;
- Trust account analysis and reconciliation;
- Property owner inquiries;
- Determination of prepayment amounts;
- Preparation and review of disclosure notices with dissemination agent; and
- Review of developer draw requests for reimbursement of Public Improvement costs.

APPRAISAL

The Appraisal

General. Integra Realty Resources – Dallas (the “Appraiser”) prepared an appraisal report for the City dated July 26, 2023, based upon a physical inspection of the District conducted on December 19, 2022 (the “Appraisal”). The Appraisal was prepared at the request of the City. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as APPENDIX G and should be read in its entirety in order to understand the meaning and basis of the information set forth therein. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See “APPENDIX G — Appraisal.”

Value Estimates. The Appraiser estimated (i) the “retrospective market value” of the fee simple interest in certain Parcels within the District, as of September 30, 2022, (ii) the “market value as is” of the fee simple interest in certain Parcels within the District, as of December 31, 2022 and (iii) the “prospective market value as completed” of the fee simple interest in certain Parcels within the District, as of July 1, 2023, under the hypothetical conditions that all of the Public Improvements have been completed on such Parcels, as of the date of valuation, as shown in the below table. The Appraisal does reflect the value of the District as if sold to a single purchaser in a single transaction. See “THE PUBLIC IMPROVEMENTS,” “THE DEVELOPMENT” and “APPENDIX G — Appraisal.”

Value Conclusions			
Parcel	Interest Appraised	Date of Value	Value Conclusion
30 lots in PA 1A, Section A, Phase A-1	Fee Simple	September 30, 2022	\$1,846,300
28 lots in PA 1A, Section A, Phase A-2	Fee Simple	September 30, 2022	\$1,709,400
39 lots in PA 1A, Section B	Fee Simple	September 30, 2022	\$2,380,950
89 lots in PA 1A, Section C)	Fee Simple	September 30, 2022	\$7,179,850
41 lots in PA 1B, Section B)	Fee Simple	September 30, 2022	\$3,320,750
63 lots in PA 1B, Section C	Fee Simple	September 30, 2022	\$5,827,500
49 lots in PA 2A, Section A	Fee Simple	September 30, 2022	\$4,099,600
44 lots in PA 2A, Section B)	Fee Simple	September 30, 2022	\$3,520,550
42 lots in PA 2B, Section A	Fee Simple	September 30, 2022	\$3,885,000
61 lots in PA 2B, Section B	Fee Simple	September 30, 2022	\$5,642,500
53 lots in PA 2B, Section C	Fee Simple	September 30, 2022	\$4,902,500
45 lots in PA 2C, Section B	Fee Simple	September 30, 2022	\$4,162,500
62 lots in PA 2B, Section D	Fee Simple	September 30, 2022	\$5,735,000
10.2 gross acres of land in PA 3	Fee Simple	December 31, 2022	\$2,890,000
25 lots in PA 6A, Section D	Fee Simple	December 31, 2022	\$2,312,500
38 lots in PA 6B, Section D	Fee Simple	December 31, 2022	\$3,515,000
57 lots in PA 6C, Section D	Fee Simple	December 31, 2022	\$5,272,500
47 lots in PA 6D, Section E	Fee Simple	September 30, 2022	\$2,987,750
89 lots in PA 7, Section E	Fee Simple	July 1, 2023	\$6,948,600
16.868 gross acres of land in PA 8	Fee Simple	September 30, 2022	\$8,580,000
2.127 gross acres of land in PA 9A	Fee Simple	September 30, 2022	\$1,480,000
18.58 gross acres of land in PA 9B	Fee Simple	September 30, 2022	\$7,130,000
20.534 gross acres of land in PA 9C	Fee Simple	September 30, 2022	\$8,500,000
5.777 gross acres of land in PA 10	Fee Simple	September 30, 2022	\$2,770,000
8.574 gross acres of land in PA 11	Fee Simple	September 30, 2022	\$3,730,000
21.758 gross acres of land in PA 12	Fee Simple	September 30, 2022	\$7,000,000
125 paper lots in PA 13, Section E	Fee Simple	September 30, 2022	\$3,125,000

None of the City, the Developer nor the Underwriter makes any representation as to the accuracy, completeness, assumptions, or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions.

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

Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the Appraiser's forecasts for the properties in the District is considered by the Appraiser to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

The 2024 Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District.

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

The intended use and user of the Appraisal are specifically identified in the Appraisal as agreed upon in the contract for services and/or reliance language found in the Appraisal. The Appraiser has consented to the use of the Appraisal in this Limited Offering Memorandum in connection with the issuance of the 2024 Bonds. No other use or user of the Appraisal is permitted by any other party for any other purpose.

BONDHOLDERS' RISKS

Before purchasing any of the 2024 Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the 2024 Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the 2024 Bonds) should be carefully considered prior to purchasing any of the 2024 Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

THE 2024 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE 2024 BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE 2024 BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE 2024 BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE 2024 BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE 2024 BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the City to pay debt service on the 2024 Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the property within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such property.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the 2024 Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the Assessed Property within the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Underwriter is not obligated to make a market in or repurchase any of the 2024 Bonds, and no representation is made by the Underwriter, the City or the City's Financial Advisor that a market for the 2024 Bonds will develop and be maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the 2024 Bonds.

Deemed Representations and Acknowledgment by Purchasers

Each purchaser of 2024 Bonds (each a "Purchaser") will be deemed to have acknowledged and represented to the City the matters set forth under the heading "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" which include, among others, a representation and acknowledgment that the purchase of the 2024 Bonds involves investment risks, certain of which are set forth under this heading "BONDHOLDERS' RISKS" and elsewhere herein, and each Purchaser, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act of 1933), has sophisticated knowledge and experience in financial and business matters and the capacity to evaluate such risks in making an informed investment decision to purchase the 2024 Bonds, and the Purchaser can afford a complete loss of its investment in the Bonds.

Infectious Disease Outbreak

In March 2020, the World Health Organization and the President of the United States (the "President") separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. On April 10, 2023, the President signed a resolution terminating the national emergency related to the Pandemic, and on May 5, 2023, the World Health Organization declared COVID-19 no longer represented a global health emergency. There are currently no COVID-19 related operating limits imposed by executive order of the Governor for any business or other establishment in the State. The Governor retains the right to impose additional restrictions on activities if needed in order to mitigate the effects of COVID-19. The City has not experienced any decrease in property values or unusual tax delinquencies as a result of COVID-19. However, the City cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and re-imposition of restrictions.

Assessment Limitations

Annual Installments of Assessments are billed to property owners in the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as set forth under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of 2024 Bonds maturing in each year, interest and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as

evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

In order to pay debt service on the 2024 Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the 2024 Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the 2024 Bonds. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy of Property Owner” herein.

Upon an ad valorem tax lien foreclosure event of a property within the District, any Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

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

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

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the 2024 Bonds.

THE ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN THE DISTRICT.

Existing Homestead Rights

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. Furthermore, the Developer is not eligible to claim homestead rights.

Both the Initial Assessments and Additional Assessments are collectively security for the Bonds Similarly Secured. Amounts in excess of the outstanding Initial Assessments will be required to pay debt service on the Bonds Similarly Secured; therefore, foreclosure proceedings on any Assessed Properties claiming homestead rights prior to

the levy of the Additional Assessment, may affect the City's ability to foreclose on such Assessed Properties to meet debt service requirements on the Bonds Similarly Secured. As of the date of adoption of the Initial Assessment Ordinance, no individual homeowners had the ability to claim homestead rights. **As of December 12, 2018, there were 17 individual homeowners within the District, whose properties are estimated to collectively represent approximately \$48,468 of outstanding Additional Assessments levied within the District. As of October 31, 2023, four of the 17 homes have been sold. It is unclear under Texas law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights. Therefore, the homeowners of the aforementioned 17 homes may have the ability to claim homestead rights under State law. Consequently, if such homestead rights are claimed, there could be Pre-existing Homestead Rights with respect to the Assessment Lien relating to the Additional Assessments, which may not be foreclosed upon by the City.**

Recent Changes in State Law Regarding Public Improvement Districts

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract of purchase and sale. If the Developer, multifamily or commercial builders, or homebuilders within the District do not provide the required notice and prospective purchasers of property within the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property should be paid. On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the Developer multifamily or commercial builders, or homebuilders within the District do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers are attached as Appendix A to the Service and Assessment Plan. See "Appendix C — Form of Service and Assessment Plan."

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 88th Legislative Session of the State (the "88th Regular Session") concluded on May 29, 2023. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. Upon conclusion of the 88th Regular Session, the Governor has called four special sessions all of which have ended without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. The proclamation for such session does not include legislation recommending oversight of bonds secured by assessments. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

General Risks of Real Estate Investment and Development

The Developer has the right to modify or change its plan for development of the District, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type,

mix, size and number of units to be developed. No defined “true-up” agreement has been entered into between the City and Developer, nor is there a requirement that future developers or Developers enter into such an agreement. There can be no assurance, in the event the Developer or a subsequent developer modifies or changes its plan for development that the necessary revisions to the Service and Assessment Plan will be made. Nor can there be an assurance that the eventual burden on the property resultant from the Assessments will be marketable.

The ability of (i) the Developer and homebuilders to develop lots and sell single-family residential homes within the District and (ii) the Developer and builders to sell or lease retail space, commercial space and apartment units to maximum occupancy levels within the District may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market and other factors beyond the control of the owner of the single-family residential lots, retail space, commercial space, or multi-family apartments, as applicable. In the event that a large number of single-family projects, rental, commercial or multi-family projects are constructed outside of the District, and compete with the District, the demand for residential housing and commercial properties within the District could be reduced, thereby adversely affecting the continued development of the District, or its attraction to businesses and residents.

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

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

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the 2024 Bonds depends on the willingness and ability of the Developer, the Homebuilders, commercial builders and any subsequent owners to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within the District in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Risks Related to the Current Residential Real Estate Market

In the past, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable-rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market more difficult. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot and home sales within the District. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Risks Related to Recent Increase in Costs of Building Materials

As a result of the Pandemic, and low supply and high demand, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. If the costs of the remaining Public Improvements are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Public Improvements or pay the Assessments when due. Additionally, if the costs of material continue to increase, it may affect the ability of the Homebuilders, multifamily and commercial builders to construct homes, multifamily units and commercial buildings within the District. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District.

Adverse Developments Affecting the Financial Services Industry

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank, or SVB, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation, or the FDIC, as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. In March of 2023, UBS agreed to acquire the troubled Credit Suisse and troubled First Republic Bank received a \$30 billion rescue package from 11 of the biggest U.S. banks in an effort to prevent its collapse; however, on May 1, 2023, the FDIC seized First Republic Bank and sold its assets to JPMorgan Chase & Co. Although a statement by the Department of the Treasury, the Federal Reserve and the FDIC stated that all depositors of SVB would have access to all of their money after only one business day of closure, including funds held in uninsured deposit accounts, borrowers under credit agreements, letters of credit and certain other financial instruments with SVB, Signature Bank or any other financial institution that is placed into receivership by the FDIC may be unable to access undrawn amounts thereunder.

Competition

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

<u>Project Name</u>	<u>Total Lots</u>	<u>Developer</u>	<u>City</u>	<u>Proximity to the District</u>	<u>Expected Completion Date</u>	<u>Average Home Price</u>
Cottonwood Creek	1,420	DR Horton Inc / Century Communities	San Marcos	2.7 miles	4/30/2025	\$338,000
Milbrook Park	374	DR Horton Inc	San Marcos	1.9 miles	12/31/2023	\$337,000
Kissingtree	1,851	Brookfield Residential	San Marcos	1.6 miles	5/31/2027	\$536,000
La Cima	2,137	La Cima Development Group LP	San Marcos	5.8 miles	8/31/2025	\$562,326

⁽¹⁾ Provided by the Developer.

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

Commercial and Multifamily. Typically, the demand for commercial, retail, office and multifamily development follows development of single-family residential, as demand increases due to population growth. The competitive position of the Developer or of any purchaser of commercial, retail, office or multifamily within the District in the sale or lease of developed lots or the construction and sale of multifamily residential units, as applicable, is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District. None of the Developer, the City, the City's Financial Advisor or the Underwriter can give any assurance that the building programs of the commercial, retail, office or multifamily development within the District which are planned will ever commence or be completed in accordance with the Developer's expectations. Competitive projects for the commercial sites within the District are not available, as the Developer does not have any plans for vertical construction of such sites.

Competitive multifamily projects in the area include but are not limited to:⁽¹⁾

<u>Project Name</u>	<u>Total Multifamily Units</u>	<u>City</u>	<u>Proximity to the District</u>	<u>Expected Completion Date</u>
Sadler House	240	San Marcos	1.7 Miles	Complete
The Fitzroy	176	San Marcos	2.0 Miles	Complete
The Grand at Stonecreek	267	San Marcos	2.5 Miles	Complete
McCary Commons	249	San Marcos	3.3 Miles	Complete

⁽¹⁾ Provided by the Developer.

Lien Foreclosure and Bankruptcy

The payment of Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the 2024 Bonds, and the possibility that delinquent Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

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

Depletion of Reserve Account of the Reserve Fund

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

Hazardous Substance

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may

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

The value of the land within the District does not consider the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not aware, that the owner (or operator) of any of the parcels within the District has such a current liability with respect to such parcel; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

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

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

Regulation

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

100-Year Flood Plain

No property within the District is located within an official Federal Emergency Management Agency (“FEMA”) 100-year flood plain, as shown on the current FEMA Flood Insurance Rate Map No. 48209C0486F (the “Flood Plain”).

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

Risk from Weather Events

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

Exercise of Mineral Rights

As described herein under “THE DEVELOPMENT— Mineral Rights and Easement Rights,” there are certain mineral rights reservations located within the District and not owned by the Developer. There may also be

additional mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of Hays County.

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

Bondholders' Remedies and Bankruptcy of Property Owner

In the event of default in the payment of principal of or interest on the Bonds Similarly Secured or the occurrence of any other Event of Default under the Indenture, and upon the written request of the owners of at least a majority of the aggregate Outstanding principal amount of the Bonds Similarly Secured, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds Similarly Secured under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds Similarly Secured or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds Similarly Secured in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds Similarly Secured cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds Similarly Secured. The enforceability of the rights and remedies of the owners of the Bonds Similarly Secured further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Chapter 9 Bankruptcy Limitation to Bondholders' Rights" herein.

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

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities in certain circumstances." The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W. 3d 427 (Tex. 2016) ("Wasson"), the Texas Supreme Court (the "Court") addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that "a city's proprietary functions are not done pursuant to the 'will of the people'" and protecting such municipalities "via the [S]tate's immunity is not an efficient way to ensure efficient allocation of [S]tate resources". While the Court recognized that the distinction between governmental and proprietary functions is not clear, the Wasson opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed Wasson for a second time and issued an opinion on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal

contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

The City is not aware of any Texas court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the Bonds Similarly Secured may not be able to bring such a suit against the City for breach of the Bonds Similarly Secured or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds Similarly Secured may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in Tooke, and it is unclear whether Tooke will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the 2024 Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the 2024 Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within the District available to pay debt service on the 2024 Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

The Indenture does not contain a provision allowing for the acceleration of the 2024 Bonds in the event of a payment default or other default under the terms of the 2024 Bonds or the Indenture.

Limited Secondary Market for the 2024 Bonds

The 2024 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the 2024 Bonds in the event an Owner thereof determines to solicit purchasers for the 2024 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the 2024 Bonds may be sold. Such price may be lower than that paid by the current Owners of the 2024 Bonds, depending on the

progress of development of the District subject to the Assessments, existing real estate and financial market conditions and other factors.

No Credit Rating

The City has not applied for or received a rating on the 2024 Bonds. Even if a credit rating had been sought for the 2024 Bonds, it is not anticipated that such a rating would have been investment grade. The absence of a rating could affect the future marketability of the 2024 Bonds. There is no assurance that a secondary market for the 2024 Bonds will develop or that holders who desire to sell their 2024 Bonds prior to the stated maturity will be able to do so. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Chapter 9 Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of the owners of the 2024 Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. The City is authorized under Texas law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under Texas law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the 2024 Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt. The City cannot predict a Bankruptcy Court's treatment of the 2024 Bond holders' creditor claim and whether a 2024 Bond holder would be repaid in full.

Tax-Exempt Status of the 2024 Bonds

The Indenture contains covenants by the City intended to preserve the exclusion from gross income of interest on the 2024 Bonds for federal income tax purposes. As discussed under the caption "TAX MATTERS," interest on the 2024 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2024 Bonds were issued as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or State level, may adversely affect the tax-exempt status of interest on the 2024 Bonds under federal or State law and could affect the market price or marketability of the 2024 Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the 2024 Bonds should consult their own tax advisors regarding the foregoing matters.

As further described in "TAX MATTERS" below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the 2024 Bonds to be included in the gross income of owners of the 2024 Bonds for federal income tax purposes, possibly from the date of original issuance of the 2024 Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of interest on the 2024 Bonds for federal income

tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. In the past, the IRS has announced audit efforts focused in part on “developer-driven bond transactions,” including certain tax increment financings and certain assessment bond transactions. It cannot be predicted if this IRS focus could lead to an audit of the 2024 Bonds or what the result would be of any such audit. If an audit of the 2024 Bonds is commenced, under current procedures parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the 2024 Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the 2024 Bonds. Finally, if the IRS ultimately determines that the interest on the 2024 Bonds is not excluded from the gross income of Owners for federal income tax purposes, the City may not have the resources to settle with the IRS, the 2024 Bonds are not required to be redeemed, and the interest rate on the 2024 Bonds will not increase.

Management and Ownership

The management and ownership of the Developer and related property owners could change in the future. Purchasers of the 2024 Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new Developer or new officers in management positions may not have comparable experience in projects comparable to the Development.

Availability of Utilities

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

Dependence Upon Developer and Homebuilders

As of October 31, 2023, the Developer, Highpointe Sendero, Emerson Apartments, DR Horton, LGI, Chesmar Homes, Pacesetter, and Brohn Homes had the obligation for payment of approximately 44.37%, 10.23%, 8.36%, 4.09%, 3.65%, 3.06%, 2.68% and 2.12%% of the total Assessments. The ability of the Developer, Highpointe Sendero, Emerson Apartments, DR Horton, LGI, Chesmar Homes, Pacesetter, and Brohn Homes to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds Similarly Secured. The sole assets of the Developer are land within the District, related permits and development rights and minor operating accounts. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

TAX MATTERS

Opinion

On the date of initial delivery of the 2024 Bonds, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the 2024 Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the 2024 Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the 2024 Bonds. See Appendix D — Form of Opinion of Bond Counsel.

In rendering its opinion, Bond Counsel to the City will rely upon (a) certain information and representations of the City, including information and representations contained in the City's federal tax certificate, and (b) covenants of the City contained in the 2024 Bond documents relating to certain matters, including arbitrage and the use of the proceeds of the 2024 Bonds and the property financed or refinanced therewith. Failure by the City to observe the aforementioned representations or covenants could cause the interest on the 2024 Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the 2024 Bonds in order for interest on the 2024 Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the 2024 Bonds to be included in gross income retroactively to the date of issuance of the 2024 Bonds. The opinion of Bond Counsel to the City is conditioned on compliance by the City with such requirements, and Bond Counsel to the City has not been retained to monitor compliance with these requirements subsequent to the issuance of the 2024 Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the 2024 Bonds.

A ruling was not sought from the Internal Revenue Service by the City with respect to the 2024 Bonds or the property financed or refinanced with proceeds of the 2024 Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the 2024 Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the 2024 Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the 2024 Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under existing law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under existing law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the 2024 Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition

thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the 2024 Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS SIMILARLY SECURED.

Interest on the 2024 Bonds may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the 2024 Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the 2024 Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the 2024 Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the 2024 Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the 2024 Bonds under Federal or state law and could affect the market price or marketability of the 2024 Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the 2024 Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal Proceedings

Delivery of the 2024 Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General to the effect that the 2024 Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the 2024 Bonds, the legal opinion of Bond Counsel, to a like effect.

McCall, Parkhurst & Horton L.L.P., serves as Bond Counsel to the City. Orrick, Herrington & Sutcliffe LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the 2024 Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the 2024 Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the 2024 Bonds are valid and binding special, limited obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the 2024 Bonds are valid and binding special, limited obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the 2024 Bonds, including principal of and interest thereon, are payable from and secured by a pledge of and lien on the Trust Estate. Bond Counsel will also provide a legal opinion to the effect that interest on the 2024 Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS," including the alternative minimum tax consequences for corporations. A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX D — Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the 2024 Bonds herein under the captions or subcaptions "PLAN OF FINANCE — The 2024 Bonds," "DESCRIPTION OF THE 2024 BONDS," "SECURITY FOR THE BONDS SIMILARLY SECURED," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT" (except for the subcaption "Collection and Delinquency History of

Assessments”), “TAX MATTERS,” “LEGAL MATTERS — Legal Proceedings” (except for the final paragraph thereof), “LEGAL MATTERS — Legal Opinions” (except for the final paragraph thereof), “CONTINUING DISCLOSURE — The City,” “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS,” “APPENDIX B” and “APPENDIX D” and such firm is of the opinion that the information relating to the 2024 Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the 2024 Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the 2024 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation — The City

At the time of delivery and payment for the 2024 Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to its knowledge, overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the 2024 Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of the Assessments securing the 2024 Bonds, or in any way contesting or affecting the validity or enforceability of the 2024 Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Trust Estate, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the 2024 Bonds or any action of the City contemplated by any documents relating to the 2024 Bonds.

Litigation — The Developer

At the time of delivery and payment for the 2024 Bonds, Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of Developer, threatened against or affecting Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of Developer or its general partner or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the 2024 Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Reimbursement Agreement, the Financing Agreement, the Fire Station Agreement or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the 2024 Bonds.

SUITABILITY FOR INVESTMENT

Investment in the 2024 Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS”. The 2024 Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the 2024 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the 2024 Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See

“BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy of Property Owner.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the 2024 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2024 Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

NO RATING

No application for a rating on the 2024 Bonds has been made to any rating agency, nor is there any reason to believe that the City would have been successful in obtaining an investment grade rating for the 2024 Bonds had application been made.

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City, the PID Administrator and UMB Bank, N.A. (in such capacity, the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of the Issuer”) for the benefit of the Owners of the 2024 Bonds (including owners of beneficial interests in the 2024 Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Issuer, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E-1 — Form of Disclosure Agreement of the Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of the Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Issuer would allow the Owners of the 2024 Bonds (including owners of beneficial interests in the 2024 Bonds) to bring an action for specific performance.

The City has agreed to update information and to provide notices of certain specified events only as provided in the Disclosure Agreement of the Issuer. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Issuer. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the 2024 Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Issuer or from any statement made pursuant to the Disclosure Agreement of the Issuer.

The City Compliance with Prior Undertakings

Except as hereinafter described, during the last five years, the City has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule. The City provided its Monthly Water Rates and Monthly Wastewater System Rates in its annual filings; however, the City’s Sewer Surcharge Rate is not included in their financial reports but is publicly available on their website. In fiscal year 2018, the City filed a draft of their CAFR by the required date to satisfy its continuing disclosure agreements. However, it was discovered that the draft copy for fiscal year 2018 did not contain all of the required tables. The City provided this information when it filed its final CAFR on April 11, 2019. A late notice for these tables has been filed.

The Developer

The Developer, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of the Developer”) for the benefit of the Owners of the 2024 Bonds (including owners of beneficial interests in the 2024 Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Developer, certain information regarding the Development and the Public Improvements (collectively, the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in

“APPENDIX E-2 — Form of Disclosure Agreement of the Developer.” Under certain circumstances, the failure of the Developer to comply with its obligations under the Disclosure Agreement of the Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Developer would allow the Owners of the 2024 Bonds (including owners of beneficial interests in the 2024 Bonds) to bring an action for specific performance.

The Developer has agreed to (i) prepare and provide certain updated information in report form to the Dissemination Agent and (ii) provide notices of certain specified events, only as provided in the Disclosure Agreement of the Developer. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Developer. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the 2024 Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Developer or from any statement made pursuant to the Disclosure Agreement of the Developer.

The Developer’s Compliance With Prior Undertakings

The Developer, the PID Administrator and the Dissemination Agent entered into a continuing disclosure agreement dated as of December 7, 2017 (the “2019 CDA”) with respect to the 2019 Bonds. Quarterly reports prepared by the Developer pursuant to the 2019 CDA for the quarters during fiscal years ended September 30, 2020 through September 30, 2022 were filed on EMMA between one and fifteen days late. The Developer filed a notice of late filing with respect to its quarterly report due February 15, 2022.

The Developer has implemented additional policies and procedures and are working closely with the PID Administrator and Dissemination Agent to implement such policies and procedures to ensure that in the future they fully comply with their continuing disclosure undertakings.

UNDERWRITING

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the 2024 Bonds from the City at a purchase price of \$_____ (the par amount of the 2024 Bonds, less an underwriting discount of \$_____). The Underwriter’s obligations are subject to certain conditions precedent and if obligated to purchase any of the 2024 Bonds the Underwriter will be obligated to purchase all of the 2024 Bonds. The 2024 Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the 2024 Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the 2024 Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the 2024 Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the 2024 Bonds under the securities laws of any jurisdiction in which the 2024 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the 2024 Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the 2024 Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the 2024 Bonds by municipalities or other political subdivisions

or public agencies of the State, the PFIA requires that the 2024 Bonds be assigned a rating of at least “A” or its equivalent as to investment quality by a national rating agency. See “NO RATING” above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the 2024 Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The 2024 Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the 2024 Bonds are legal investments for various institutions in those states. No representation is made that the 2024 Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the 2024 Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the 2024 Bonds for such purposes.

INVESTMENTS

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City’s account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City’s custodian of the banking deposits issued for the City’s account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above or clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City’s name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as

defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

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

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

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

Under State law, the City's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the

person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the City's investment officers must submit an investment report to the City Council detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest City funds without express written authority from the City Council.

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

The City has appointed UMB Bank, N.A., a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the 2024 Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the 2024 Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such 2024 Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the 2024 Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the 2024 Bonds, the technical or financial feasibility of the project, or the investment quality of the 2024 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at <https://www.umb.com/>. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the 2024 Bonds.

SOURCES OF INFORMATION

General

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

Developer

The information contained in this Limited Offering Memorandum relating to the description of the Public Improvements generally and, in particular, the information included in all of the maps herein and in the sections captioned "PLAN OF FINANCE" (except under the subcaption "The 2024 Bonds"), "OVERLAPPING TAXES AND DEBT — Owners' Association," "THE PUBLIC IMPROVEMENTS," "THE DEVELOPMENT," and "THE DEVELOPER," and, to the best of its knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Public Improvements and the Development), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings," "APPENDIX E-2" and "APPENDIX F," has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the 2024 Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works, LLC and has been included in reliance upon the authority of such firm as experts in the field of assessment allocation/methodology and district administration.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by the Appraiser and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property. The Appraiser has consented to the inclusion of the Appraisal herein.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the 2024 Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the 2024 Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the 2024 Bonds have been sold to ultimate

customers; in which case the City's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the City delivers the 2024 Bonds) until all of the 2024 Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

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

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

AUTHORIZATION AND APPROVAL

The City Council has approved by ordinance the form and content of this Preliminary Limited Offering Memorandum and has authorized this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the 2024 Bonds.

CITY OF SAN MARCOS, TEXAS

Mayor

ATTEST:

City Clerk

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

The following information has been provided for informational purposes only.

General

The City is the county seat and principal commercial, education and recreational center of Hays County located in the center of the State in the Austin-San Marcos statistical metropolitan area, approximately midway between the metropolitan areas of San Antonio and Austin. The City is located on Interest Highway 35, U.S. 81, State Highways 80, 142, 21, 123 and Ranch Road 12. The City contains a total land area of approximately 32 square miles. The City's 2010 census population was 44,994. The City's current population estimate is 71,345.

The City is a political subdivision operating as a home-rule city under the laws of the State and a home-rule charter, initially approved by the votes in 1967. The City operates under the City Council/Manager form of government where the Mayor is elected at-large in even numbered years for a two-year term and six Council Members are elected at-large for staggered three-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administration officer.

Historical Employment in the City

	Average Annual				
	2023 ⁽¹⁾	2022	2021 ⁽²⁾	2020 ⁽²⁾	2019
Civilian Labor Force	39,116	37,564	35,171	33,991	33,493
Total Employed	37,750	36,242	33,520	31,378	32,442
Total Unemployed	1,366	1,322	1,651	2,613	1,051
Unemployment Rate	3.5%	3.5%	4.7%	7.7%	3.1%

⁽¹⁾ Data through October 2023.

⁽²⁾ The COVID-19 Pandemic has negatively affected travel, commerce, employment rates and financial markets globally. See "BONDHOLDERS' RISKS — Infectious Disease Outbreak."
Source: Texas Labor Market Information.

Ten Largest Employers in the City (2022)

The ten largest employers in the City are set forth in the table below.

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Amazon	Distribution Center	5,000
Texas State University	Education	3,730
Premium Outlets	Mall	1,600
Tanger Outlets	Mall	1,540
San Marcos CISD	Education	1,400
Hays County	Government	885
City of San Marcos	Government	818
HEB Distribution Center	Distribution Center	750
Central Tx Medical Center	Health Care	675
CFAN	Government	500

Source: City's audited financial statements.

Surrounding Economic Activity

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

City of Kyle, TX Approximately 5 Miles from San Marcos		City of New Braunfels, TX Approximately 20 Miles from San Marcos		City of Seguin, TX Approximately 25 Miles from San Marcos		City of Schertz, TX Approximately 25 Miles from San Marcos	
Employer	Employees	Employer	Employees	Employer	Employees	Employer	Employees
Hays County ISD	2,383	Comal ISD	2,895	Vitesco (Continental AG)	1,565	Schertz/Cibola/UC ISD	1,890
Seton Medical Center Hays	610	Schmitterbahn Water Park	2,100	Texas Power Systems/CAT	1,480	Amazon	1,221
City of Kyle	251	Wal-Mart Distribution Center	1,250	Seguin ISD	1,130	Sysco Central Texas, Inc.	843
HEB Plus	208	New Braunfels ISD	1,188	CMC Steel	830	Republic National Distributing Company	685
Legend Oaks Healthcare	116	City of New Braunfels	812	Guadalupe Regional Medical Center	765	Brandt Companies	652
Lowes	108	Sysco	810	Guadalupe County	650	Fed Ex Ground – Doerr Lane	600
Warm Springs Rehab Hospital	100	Hunter Industries-Colorado Materials	730	Tyson Foods	550	City of Schertz	404
Home Depot	100	Comal County	681	Texas Lutheran University	440	FedEx Freight	350
Austin Community College Hays	80	HD Supply	538	City of Seguin	429	Visionworks	350
RSI, Inc.	58	Rush Enterprises	518	HEB	400	Hollingsworth Logistics Group	275

City of Austin, TX Approximately 30 Miles from San Marcos	
Employer	Employees
State Government	39,306
University of Texas at Austin	29,597
HEB	20,749
City of Austin	15,548
Federal Government	15,000
Dell Computer Corporation	13,000
Ascension Seton	12,086
Amazon.com LLC	11,000
St. David's Healthcare Partnership	10,854
IBM Corporation	10,565

City of Bastrop, TX Approximately 40 Miles from San Marcos	
Employer	Employees
Bastrop ISD	1,824
HEB Food Stores	607
Hyatt Regency Lost Pines Resort	600
Bastrop County	517
Agilent/Stratagene	306
Walmart	261
Bastrop FCI	247
Buc-ee's	169
Bluebonnet Electric Co-Op	168
MD Anderson Cancer Center	151

Source: The individual City's 2022 CAFR.

APPENDIX B
FORM OF INDENTURE

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AMENDED AND RESTATED INDENTURE OF TRUST

By and Between

CITY OF SAN MARCOS, TEXAS

and

UMB BANK, N.A.

as Trustee

DATED AS OF JANUARY 1, 2024

**(amending and restating the Indenture dated
as of January 15, 2019, as revised January 29, 2019)**

SECURING

\$11,885,000

CITY OF SAN MARCOS, TEXAS

**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019
(TRACE PUBLIC IMPROVEMENT DISTRICT)**

AND

\$_____

CITY OF SAN MARCOS, TEXAS

**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(TRACE PUBLIC IMPROVEMENT DISTRICT)**

AMENDED AND RESTATED INDENTURE OF TRUST

WHEREAS, the City of San Marcos, Texas (the “City”) has previously entered into that certain Indenture of Trust, dated as of January 15, 2019, as revised January 29, 2019 (the “2019 Indenture”) between the City and UMB Bank, N.A., as Trustee (the “Trustee”); and

WHEREAS, pursuant to the 2019 Indenture, the City is authorized to modify or amend the 2019 Indenture and the rights and obligations of the City and of the owners of the City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2019 (Trace Public Improvement District) (the “2019 Bonds”) at any time by a Supplemental Indenture (as defined in the 2019 Indenture), without the consent of any owners of the 2019 Bonds, so long as such amendments or modifications do not adversely affect the 2019 Bonds in any material respect; and

WHEREAS, in connection with the City’s issuance of Additional Bonds (as defined in the 2019 Indenture), the City wishes to amend and restate the 2019 Indenture in its entirety as this Amended and Restated Indenture of Trust, dated as of January 1, 2024 (this “Indenture”), by and between the City and the Trustee;

NOW, THEREFORE:

SECTION 1: Amended and Restated Indenture. The 2019 Indenture is hereby amended and restated in its entirety as follows:

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EXHIBIT A	DESCRIPTION OF THE PROPERTY WITHIN THE TRACE PUBLIC IMPROVEMENT DISTRICT
EXHIBIT B	FORM OF CERTIFICATION FOR PAYMENT

AMENDED AND RESTATED INDENTURE OF TRUST

THIS AMENDED AND RESTATED INDENTURE, dated as of January 1, 2024, (the “*Indenture*”) amends and restates the Indenture of Trust dated January 15, 2019 (as revised January 29, 2019) (the “*2019 Indenture*”), by and between the CITY OF SAN MARCOS, TEXAS (the “*City*”), and UMB Bank, N.A., as trustee (together with its successors, the “*Trustee*”). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, on June 4, 2015, a petition was submitted and filed with the City Clerk of the City (the “*City Clerk*”) pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “*PID Act*”), requesting the creation of a public improvement district located within the corporate limits of the City to be known as Trace Public Improvement District (the “*District*” or “*PID*”); and

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

WHEREAS, on September 1, 2015, after due notice, the City Council of the City (the “*City Council*”) held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on October 20, 2015, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2015-145R, adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of Resolution No. 2015-145R, the City published notice of its authorization of the District in the *San Marcos Record*, a newspaper of general circulation in the City; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Clerk within 20 days after the date of publication of such notice; and

WHEREAS, on October 20, 2015, the City Council adopted a resolution approving the execution of the Financing Agreement, the Redemption Waiver Agreement and the Reimbursement Agreement; and

WHEREAS, on March 27, 2016, the City published notice of its authorization of the District in a newspaper of general circulation in the City; and

WHEREAS, no written protests of the District were filed by any owners of record of property within the District within 20 days after March 27, 2016; and

WHEREAS, the City, pursuant to Section 372.016(b) of the PID Act, published notice on September 16, 2016 of a public hearing in a newspaper of general circulation in the City to consider the proposed "*Initial Assessment Roll*" and the "*Initial Service and Assessment Plan*" and the levy of the "*Initial Assessments*" in the amount of \$11,175,000 on property in the District; and

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

WHEREAS, the City Council convened the hearing on October 3, 2016, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Initial Service and Assessment Plan, the Initial Assessment Roll, and the Initial Assessments, and to offer testimony pertinent to any issue presented on the amount of the Initial Assessment, the allocation of Actual Costs, the purposes of the Initial Assessments, the special benefits of the Initial Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Initial Assessment; and

WHEREAS, at the public hearing referenced in the preceding paragraph, there were no written objections or evidence submitted to the City Clerk in opposition to the Initial Service and Assessment Plan, the allocation of Actual Costs, the Initial Assessment Roll, or the levy of the Initial Assessments; and

WHEREAS, the City Council closed the hearing and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, at a meeting held on October 18, 2016, approved and accepted the Initial Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Initial Assessment Ordinance, which Initial Assessment Ordinance approved the Initial Assessment Roll and levied the Initial Assessments; and

WHEREAS, after levying the Initial Assessments, the City Council determined that additional assessments were necessary to be levied on property within the District relating to the total cost of the improvements in the District; and

WHEREAS, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the City on September 21, 2018 to consider the proposed updated assessment roll (the "*Additional Assessment Roll*") and an amended and restated service and assessment plan (the "*Amended and Restated Service and Assessment Plan*") and the levy of the "*Additional Assessments*" in the amount of \$10,925,000 on property in the District; and

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

WHEREAS, the City Council convened the hearing on October 1, 2018 at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Amended and Restated Service and Assessment Plan, the Additional Assessment Roll, and the Additional Assessments, and to offer testimony pertinent to any issue presented on the amount of the Additional Assessment, the allocation of Actual Costs, the purposes of the Additional Assessments, the special benefits of the Additional Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Additional Assessment; and

WHEREAS, at the October 1, 2018 public hearing referenced above, there were no written objections or evidence submitted to the City Clerk in opposition to the Amended and Restated Service and Assessment Plan, the allocation of Actual Costs, the Additional Assessment Roll, or the levy of the Additional Assessments; and

WHEREAS, the City Council closed the hearing and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, at a meeting held on October 16, 2018, approved and accepted the Amended and Restated Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Additional Assessment Ordinance, which approved the Additional Assessment Roll and levied the Additional Assessments; and

WHEREAS, after approval of the Additional Assessments, the City Council determined that collection of such Additional Assessments should be deferred until January of 2020 by amending and restating the Additional Assessment Ordinance levying such Additional Assessments after providing notices and holding the hearing required prior to original levy of assessments; and

WHEREAS, the City Council published notice of a public hearing in a newspaper of general circulation in the City on November 23, 2018 to consider the amended and restated Additional Assessment Ordinance which included the proposed "*Assessment Roll*" and an amended and restated service and assessment plan (as amended and supplemented, the "*2018 Service and Assessment Plan*") and the levy of the "*Additional Assessments*" on property in the District; and

WHEREAS, the City Council mailed notice of the public hearing to consider the proposed Assessment Roll and the 2018 Service and Assessment Plan and the levy of Additional Assessments on property in the District to the last known address of the owners of the property liable for the Additional Assessments; and

WHEREAS, the City Council convened the hearing on December 4, 2018 at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the 2018 Service and Assessment Plan, the Assessment Roll, and the Additional Assessments, and to offer testimony pertinent to any issue presented on the amount of the Additional Assessment, the allocation of Actual Costs, the purposes of the Additional Assessments, the special benefits of the Additional Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Additional Assessment; and

WHEREAS, at the December 4, 2018 public hearing referenced above, there were no written objections or evidence submitted to the City Clerk in opposition to the 2018 Service and Assessment Plan, the allocation of Actual Costs, the Assessment Roll, or the levy of the Additional Assessments; and

WHEREAS, the City Council closed the hearing at its meeting on December 12, 2018 and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, at the meeting held on December 12, 2018, approved and accepted the 2018 Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the amended and restated Additional Assessment Ordinance, which approved the Assessment Roll and levied the Additional Assessments; and

WHEREAS, the Initial Assessments and Additional Assessments are collectively referred to herein as the "Assessments" in an initial aggregate amount of \$22,100,000, which was reduced by \$2,556,766.26 on _____, 2022 pursuant to the terms of the Financing Agreement (as defined herein) which left \$ 19,543,233.70 of total Assessments levied, of which \$1,646,698.21 has been paid as of January 1, 2024, the date of this Indenture; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying the Actual Costs, (ii) funding a reserve fund for payment of principal and interest on the Bonds and (iii) for funding other funds as provided in Section 6.2; and

WHEREAS, on January 15, 2019 the City Council issued its "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2019 (Trace Public Improvement District)" pursuant to Ordinance No. 2019-03 (which was subsequently amended by Ordinance No. 2019-06 on January 29, 2019), in accordance with the PID Act, (the "*2019 Bonds*"), such 2019 Bonds being payable solely from the Assessments and other funds pledged under this Indenture to the payment of the 2019 Bonds and for the purposes set forth in this preamble; and

WHEREAS, Section 13.2(d) of the 2019 Indenture authorized the City to issue Additional Bonds (as defined herein) for any purpose permitted by the PID Act, so long as the conditions set forth below are met, which conditions have been met;

(i) A City Representative shall certify that the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to it contained in the Indenture.

(ii) The Trustee shall receive a certificate from the Administrator certifying that the Developer is not delinquent on any Assessments, other than any Assessments being contested in good faith.

(iii) The Trustee shall receive a certificate from the City Representative certifying that (1) the Developer is not delinquent on any ad valorem taxes, fees or any other funds or commitments to the City, (2) the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained in this Indenture, (3) the City is in material compliance with its continuing disclosure agreements entered into in connection with all Outstanding Bonds, Additional Bonds and any other applicable City obligations, pursuant to Rule 15c2-12 of the Securities Exchange Commission.

(iv) The Trustee shall receive a certificate from the Developer, through an authorized representative, certifying that: (1) the Developer is not in default in the performance and observance of any of the terms, provisions and conditions applicable to it contained in the Financing Agreement, Reimbursement Agreement; (2) the Developer is in material compliance with its continuing disclosure agreements entered into in connection with all Outstanding Bonds, Additional Bonds and any other applicable City obligations, pursuant to Rule 15c2-12 of the Securities Exchange Commission, (3) 100% of the residential lots within the Phase C are under contract with or have been sold to merchant homebuilders unaffiliated with the Developer, and (4) the Multifamily A tract or site will be under contract for sale with a developer.

(v) The Developer shall provide the City with a certificate or report from either the Hays Central Appraisal District, an independent certified appraiser, appraisal firm or financial consultant, selected by the City in consultation with the Developer, assuming completion of the improvements financed with the proceeds of the Additional Bonds, demonstrating that (1) the ratio of the aggregate appraised value of all assessed Parcels within the District to the portion of the aggregate principal amount of the Outstanding Bonds and the Additional Bonds to be issued (the "Aggregate Value to Lien Ratio") is at least 3:1 and (2) the ratio of the appraised value of each type of assessed Parcel within the District to the portion of the allocable principal amount of the Outstanding Bonds and the Additional Bonds to be issued for each type of assessed Parcel (each an "Individual Value to Lien Ratio") is at least 2:1. In calculating the Aggregate Value to Lien Ratio and Individual Value to Lien Ratio, the Hays Central Appraisal District, independent certified appraiser, appraisal firm or financial consultant may rely on a certificate from the Administrator that home construction has commenced and the County appraiser's assessed valuation for completed homes and a certification of value for lots on which homes are under construction.

(vi) Additional Bonds may only be issued for the purposes of financing the costs of the Public Improvements as described in the 2018 Service and Assessment Plan, including related soft costs and financing costs.

(vii) The principal of and interest on any Additional Bonds must be scheduled to be paid or mature on March 1 or September 1, or both, of the years in which principal or interest is scheduled to be paid or mature.

(viii) The maximum aggregate principal amount of all Additional Bonds that may be issued is \$7,515,000, however in no event may the outstanding principal amount of bonds at the time of an issuance exceed the principal amount of outstanding Assessments. Further, any issuance of Refunding Bonds must be par to par, unless law or Attorney General policy is changed to permit another structure.

(ix) There shall be deposited to the Reserve Fund an amount equal to the Reserve Account Requirement taking into account the Outstanding Bonds Similarly Secured and the Additional Bonds then proposed to be issued; and

WHEREAS, the City Council now desires to issue its "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2024 (Trace Public Improvement District)" as a series of Additional Bonds, in accordance with the PID Act, (the "2024 Bonds", and together with the 2019 Bonds, the "*Bonds*"), such 2024 Bonds being payable solely from the Assessments and other funds pledged under this Indenture to the payment of the 2024 Bonds and for the purposes set forth in this preamble; and

WHEREAS, the 2024 Bonds are being issued as Additional Bonds pursuant to Section 13.2(d) of the 2019 Indenture and are secured by and payable from a lien on and pledge of the Trust Estate on parity with the 2019 Bonds; and

WHEREAS, to accommodate the issuance of the 2024 Bonds, to remove the ability to issue Additional Bonds after the issuance of the 2024 Bonds and, if applicable, to close certain Accounts and Funds maintained under this Indenture which are no longer necessary or required, the City has determined that it is necessary and proper to amend and restate in its entirety the 2019 Indenture through the authorization of this Indenture; and

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

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

FIRST GRANTING CLAUSE

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

SECOND GRANTING CLAUSE

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

THIRD GRANTING CLAUSE

Any and all proceeds of the foregoing property and proceeds from the investment of the foregoing property;

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

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

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

IN ADDITION, the Bonds Similarly Secured are special, limited obligations of the City payable solely from the Trust Estate, as and to the extent provided in this Indenture. The Bonds Similarly Secured do not give rise to a charge against the general credit or taxing powers of the City and are not payable except as provided in this Indenture. Notwithstanding anything to the contrary herein, the Owners of the Bonds Similarly Secured shall never have the right to demand payment thereof out of any funds of the City other than the Trust Estate. The City shall have no legal or moral obligation to pay for the Bonds Similarly Secured out of any funds of the City other than the Trust Estate.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds Similarly Secured issued and secured hereunder are to be issued, authenticated, and

delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds Similarly Secured as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

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

“*2019 Bonds*” means the City's bonds authorized to be issued by Section 3.1(a) of this Indenture entitled "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2019 (Trace Public Improvement District)."

“*2024 Bonds*” means the City's bonds authorized to be issued by Section 3.1(b) of this Indenture entitled "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2024 (Trace Public Improvement District)."

"*Account*", in the singular, means any of the accounts established pursuant to Section 6.1 of this Indenture, and "*Accounts*", in the plural, means, collectively, all of the accounts established pursuant to Section 6.1 of this Indenture.

"*Actual Cost(s)*" means, with respect to the Public Improvements, the Developer's demonstrated, reasonable, allocable, and allowable costs of constructing such Public Improvement, as specified in a payment request in a form that has been reviewed and approved by the City and in an amount not to exceed the amount for each Public Improvement as set forth in the Service and Assessment Plan. Actual Costs may include (a) the costs incurred by or on behalf of the Developer (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Public Improvements, (b) the fees paid for obtaining permits, licenses or other governmental approvals for such Public Improvements, (c) construction management fee, (d) the costs incurred by or on behalf of the Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, (e) all labor, bonds and materials, including equipment and fixtures, by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Public Improvements, (f) all related permitting and public approval expenses, architectural, engineering, and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and all payments for Annual Collection Costs after the date of a resolution authorizing such reimbursement.

"*Additional Assessment Ordinance*" means Ordinance No. 2018-38 adopted by the City Council on October 16, 2018 that levied the Additional Assessments, as amended and restated by the City Council on December 12, 2018 pursuant to Ordinance No. 2018-51.

"*Additional Assessments*" means the assessments levied against Assessed Property in the PID, as provided for in the Additional Assessment Ordinance.

"*Additional Bonds*" means the additional parity bonds that were authorized to be issued in accordance with the terms and conditions prescribed in Section 13.2(d) of the 2019 Indenture, including the 2024 Bonds.

"*Additional Interest*" means the amount collected by application of the Additional Interest Rate.

"*Additional Interest Rate*" means the additional 0.5% interest charged on the Assessments as authorized by the PID Act.

"*Administrative Fund*" means that Fund established by Section 6.1 and administered pursuant to Section 6.9.

"*Administrator*" means initially P3Works, LLC, or thereafter an employee or designee of the City who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District.

"*Annual Collection Costs*" means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the District and preparing the Assessment Roll, (iii) computing, levying, collecting and transmitting the Assessments or the Annual Installments, (iv) maintaining the record of installments, payments and reallocations and/or cancellations of the Assessments, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing the Assessments or other funds, (vii) complying with the PID Act with respect to the Bonds, (viii) paying the paying agent/registrar's and trustee's fees and expense (including the fees and expense of its legal counsel), and (ix) administering the construction of the Public Improvements, in accordance with the terms of this Indenture.

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

"*Annual Installment*" means, with respect to each Parcel, each annual payment of: (i) the Assessments (including the principal of and interest on), as shown on the Assessment Roll

attached as Exhibit A to the Service and Assessment Plan, as applicable, and calculated as provided in Section VI of the Service and Assessment Plan, (ii) Annual Collection Costs, and (iii) the Additional Interest.

"Annual Service Plan Update" means the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

"Applicable Laws" means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State or of the United States, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

"Assessed Property" means property on which Assessments have been levied as shown on the Assessment Roll (as the same may be updated each year by an Annual Service Plan Update) and which includes any and all Parcels within the District other than Non-Benefited Property and the Elementary School Site, each as defined in the Service and Assessment Plan.

"Assessment Ordinance" means, collectively, the Initial Assessment Ordinance and the Additional Assessment Ordinance.

"Assessment Revenues" means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

"Assessment Roll" means the document attached as Exhibit A to the Service and Assessment Plan, showing the total amount of the Assessments, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

"Assessments" means the assessments levied against Assessed Property in the PID, as provided for in the applicable Assessment Ordinance and in the Service and Assessment Plan, including the Initial Assessments, Additional Assessments, and any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

"Attorney General" means the Attorney General of the State.

"Authorized Denomination" means \$100,000 and any integral multiple of \$5,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and, unless made pursuant to Section 4.5 herein, any attempt to accomplish either of the foregoing shall be void and of no effect.

"Bond" means any of the Bonds.

"*Bond Counsel*" means McCall, Parkhurst & Horton L.L.P. or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"*Bond Date*" means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

"*Bond Fund*" means the Fund established under the terms of the 2019 Indenture and confirmed by Section 6.1 of this Indenture and administered pursuant to Section 6.4.

"*Bond Ordinance*" means, with respect to the 2019 Bonds, Ordinance No. 2019-03 adopted by the City Council on January 15, 2019, as amended on January 29, 2019 authorizing the issuance of the 2019 Bonds pursuant to the 2019 Indenture; and with respect to the 2024 Bonds, Ordinance No. 2023-__ adopted by the City Council on December 19, 2023, authorizing the issuance of the 2024 Bonds pursuant to this Indenture.

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

"*Bonds*" means, collectively, the 2019 Bonds and the 2024 Bonds.

"*Bonds Similarly Secured*" means, collectively, any Outstanding Bonds, Additional Bonds and Refunding Bonds.

"*Business Day*" means any day other than a Saturday, Sunday or legal holiday in the State observed as such by the City or the Trustee or any national holiday observed by the Trustee.

"*Certification for Payment*" means a certificate given pursuant to the Reimbursement Agreement executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the written approval of a City Representative, specifying the amount of work performed and the cost thereof, presented to the Trustee to request funding for Actual Costs from money on deposit in the Project Fund. The Form of Certification for Payment is attached hereto as Exhibit B.

"*City Certificate*" means a certificate signed by the City Representative and delivered to the Trustee.

"*City Representative*" means that official or agent of the City authorized by the City Council to undertake the action referenced herein as evidenced by a written incumbency certificate provided to the Trustee. Such certificate may designate alternates, each of whom shall be entitled to perform all duties of the City Representative.

"*Closing Date*" means the date of the initial delivery of and payment for a series of Bonds.

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

"Comptroller" means the Comptroller of Public Accounts of the State.

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

"Delinquency & Prepayment Reserve Requirement" means an amount equal to 5.5% of the principal amount of the then Outstanding Bonds Similarly Secured, which amount will be funded from Assessments and Annual Installments deposited to the Pledged Revenue Fund in accordance with the terms of this Indenture.

"Delinquent Collection Costs" means, for a Parcel, interest, penalties and attorneys' fees that are authorized by the PID Act and by the Assessment Ordinance and that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent payments due under the SAP, including costs and expenses related to the foreclosure of liens.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office designated by the Paying Agent/Registrar, initially Austin, Texas and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"Developer" means Highpointe Trace, LLC, a California limited liability company, and any successor thereto under the Financing Agreement.

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

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

"Financing Agreement" means the Trace Public Improvement District Financing Agreement between the City and the Developer, dated as of October 20, 2015, as amended and restated on September 18, 2018 and as may be further amended and supplemented from time to time.

"Foreclosure Proceeds" means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Assessments, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

"Fund", in the singular, means any of the funds established under the terms of the 2019 Indenture and confirmed by Section 6.1 of this Indenture, and "Funds", in the plural, means,

collectively, all of the funds established under the terms of the 2019 Indenture and confirmed by Section 6.1 of this Indenture.

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

"Independent Financial Consultant" means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds Similarly Secured; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

"Initial Assessment Ordinance" means Ordinance No. 2016-42 adopted by the City Council on October 18, 2016 that levied the Initial Assessments.

"Initial Assessments" means the assessments levied against Assessed Property in the PID, as provided for in the Initial Assessment Ordinance.

"Initial Bonds" means the Initial Bonds authorized by Section 5.2 of this Indenture.

"Interest Payment Date" means the date or dates upon which interest on any series of Bonds Similarly Secured is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year, commencing March 1, 2019 for the 2019 Bonds, and March 1, 2024 for the 2024 Bonds.

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

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

"Outstanding" means, as of any particular date when used with reference to Bonds Similarly Secured, all Bonds Similarly Secured authenticated and delivered under this Indenture except (i) any Bond Similarly Secured that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond Similarly Secured for which the payment of the principal or Redemption Price of and interest on such Bond Similarly Secured shall have been made as provided in Article IV, (iii) any Bond Similarly Secured in lieu of or in substitution for which a new Bond Similarly Secured shall have been authenticated and delivered pursuant to Section 3.10, and (iv) Bond Similarly Secured alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Indenture.

"Owner" or "Holder" means the Person who is the registered owner of a Bond Similarly Secured or Bonds Similarly Secured, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.11.

"Parcel" or "Parcels" means a parcel or parcels within the District identified by either a tax map identification number assigned by the Hays Central Appraisal District for real property tax purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the real property records of Hays County or by any other means determined by the City.

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

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

"PID Act" means Chapter 372, Texas Local Government Code, as amended.

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

"Pledged Revenue Fund" means that fund established under the terms of the 2019 Indenture and confirmed by Section 6.1 of this Indenture and administered pursuant to Section 6.3.

"Pledged Revenues" means, collectively, the (i) Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan, (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds Similarly Secured.

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

"Project Fund" means that fund established under the terms of the 2019 Indenture and confirmed by Section 6.1 of this Indenture and administered pursuant to Section 6.5.

"Public Improvements" mean the improvements permitted by the PID Act and designed, constructed, and installed in accordance with the Service and Assessment Plan for which Assessments are levied against the Assessed Property that received a special benefit from such improvement and depicted in Exhibit H to the Service and Assessment Plan.

"Purchaser" means the initial purchaser of the Bonds Similarly Secured.

"Rebatable Arbitrage" means rebatable arbitrage as defined in Section 1.148-3 of the Treasury Regulations.

"Rebate Fund" means that fund established under the terms of the 2019 Indenture and confirmed by Section 6.1 of this Indenture and administered pursuant to Section 6.8.

"Record Date" means the close of business on the 15th calendar day of the month next preceding an Interest Payment Date.

"Redemption Fund" means that fund established under the terms of the 2019 Indenture and confirmed by Section 6.1 of this Indenture and administered pursuant to Section 6.6.

"Redemption Price" means, when used with respect to any Bond Similarly Secured or portion thereof, the principal amount of such Bond Similarly Secured or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Bond Similarly Secured to the date fixed for redemption payable upon redemption thereof pursuant to this Indenture.

"Refunding Bonds" means bonds issued to refund all or any portion of the Outstanding Bonds Similarly Secured and secured by a parity lien with the Outstanding Bonds Similarly Secured on the Trust Estate, as more specifically described in the indenture authorizing such Refunding Bonds.

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

"Reimbursement Agreement" means the Amended and Restated Trace Public Improvement District Reimbursement Agreement by and between the City and the Developer, effective as of September 18, 2018, as amended on January 29, 2019, by that certain First Amendment to the Amended and Restated Trace Public Improvement District Reimbursement Agreement and as further amended on December 19, 2023 by that certain Second Amendment to the Amended and Restated Trace Public Improvement District Acquisition and Reimbursement Agreement, as may be further amended and supplemented from time to time.

"Reimbursement Fund" means that fund established under the terms of the 2019 Indenture and confirmed by Section 6.1 of this Indenture and administered pursuant to Section 6.12 herein.

"Reserve Account Requirement" means the least of: (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance of each such series of Bonds Similarly Secured, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance of each such series of Bonds Similarly Secured, and (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to Section 6.7(c); and provided further that as a result of

(1) a mandatory sinking fund redemption pursuant to Section 4.2, (2) an optional redemption pursuant to Section 4.3 or (3) an extraordinary optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the date of delivery of the 2024 Bonds, the Reserve Account Requirement is \$_____ which is an amount equal to Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance. The City Representative shall provide the Trustee with written confirmation of the Reserve Account Requirement and any modifications related thereto.

“Reserve Fund” means that fund established under the terms of the 2019 Indenture and confirmed by Section 6.1(a) of this Indenture and administered pursuant to Section 6.7.

“Service and Assessment Plan” and *“SAP”* means the amended and restated service and assessment plan approved by the City on December 19, 2023, as may be updated, amended and supplemented from time to time.

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

“Special Record Date” means in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment that will be established by the Trustee, if and when funds for the payment of such interest have been received from the City.

“State” means the State of Texas.

“Stated Maturity” means the date the Bonds Similarly Secured, or any portion of the Bonds Similarly Secured, as applicable are scheduled to mature without regard to any redemption or prepayment.

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

“Treasury Regulations” shall have the meaning assigned to such term in Section 7.5(c).

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

“Trustee” means UMB Bank, N.A., Austin, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

"*Value of Investment Securities*" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price. The Trustee retains the ability, and may rely upon the City's financial advisor to provide a determination as to the foregoing.

Section 1.2. **Findings.**

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

Section 1.3. **Table of Contents, Titles and Headings.**

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. **Interpretation.**

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

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

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

(d) When used in Article XI of this Indenture in connection with the Bonds Similarly Secured, any reference to this Indenture, Article XI of this Indenture or any Section thereunder, and/or any events of default or remedies set forth therein.

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

ARTICLE II

THE BONDS

Section 2.1. Security for the Bonds.

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

(b) The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date for the 2019 Bonds, without physical delivery or transfer of control of the Trust Estate, the filing of the 2019 Indenture, this Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds Similarly Secured and the pledge of the Trust Estate granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds Similarly Secured are Outstanding such that the pledge of the Trust Estate granted by the City under this Indenture is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, as amended, then in order to preserve to the registered owners of the Bonds Similarly Secured the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business and Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds Similarly Secured are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds; and the Bonds Similarly Secured shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3. Authorization for Indenture.

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

a contract or agreement necessary, useful and/or convenient to carry out and effectuate the purposes herein described.

Section 2.4. Contract with Owners and Trustee.

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

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

(a) The 2019 Bonds were previously authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act, as amended. The 2019 Bonds were issued in the aggregate principal amount of \$11,885,000 for the purpose of (i) paying or reimbursing all or a portion of the Actual Costs, (ii) paying a portion of the interest on the 2019 Bonds during and after the period of acquisition and construction of the Public Improvements, (iii) funding a reserve fund for payment of principal of and interest on the 2019 Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the 2019 Bonds.

(b) The 2024 Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act, as amended. The 2024 Bonds shall be issued in the aggregate principal amount of \$_____ for the purpose of (i) paying or reimbursing all or a portion of the Actual Costs, (ii) funding a reserve fund for payment of principal of and interest on the 2024 Bonds, and (iii) paying the costs of issuance of the 2024 Bonds.

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

(a) Each series of Bonds shall be dated the date of the respective initial delivery thereof (the "*Bond Date*") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Bond Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2019 for the 2019 Bonds, and March 1, 2024 for the 2024 Bonds, each computed on the basis of a 360-day year of twelve 30-day months.

(c) The 2019 Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest at the rates set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
****	****	****
2024	\$1,005,000	4.500%
****	****	****
2029	1,270,000	5.000
****	****	****
2039	3,800,000	5.750
****	****	****
2048	5,810,000	5.750

The 2024 Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest at the rates set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(d) Each series of Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the respective form of Bond set forth in Section 5.2.

Section 3.3. **Conditions Precedent to Delivery of Bonds Similarly Secured.**

The conditions precedent to the delivery of the 2019 Bonds, as set forth in the 2019 Indenture, were satisfied prior to the delivery of the 2019 Bonds.

The 2024 Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the 2024 Bonds and, upon payment of the purchase price of the 2024 Bonds, shall deliver the 2024 Bonds upon the order of the City, but only upon delivery to (unless previously received by) the Trustee of:

- (a) a certified copy of each Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance for the Series 2024 Bonds;
- (c) a copy of the executed Financing Agreement and all amendments;
- (d) a copy of the executed Reimbursement Agreement and all amendments;
- (e) an executed certificate, or certificates, satisfying the requirements in Section 13.2(d) of the 2019 Indenture to issue a series of Additional Bonds;
- (f) a copy of a continuing disclosure agreement of the City and a continuing disclosure agreement of the Developer;
- (g) a copy of this Indenture executed by the Trustee and the City;
- (h) an executed City Certificate directing the authentication and delivery of the respective series of 2024 Bonds, describing the 2024 Bonds to be authenticated and delivered, designating the purchasers to whom the 2024 Bonds are to be delivered, stating the purchase price of the 2024 Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City;
- (i) an executed Signature and No-Litigation Certificate;
- (j) satisfactory evidence, in the City's sole discretion, from the Developer delivered to the City of financial ability to complete all improvements not funded from Bond proceeds;
- (k) executed opinions of Bond Counsel and the City Attorney; and
- (l) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.

Section 3.4. Medium, Method and Place of Payment.

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

(b) Interest on the Bonds Similarly Secured shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date or Special Record Date, as applicable.

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

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

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

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds Similarly Secured to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds Similarly Secured thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds Similarly Secured, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any holders of such Bonds Similarly Secured for any further payment of such unclaimed moneys or on account of any such Bonds Similarly Secured, subject to any applicable escheat law or similar law of the State.

Section 3.5. Execution and Registration of Bonds Similarly Secured.

(a) The Bonds Similarly Secured shall be executed on behalf of the City by the Mayor and City Clerk, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon such facsimile signatures on the Bonds Similarly Secured shall have the same effect as if each of the Bonds Similarly Secured had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds Similarly Secured shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds Similarly Secured.

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

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

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

Section 3.6. Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond Similarly Secured is registered as the absolute owner of such Bond Similarly Secured for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond Similarly Secured is registered on the Record Date or Special Record Date, as applicable) and for all other purposes,

whether or not such Bond Similarly Secured is overdue, and none of the City, the Trustee or the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

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

Section 3.7. Registration, Transfer and Exchange.

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

(b) A Bond Similarly Secured shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond Similarly Secured shall be effective until entered in the Register.

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

(d) The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured transferred or exchanged in accordance with this Section. A new Bond Similarly Secured or Bonds Similarly Secured will be delivered by the Paying Agent/Registrar, in lieu of the Bond Similarly Secured being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each transferred Bond Similarly Secured delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond Similarly Secured or Bonds Similarly Secured in lieu of which such transferred Bond Similarly Secured is delivered.

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

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

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

Section 3.8. Cancellation.

All Bonds Similarly Secured paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds Similarly Secured in lieu of which exchange Bonds Similarly Secured or replacement Bonds Similarly Secured are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds Similarly Secured, the Trustee shall destroy such Bonds Similarly Secured and deliver a certificate of such destruction to the City.

Section 3.9. Temporary Bonds.

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

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

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds Similarly Secured in definitive form; thereupon, upon the presentation and surrender of the Bond Similarly Secured or Bonds Similarly Secured in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds Similarly Secured in temporary form and the Trustee shall authenticate and deliver in exchange therefore a Bond Similarly Secured or Bonds Similarly Secured of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond

Similarly Secured or Bonds Similarly Secured in temporary form surrendered. Such an exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10. Replacement Bonds.

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

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

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

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

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

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

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

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

pay such Bond Similarly Secured if it has become due and payable or may pay such Bond Similarly Secured when it becomes due and payable.

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

Section 3.11. Book-Entry Only System.

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

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

close of business on the Record Date or Special Record Date, as applicable, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.

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

Section 3.13. Payments to Cede & Co.

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

ARTICLE IV

REDEMPTION OF BONDS SIMILARLY SECURED BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The 2019 Bonds maturing on September 1 in the years 2024, 2029, 2039 and 2048 (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund

pursuant to Article VI, on the dates and in the respective sinking fund installments as set forth in the following schedule:

Term Bonds Maturing September 1, 2024

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2020	\$185,000
September 1, 2021	190,000
September 1, 2022	200,000
September 1, 2023	210,000
September 1, 2024†	220,000

†Final Maturity

Term Bonds Maturing September 1, 2029

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2025	\$230,000
September 1, 2026	240,000
September 1, 2027	255,000
September 1, 2028	265,000
September 1, 2029†	280,000

†Final Maturity

Term Bonds Maturing September 1, 2039

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2030	\$290,000
September 1, 2031	310,000
September 1, 2032	325,000
September 1, 2033	345,000
September 1, 2034	365,000
September 1, 2035	385,000
September 1, 2036	410,000
September 1, 2037	430,000
September 1, 2038	455,000
September 1, 2039†	485,000

†Final Maturity

Term Bonds Maturing September 1, 2048

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2040	\$510,000
September 1, 2041	540,000
September 1, 2042	570,000
September 1, 2043	605,000
September 1, 2044	640,000
September 1, 2045	675,000
September 1, 2046	715,000
September 1, 2047	755,000
September 1, 2048†	800,000

†Final Maturity

The 2024 Bonds maturing on September 1 in the years 20__ and 20__ (collectively, "2024 Term Bonds"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective sinking fund installments as set forth in the following schedule:

2024 Term Bonds Maturing ____, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
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†

†Final Maturity

(b) At least thirty (30) days prior to each sinking fund redemption date, and subject to any prior reduction authorized by subparagraphs (c) and (d) of this Section 4.2, the Trustee shall select, in accordance with Section 4.5, a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The 2019 Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 2028, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular 2019 Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at the Redemption Price.

The 2024 Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 20____, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular 2024 Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any date, at the Redemption Price, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Section 6.7(d)) or any other transfers to the Redemption Fund under the terms of this Indenture.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds shall be redeemed in increments of \$5,000 by lot, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond except as provided in the following sentence. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at the time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

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

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

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

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

Section 4.6. Notice of Redemption to Owners.

(a) Upon notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

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

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

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

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

Section 4.7. Payment Upon Redemption.

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

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

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

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

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

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

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

Section 5.2. Form of the Bonds.

(a) Form of 2019 Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, HAYS COUNTY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

REGISTERED
NO. _____

United States of America
State of Texas

REGISTERED
\$ _____

CITY OF SAN MARCOS, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2019
(TRACE PUBLIC IMPROVEMENT DISTRICT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____%	_____, 20__	January 31, 2019	_____

The City of San Marcos, Texas (the "City"), for value received, hereby promises to pay, solely from the Pledged Revenues, to

_____ or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1, and September 1, of each year, commencing March 1, 2019.

Capitalized terms appearing herein that are defined terms in the Indenture (defined below), have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Austin, Texas (the "*Designated Payment/Transfer Office*"), of UMB Bank, N.A., as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the 15th day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated as of the Date of Delivery and issued in the aggregate principal amount of \$11,885,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of January 15, 2019 (the "*Indenture*"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying or reimbursing all or a portion of the Actual Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Public Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds.

The Bonds are limited obligations of the City payable solely from the Trust Estate. Reference is hereby made to the Indenture, copies of which are on file with and available upon

request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

In the Indenture, the City has reserved the right to issue Additional Bonds and Refunding Bonds payable from and secured by a lien on a pledge of the sources described above on a parity with this Bond.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in denominations of \$100,000 and any multiple of \$5,000 in excess thereof ("*Authorized Denominations*"). The City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than \$100,000, and any attempt to do so will be void and of no effect, except as may be the result of a partial redemption of a single Bond as provided in the Indenture.

The Bonds maturing on September 1 in the years 2024, 2029, 2039 and 2048 (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 1, 2024

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2020	\$185,000
September 1, 2021	190,000
September 1, 2022	200,000
September 1, 2023	210,000
September 1, 2024†	220,000

†Final Maturity

Term Bonds Maturing September 1, 2029

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2025	\$230,000
September 1, 2026	240,000
September 1, 2027	255,000
September 1, 2028	265,000
September 1, 2029†	280,000

†Final Maturity

Term Bonds Maturing September 1, 2039

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2030	\$290,000
September 1, 2031	310,000
September 1, 2032	325,000
September 1, 2033	345,000
September 1, 2034	365,000
September 1, 2035	385,000
September 1, 2036	410,000
September 1, 2037	430,000
September 1, 2038	455,000
September 1, 2039†	485,000

†Final Maturity

Term Bonds Maturing September 1, 2048

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2040	\$510,000
September 1, 2041	540,000
September 1, 2042	570,000
September 1, 2043	605,000
September 1, 2044	640,000
September 1, 2045	675,000
September 1, 2046	715,000
September 1, 2047	755,000
September 1, 2048†	800,000

†Final Maturity

At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Bonds of such maturity equal to the sinking fund installments of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 2028, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any date, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture.

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

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications

and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City has reserved the right to issue Additional Bonds on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, HAYS COUNTY, OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

City Clerk, City of San Marcos, Texas

Mayor, City of San Marcos, Texas

[CITY SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

UMB Bank, N.A., as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name and address, including zip code, of Transferee.)

(Social Security or other identifying number: _____) the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints

_____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed by:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this section, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) the Initial Bond shall be numbered T-1; and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
****	****	****
2024	\$1,005,000	4.500%
****	****	****
2029	1,270,000	5.000
****	****	****
2039	3,800,000	5.750
****	****	****
2048	5,810,000	5.750

(b) Form of 2024 Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, HAYS COUNTY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

REGISTERED
NO. _____

United States of America
State of Texas

REGISTERED
\$ _____

CITY OF SAN MARCOS, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2024
(TRACE PUBLIC IMPROVEMENT DISTRICT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	_____, 20__	_____, 2024	_____

The City of San Marcos, Texas (the "City"), for value received, hereby promises to pay, solely from the Pledged Revenues, to

_____ or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1, and September 1, of each year, commencing March 1, 2024.

Capitalized terms appearing herein that are defined terms in the Indenture (defined below), have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Austin, Texas (the "*Designated Payment/Transfer Office*"), of UMB Bank, N.A., as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested

by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the 15th day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated as of the Date of Delivery and issued in the aggregate principal amount of \$_____ and issued, with the limitations described herein, pursuant to an Amended and Restated Indenture of Trust, dated as of January 1, 2024 (the "*Indenture*"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying or reimbursing all or a portion of the Actual Costs, (ii) funding a reserve fund for payment of principal and interest on the Bonds, and (iii) paying the costs of issuance of the Bonds.

The Bonds are special, limited obligations of the City payable, together with any outstanding Bonds Similarly Secured, solely from the Trust Estate. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

In the Indenture, the City has reserved the right to issue Refunding Bonds payable from and secured by a lien on a pledge of the sources described above on a parity with this Bond.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money

and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in denominations of \$100,000 and any multiple of \$5,000 in excess thereof ("*Authorized Denominations*"). The City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than \$100,000, and any attempt to do so will be void and of no effect, except as may be the result of a partial redemption of a single Bond as provided in the Indenture.

The Bonds maturing on September 1 in the years 20____, and 20__ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing _____, 20____	
<u>Redemption Date</u>	<u>Principal Amount</u>

†

†Final Maturity

At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select for redemption by any other customary method that results in a random selection, a principal amount of Bonds of such maturity equal to the sinking fund installments of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 20__, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any date, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture.

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

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications

and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, HAYS COUNTY, OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

City Clerk, City of San Marcos, Texas

Mayor, City of San Marcos, Texas

[CITY SEAL]

(c) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
THE STATE OF TEXAS §

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(d) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

UMB Bank, N.A., as Trustee

DATED: _____

By: _____
Authorized Signatory

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name and address, including zip code, of Transferee.)

(Social Security or other identifying number: _____) the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed by:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

(f) The Initial Bond for a respective series shall be in the form set forth in paragraphs (a) through (e) of this section, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) the Initial Bond shall be numbered T-1; and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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Section 5.3. CUSIP Registration.

The City may secure identification numbers through CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect, except as provided in Section 4.5 hereof. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. Legal Opinion.

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

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

(a) Creation of Funds. The following Funds were created and established under the terms of the 2019 Indenture and are hereby confirmed pursuant to the terms of this Indenture:

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

(b) Creation of Accounts.

(i) The prior creation and establishment of the following Account under the Bond Fund is hereby confirmed:

(A) Principal and Interest Account.

(ii) The prior creation and establishment of the following Accounts under the Reserve Fund are hereby confirmed:

(A) Reserve Account; and

(B) Delinquency & Prepayment Reserve Account.

(iii) The prior creation and establishment of the following Accounts under the Project Fund are hereby confirmed:

(A) Improvement Account; and

(B) Costs of Issuance Account.

(iv) The prior creation and establishment of the following Account under the Pledged Revenue Fund is hereby confirmed:

(A) Bond Pledged Revenue Account.

(c) Each Fund and Account previously created by the terms of the 2019 Indenture and confirmed by this Indenture, and not previously closed pursuant to the provisions hereof, has been and shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds Similarly Secured. Amounts on deposit in the Funds and Accounts shall be used solely for the purposes set forth herein.

(d) Interest earnings and profit on each respective Fund and Account established pursuant to the terms of the 2019 Indenture and confirmed by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

(a) The proceeds from the sale of the 2019 Bonds have previously been paid to the Trustee and deposited or transferred by the Trustee as follows:

(i) to the Capitalized Interest Account of the Bond Fund: \$387,595.28;

- (ii) to the Reserve Account of the Reserve Fund \$847,575.00 which was equal to the initial Reserve Account Requirement;
- (iii) to the Costs of Issuance Account of the Project Fund: \$501,375.00;
- (iv) to the Improvement Account of the Project Fund: \$9,649,257.17; and
- (v) to the Administrative Fund: \$40,000.00.

The proceeds from the sale of the 2024 Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

- (i) to the Reserve Account of the Reserve Fund \$_____ which, together with funds already deposited in the Reserve Account, will equal the Reserve Account Requirement after issuance of the 2024 Bonds;
- (ii) to the Costs of Issuance Account of the Project Fund: \$_____; and
- (iii) to the Improvement Account of the Project Fund: \$_____.

Section 6.3. Pledged Revenue Fund.

(a) Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues, as set forth in the Service and Assessment Plan. Specifically, the City shall direct the Trustee in writing to deposit or cause to be deposited the foregoing amounts as follows (each as set forth in a City Certificate specifying the funds or accounts into which the amounts are to be deposited): (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) third to pay other costs of the Public Improvements, and (iv) fourth to pay other costs permitted by the PID Act. Notwithstanding the foregoing, the Additional Interest of the Annual Installments shall only be utilized for the purposes set forth in Section 6.7(a) hereof and, on each March 1, and on any other day set forth in a City Certificate, the amount of Additional Interest of the Annual Installments confirmed by the City pursuant to a City Certificate, will be deposited into the Delinquency & Prepayment Reserve Account, and/or the Redemption Fund, as applicable.

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

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.

(d) The Trustee shall transfer the amounts determined in writing by the City as Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(e) Upon receipt of Foreclosure Proceeds, the Trustee shall transfer such amount of Foreclosure Proceeds determined in writing by the City, first to the Reserve Fund to restore any transfers from the Reserve Fund made to which the Foreclosure Proceeds relate, and second, to the Redemption Fund.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Assessments may be used under the PID Act. The Trustee may rely upon any such request of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Section 6.4. Bond Fund.

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds Similarly Secured.

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

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph (a) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from all other Accounts of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. Each such City Certificate shall include a list of the payees and the payments (not to exceed) to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request and the Trustee may rely on such payment instructions though given by the City with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) Except as provided in Section 6.5(d) and (f), money on deposit in the Improvement Account shall be used solely to pay Actual Costs provided the Trustee shall have no responsibility for the application of any funds disbursed from the Improvement Account in reliance upon a Certification for Payment approved by the City.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Public Improvements such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee and provide a copy of such City Certificate to the Developer seven (7) days prior to filing with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

(e) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(f) Upon the filing of a City Certificate stating that all Public Improvements have been completed and that all Actual Costs have been paid, or that any Actual Costs are not required to be paid from the Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

(g) Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to another Account in the Project Fund and used to pay Actual Costs or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. Reserve Fund.

(a) The City agrees with the Owners of the Bonds Similarly Secured to accumulate and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in a Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

(b) Subject to 6.3(a) herein, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 1 of each year, and on any other day set forth in a City Certificate, an amount equal to the Additional Interest until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account. At any time, the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account on March 1 of each year, and on any other day set forth in a City Certificate, until the Delinquency & Prepayment Reserve Requirement has been met. Furthermore, once the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account, any amounts in excess of the Delinquency & Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds as provided in Article IV provided, however, that at any time the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account. In determining the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer.

(c) Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(d) In the event of an extraordinary optional redemption of Bonds pursuant to Section 4.4, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall, or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of \$5,000, from the Delinquency & Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4, unless prior to the next Interest Payment Date, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Project Fund to pay Actual Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(f) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Delinquency & Prepayment Reserve Account exceeds the Delinquency & Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall transfer such excess pursuant to Section 6.7(b) hereof.

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

(h) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account and the Delinquency & Prepayment Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds Similarly Secured.

(i) If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(j) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds Similarly Secured on the next date the Bonds Similarly Secured may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds Similarly Secured as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and shall not be liable or responsible if it follows the instructions of the City and shall not be required to take any action under this Section in the absence of instructions from the City.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the City may direct the Trustee, pursuant to a City Certificate, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

Section 6.9. Administrative Fund.

(a) Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs or may be withdrawn by

the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with Section 9.6. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Section 6.10. [Reserved]

Section 6.11. Investment of Funds.

(a) Money in any Fund or Account, other than the Reserve Account, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Certificate shall be a certification that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold, in order to make the disbursements required or permitted by this Indenture, to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee shall invest and re-invest cash balances in authorized and permitted investments under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time which initially shall be money market mutual funds that are rated in either of the two highest categories by a rating agency, including funds for which the Trustee and/or its affiliates provide investment advisory or other management services, until directed otherwise by the City Certificate.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the legality of any investments.

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

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatale Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Certificate, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatale Arbitrage owed by the City. The City Certificate shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.12. Security of Funds.

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

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against the property in the District from which the Assessment Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds Similarly Secured are Outstanding and amounts are due to the Developer under the Reimbursement Agreement to reimburse it for its funds it has contributed to pay Actual Costs, the City covenants, agrees and warrants that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments.

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

(c) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding property.

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

Section 7.3. Against Encumbrances.

(a) The City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds

Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

(b) So long as Bonds Similarly Secured are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and Refunding Bonds, secured by any pledge of or other lien or charge on the Trust Estate or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any Bonds Similarly Secured are Outstanding and amounts are due to the Developer under the Reimbursement Agreement to reimburse it for its funds it has contributed to pay Actual Costs, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and holder or holders of any Bonds Similarly Secured or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds Similarly Secured during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds.

(a) The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Article or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, for a period of 90 days or less until such proceeds are needed for the purpose for which the Bonds is issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code;

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds has been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and,

(9) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code.

(b) In order to facilitate compliance with the above covenant (a)(8), the Rebate Fund is established by the City pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the Registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Actual Costs on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Public Improvements are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds is retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and

disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. Liability of City.

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds Similarly Secured, and no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds Similarly Secured or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds Similarly Secured or other obligations relating to the District, other than as specifically provided for in this Indenture.

(b) The City shall not incur any responsibility in respect of the Bonds Similarly Secured or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds Similarly Secured assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds Similarly Secured, or as to the existence of a default or event of default thereunder.

(c) In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

(d) No provision of this Indenture, the Bonds Similarly Secured, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds Similarly Secured (collectively, the "*Bond Documents*"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Pledged Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of

the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Trust Estate. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(g) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds Similarly Secured agree.

(b) The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and in respect to the Bonds Similarly Secured.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making scheduled debt service payments prior to the occurrence of a default, or to delivering any notice when required hereunder. To the extent permitted by law, the Trustee shall be entitled to indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivery any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue Fund, to pay all fees, costs, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

(a) The recitals contained in this Indenture and in the Bonds Similarly Secured shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds Similarly Secured for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; or (v) any loss suffered in connection with any investment of funds.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Public Improvements and shall not be responsible for any misconduct or negligence on the part of any agent, attorney, or receiver appointed or chosen with due care.

(d) The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(e) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(f) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above.

(g) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds Similarly Secured.

Section 9.4. Property Held in Trust.

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

Section 9.5. Trustee Protected in Relying on Certain Documents.

(a) The Trustee may conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative. the Trustee shall be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Certificate shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

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

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, which, with respect to ordinary fees and expenses incurred prior to an Event of Default hereunder, shall be transferred pursuant to a City Certificate and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Certificate, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Similarly Secured Outstanding. Following an Event of Default, the foregoing limitation on expenses shall not apply, however any such fees or expenses must be reasonable. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder. The right of the Trustee to fees, expense, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds Similarly Secured and may join in any action that any Owner of Bonds Similarly Secured may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the holders of a majority of the Bonds Similarly Secured.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 60 days' notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond Similarly Secured. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by (i) the Owners of at least a majority of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate principal amount of Bonds Similarly Secured then Outstanding.

Section 9.10. Successor Trustee.

(a) If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 25% of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds Similarly Secured within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds Similarly Secured.

(c) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds Similarly Secured may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

(e) Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

(f) Each successor Trustee shall mail, in accordance with the provisions of the Bonds Similarly Secured, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds Similarly Secured and each of the Owners of the Bonds Similarly Secured.

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor and upon receipt of its outstanding charges, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing,

on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

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

Section 9.13. Trustee To File Continuation Statements.

The City will cause to be filed all appropriate financing statements. If necessary, the Trustee shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "*UCC*"), in order to continue perfection of the security interest and rights of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC. Unless otherwise notified in writing by the City or the Developer, the Trustee may conclusively rely upon the initial financing statements in filing any continuation statements hereunder.

If applicable, but immediately upon its receipt thereof, the City, or an authorized third-party representative thereof, shall deliver to the Trustee file-stamped copies of each UCC initial financing statement recorded in the jurisdictions applicable thereto.

The Trustee's UCC filing requirements are limited to those responsibilities as set forth in this Section 9.13.

Section 9.14 Offering Documentation.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds Similarly Secured and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds Similarly Secured.

Section 9.15 Expenditure of Funds and Risk.

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

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

Section 9.16 Environmental Hazards.

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

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

Section 9.17. Accounts, Periodic Reports and Certificates.

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

Section 9.18. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds Similarly Secured.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds Similarly Secured

so affected by such modification or amendment, or with the written consent without a meeting, of the Owners of the Bonds Similarly Secured of at least a majority of the aggregate Outstanding principal of the Bonds so affected by such modification or amendment at that time and City approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond Similarly Secured, without the express consent of the Owner of such Bond Similarly Secured, or (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds Similarly Secured (except as otherwise permitted by Applicable Laws or this Indenture), or (iii) reduce the percentage of Bonds Similarly Secured required for the amendment hereof. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of qualified counsel addressed and delivered to the Trustee stating that (a) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (b) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds Similarly Secured, and (c) such Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the City.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law, and only for anyone or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds Similarly Secured; and

(iv) to provide for the issuance of Refunding Bonds, as set forth in Section 13.2 herein; and

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds Similarly Secured.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds Similarly Secured. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Owner of Bonds Similarly Secured from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds Similarly Secured for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Owner of the Bonds Similarly Secured giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Bonds Similarly Secured shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds Similarly Secured and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds Similarly Secured at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. Procedure for Amendment Not Requiring Owner Consent.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, shall be mailed by first class mail by the Trustee to each Owner of Bonds Similarly Secured, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds Similarly Secured as of the date of such execution and delivery.

Section 10.5. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee and all Owners of Bonds Similarly Secured Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.6. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds Similarly Secured issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Similarly Secured Outstanding at such effective date and presentation of his Bond Similarly Secured for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond Similarly Secured. The City may determine that new Bonds Similarly Secured, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

Section 10.7. Amendatory Endorsement of Bonds.

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

Section 10.8. Waiver of Default.

Subject to Section 10.01, with the written consent of at least a majority of the aggregate Outstanding principal amount of the applicable series of Bonds Similarly Secured so affected by such default, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

- (i) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;
- (ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2;
- (iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured then Outstanding and so affected by such Event of Default; provided, however, if the default stated in

the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice; and

(iv) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of at least a majority of the aggregate Outstanding principal amount of the Bonds Similarly Secured so affected by such Event of Default and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS Similarly Secured SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. The Trustee shall sell Trust Estate assets, according to the appraised value thereof, beginning with the asset of the highest value and continuing such sales in the order of next succeeding most valuable asset until satisfaction of debts pertaining to the outstanding Bonds Similarly Secured. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the

Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

(d) In an Event of Default shall have occurred and be continuing, the City, upon demand of the Trustee, shall surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers, and accounts of the City pertaining thereto, and including the rights and the position of the City, and to hold, operate, and manage the same, and from time to time make all needed repairs and improvements, as well as set up proper reserve for the payment of all proper costs and expenses, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents, and counsel, (ii) any reasonable charges of the Trustee hereunder, (iii) any taxes and assessments and other charges prior to the lien of this of Indenture, and (iv) all expenses of such repairs and improvements. After payment in full of the foregoing, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing as provided in Section 9.3(f), or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of at least a majority of the aggregate Outstanding principal amount of the Bonds Similarly Secured and so affected by such Event of Default have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of at least a majority of the aggregate Outstanding principal amount of the Bonds Similarly Secured so affected by such Event of Default, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds Similarly Secured.

(c) In case the Trustee or any Owners of Bonds Similarly Secured shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners of Bonds Similarly Secured, then and in every such case the City, the Trustee and the Owners of Bonds Similarly Secured shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost, liabilities, advances and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and

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

Within thirty (30) days of receipt of such good and available funds, the Trustee may fix a record date and a payment date for any payment to be made to Owners of Bonds Similarly Secured pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

The Trustee may, with the prior written consent of at least a majority of the aggregate Outstanding principal of the Bonds Similarly Secured at that time and so affected by the Event of Default, waive an Event of Default occurring hereunder. No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds Similarly Secured may be in one or more instruments of similar tenor and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds Similarly Secured shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds Similarly Secured or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds Similarly Secured and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of any Bond Similarly Secured shall bind all future Owners of the same Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds Similarly Secured.

Bonds Similarly Secured owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds Similarly Secured provided for in this Indenture, and the City shall not be entitled with respect to such Bonds Similarly Secured to give any consent or take any other action provided for in this Indenture.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Pledged Revenues.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds Similarly Secured, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Trust Estate is and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. General.

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

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Other Obligations or Other Liens; Refunding Bonds.

(a) The City reserves the right to issue 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.

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

(c) Notwithstanding any contrary provision of this Indenture, the City shall not issue additional bonds, notes or other obligations under this Indenture, secured by any pledge of or other lien or charge on the Trust Estate or other property pledged under this Indenture, other than Refunding Bonds and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds Similarly Secured and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State.

(d) Notwithstanding anything herein to the contrary, no Refunding Bonds or subordinate obligations may be issued by the City unless (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds or subordinate obligations are scheduled to mature or be subject to mandatory sinking fund redemption on September 1 in each of the years in which principal is scheduled to

mature and (2) the interest on such Refunding Bonds or subordinate obligations must be scheduled to be paid on March 1 and September 1 in each of the years in which interest is scheduled to be paid; provided, however, that the foregoing restrictions shall not apply to Refunding Bonds issued to redeem all of the then-Outstanding Bonds Similarly Secured, provided that there are no subordinate obligations outstanding on the date such Refunding Bonds are issued.

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealings, business and affairs of the City, which relate to the Trust Estate and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds Similarly Secured that are secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds Similarly Secured, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds Similarly Secured has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder as directed in writing by the City.

Section 14.3. Bonds Similarly Secured Deemed Paid.

(a) Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the

meaning of this Trust Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds Similarly Secured and the amount, maturity, number, and date of holding the same shall be proved by the Register.

(d) Any request, declaration or other instrument or writing of the Owner of any Bond Similarly Secured shall bind all future Owners of such Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. No Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds Similarly Secured; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City

City of San Marcos, Texas
630 East Hopkins
San Marcos, Texas 78666
Attn: City Manager
Telephone: (512) 393-8170

If to the Trustee
Or the Paying Agent/Registrar

UMB Bank, N.A.
6034 West Courtyard Drive, Suite 370
Austin, TX 78730
Attn: V.P. Relationship Manager
Telephone: (512)579-1401

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

(c) Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(d) The Trustee shall mail to each Owner of a Bond Similarly Secured notice of (1) any substitution of the Trustee; or (2) the redemption or defeasance of all Bonds Similarly Secured Outstanding.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds Similarly Secured pursuant thereto irrespective of the fact that anyone or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State applicable to contracts made and performed in the State.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds Similarly Secured or the date fixed for redemption of any Bonds Similarly Secured or the date any action is to be taken pursuant to this Indenture is other than a Business

Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. **Counterparts.**

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.10. **No Boycott of Israel; No Terrorist Organization; No Firearm Discrimination; No Energy Company Discrimination.**

(a) The Trustee represents and warrants, for purposes of Chapter 2271 of the Texas Government Code, that at the time of execution and delivery of this Indenture, neither the Trustee, nor any parent company, wholly- or majority-owned subsidiaries nor affiliates of the same, if any, boycotts Israel or will boycott Israel during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with Section 2271.002, Texas Government Code. As used in the foregoing verification, "boycotts Israel" and "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 Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

(b) The Trustee represents that, neither the Trustee, nor any parent company, wholly- or majority-owned subsidiaries or affiliates of the same, if any, are companies identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted under the following Divestment Statute Lists: "Scrutinized Companies with ties to Foreign Terrorist Organizations," "Scrutinized Companies with ties to Iran," or "Scrutinized Companies with ties to Sudan" of such officer's Internet website that are available at: <https://comptroller.texas.gov/purchasing/publications/divestment.php>. The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and excludes the Trustee and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the same, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

(c) Pursuant to Section 2274.002, Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

- (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate during the term of this Indenture against a firearm entity or firearm trade association.

The foregoing verification is made solely to enable the City to comply with Section 2274.002, Texas Government Code, as amended. As used in the foregoing verification and the following definitions, (a) "discriminate against a firearm entity or firearm trade association" (A) means, with respect to the entity or association, to (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; and (B) does not include: (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship: (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association (b) "firearm entity" means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code); and (c) "firearm trade association" means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code. The Trustee understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

(d) Pursuant to Section 2276.002, Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies through the term of this Indenture. The foregoing verification is made solely to enable the City to comply with Section 2276.002, Texas Government Code, as amended. As used in the foregoing verification, "boycott energy companies" shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company

because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Trustee understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

Section 15.11. Electronic Storage.

The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF SAN MARCOS, TEXAS

By: _____
Mayor

Attest:

City Clerk

(CITY SEAL)

City Signature Page to Indenture of Trust

UMB Bank, N.A.,
as Trustee

By: _____
Authorized Officer

Trustee Signature Page to Indenture of Trust

EXHIBIT A

DESCRIPTION OF THE PROPERTY WITHIN THE TRACE PUBLIC IMPROVEMENT DISTRICT

FIELD NOTES

BEING A 417.630 ACRE TRACT OUT OF THE WILLIAM H. VAN HORN SURVEY, ABSTRACT NO. 464, HAYS COUNTY, TEXAS, AND BEING A PORTION OF THOSE CERTAIN 100.22 ACRE, 67.53 ACRE, 248.77 ACRE, AND 5.01 ACRE TRACTS CONVEYED TO JOQ-SAN MARCOS VENTURES L.P. BY DEED OF RECORD IN VOLUME 1820, PAGE 715, OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 417.630 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1-inch iron pipe found in the east right-of-way line of Interstate Highway 35 (300' R.O.W.), being the called northeast corner of that certain 85.00 acre tract conveyed to San Marcos 197 Acre Associates, LLC, by Deed of record in Volume 4015, Page 562, of said Official Public Records, also being the northwest corner of said 248.77 acre tract, for the northwesterly corner hereof;

THENCE, N43°34'33"E, along said east right-of-way line of Interstate Highway 35, being the north line of said 248.77 acre tract, a distance of 2222.49 feet to a 1/2-inch iron rod found near the base of a fence post at the called northeast corner of said 248.77 acre tract, being the northwest corner of that certain 14.86 acre tract conveyed to Kimberley Gunnarson, by Deed of record in Volume 3281, Page 47, of said Official Public Records, for the northeasterly corner hereof;

THENCE, S45°57'08"E, leaving said east right-of-way line, along the west line of said 14.86 acre tract, being an east line of said 248.77 acre tract, generally with the remnants of an old barbed-wire fence (a new barbed-wire fence meanders parallel and several feet to the west), a distance of 976.48 feet to a calculated point at the called southwest corner of said 14.86 acre tract, being an angle point of said 248.77 acre tract, for an angle point hereof, from which an 8-inch cedar fence post found bears S45°57'08"E, a distance of 0.87 feet;

THENCE, N44°02'46"E, along the south line of said 14.86 acre tract, generally with a barbed-wire fence, at 14.92 feet passing a 1/2-inch iron rod found at the base of an 8-inch cedar fence post, being approximately at an angle point in the east line of said 248.77 acre tract and the approximate northwest corner of said 67.53 acre tract, and continuing along the north line of said 67.53 acre tract for a total distance of 673.37 feet to a 1/2-inch iron rod found at the base of a leaning 10-inch cedar fence post at the called southeast corner of said 14.86 acre tract, being the northeast corner of said 67.53 acre tract, also being in the west line of Lot 2, Final Plat of San Marcos Toyota Subdivision, of record in Book 9, Pages 155-156, of the Plat Records of Hays County, Texas, for an angle point hereof;

THENCE, S46°27'25"E, in part along the west line of said Lot 2 and in part along the remainder of that certain 56.288 acre tract conveyed to JMC Realty, LP, by Deed of record in Volume 1662, Page 628, of said Official Public Records, being the east line of said 67.53 acre tract, generally with a barbed-wire fence as called in said Volume 1662, Page 628 and Volume 1820, Page 715, a distance of 181.47 feet to a 3-inch cedar fence post found, for an angle point hereof;

THENCE, continuing along the west line of said 56.288 acre tract, being the east line of said 67.53 acre tract, generally with a barbed-wire fence as called in said Volume 1662, Page 628 and said Volume 1820, Page 715, the following four (4) courses and distances:

- 1) S46°59'15"E, a distance of 232.69 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 2) S49°30'26"E, deviating from a re-established fence line over a creek, a distance of 126.95 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 3) S47°20'32"E, rejoining and continuing generally with a barbed-wire fence line, a distance of 387.84 feet to a 1/2-inch iron rod found in the base of a hackberry tree, as called in said Volume 1662, Page 628, for an angle point hereof;
- 4) S47°39'57"E, a distance of 528.76 feet to a 1/2-inch iron rod found at the called southwest corner of said 56.288 acre tract, being at the base of a 10-inch cedar fence post at a called angle point in the east line of said 67.53 acre tract, for an angle point hereof;

THENCE, N44°31'00"E, along the south line of said 56.288 acre tract, being an east line of said 67.53 acre tract, generally with a barbed-wire fence, a distance of 646.04 feet to a 1/2-inch iron rod found at an angle point in the east line of said 67.53 acre tract, being the northwest corner of that certain 1.000 acre tract conveyed to Wilford L. Wootan, Jr., et ux, by Deed of record in Volume 536, Page 849, of the Real Property Records of Hays County, Texas, for an angle point hereof;

THENCE, S46°59'32"E, leaving the south line of said 56.288 acre tract, along the west line of said 1.000 acre tract, being an east line of said 67.53 acre tract, generally with a barbed-wire fence, a distance of 280.51 feet to a 1/2-inch iron rod found at the base of a fence post at the called southwest corner of said 1.000 acre tract, for an angle point hereof;

THENCE, N47°03'15"E, along the south line of said 1.000 acre tract and that certain 1.335 acre tract conveyed to Wilford L. Wootan, Jr., et ux, by Deed of record in Volume 401, Page 769, of said Real Property Records, being an east line of said 67.53 feet, generally with a barbed-wire fence, a distance of 335.24 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the northwest corner of that certain 0.8521 acre tract conveyed to Hays County, Texas for right-of-way purposes, by Deed of record in Volume 2927, Page 699, of said Official Public Records, being the southwest right-of-way line of Posey Road (R.O.W. varies), for an angle point hereof;

THENCE, leaving the south line of said 1.335 acre tract, over and across said 67.53 acre tract and said 100.22 acre tract, along said southwest right-of-way line of Posey Road, being the west line of said 0.8521 acre tract, and those certain 0.5415 acre and 2.4004 acre tracts conveyed to Hays County, Texas for right-of-way purposes, by said Deed of record in Volume 2927, Page 699, the following eight (8) courses and distances:

- 1) S41°53'43"E, a distance of 78.28 feet to a disturbed 1/2-inch iron rod found at the point of curvature of a curve to the left;
- 2) Along said curve, having a radius of 6075.00 feet, a central angle of 04°47'50", an arc length of 508.66 feet, and a chord which bears S44°20'45"E, a distance of 508.51 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;
- 3) S46°43'43"E, at 327.46 feet passing a 1/2-inch iron rod found on the south line of said 67.53 acre tract, being the north line of said 100.22 acre tract, and continuing for a total distance of 865.99 feet to a calculated point at the point of curvature of a curve to the right;

- 4) Along said curve, having a radius of 15031.48 feet, a central angle of 00°34'12", an arc length of 149.56 feet, and a chord which bears S46°08'19"E, a distance of 149.56 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;
- 5) S46°08'26"E, a distance of 1770.49 feet to a calculated point at the point of curvature of a curve to the left;
- 6) Along said curve, having a radius of 14862.04 feet, a central angle of 00°34'49", an arc length of 150.53 feet, and a chord which bears S46°25'49"E, a distance of 150.53 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;
- 7) S46°41'07"E, a distance of 195.22 feet to a 1/2-inch iron rod with "Capital Surveying Company" stamp found near the base of a 2-inch steel fence post, for an angle point hereof;
- 8) S01°32'03"E, a distance of 28.03 feet to a calculated point at the southwest corner of said 2.4004 acre tract, being in the south line of said 100.22 acre tract, also being the intersection of said southwest right-of-way line of Posey Road and the northeast right-of-way line of County Road 266/Old Bastrop Highway/El Camino Real (R.O.W. varies), for the southeasterly corner hereof;

THENCE, along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 100.22 acre tract, generally with a barbed-wire fence, the following two (2) courses and distances:

- 1) S43°45'05"W, a distance of 70.45 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 2) S44°04'56"W, a distance of 207.09 feet to a calculated point at the point of curvature of a curve to the right, being near the base of a 2-inch steel fence post, also being the east corner of that certain 0.0123 acre tract conveyed to Hays County, Texas for right-of-way purposes, by Deed of record in Volume 4600, Page 118, of said Official Public Records;

THENCE, continuing along said northeast right-of-way line, over and across said 100.22 acre tract, along said curve to the right, having a radius of 950.00 feet, a central angle of 08°05'19", an arc length of 134.11 feet, and a chord which bears S62°20'44"W, a distance of 134.00 feet to a calculated point near the base of a 2-inch steel fence post at the west corner of said 0.123 acre tract, being on the called south line of said 100.22 acre tract, for an angle point hereof;

THENCE, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 100.22 acre tract, generally with a barbed-wire fence, the following four (4) courses and distances:

- 1) S68°39'21"W, a distance of 769.76 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 2) S69°15'47"W, a distance of 221.52 feet to a 60D nail found in an 8-inch cedar fence post, for an angle point hereof;
- 3) S70°25'00"W, a distance of 127.68 feet to an 8-inch cedar fence post found, for an angle point hereof;

- 4) S69°14'26"W, a distance of 228.32 feet to a calculated point at the called southwest corner of said 100.22 acre tract, being the southeast corner of that certain 5.0000 acre tract conveyed to Pleasant F. Rexroat and wife, Elwanda J. Rexroat, by Deed of record in Volume 1898, Page 98, of said Official Public Records, for an angle point hereof;

THENCE, N45°06'19"W, leaving said northeast right-of-way line of County Road 266, along the called west line of said 100.22 acre tract, generally with the remnants of an old barbed-wire fence (new wire fence meanders approximately parallel and several feet southwest of old fence), a distance of 85.52 feet to a 6-inch cedar fence post found leaning, for an angle point;

THENCE, N46°36'04"W, continuing generally with the remnants of an old-barbed wire fence as called in said Volume 1820, Page 715, a distance of 642.34 feet to a 1/2-inch iron pipe found near the base of a fence post, being the called northeast corner of said Rexroat 5.0000 acre tract, also being an angle point in the occupied east line of said 248.77 acre tract, for an angle point hereof;

THENCE, S70°39'07"W, leaving the occupied west line of said 100.22 acre tract, along the called and occupied north line of said Rexroat 5.0000 acre tract, being the occupied east line of said 248.77 acre tract, generally with a barbed-wire fence, a distance of 329.36 feet to a 1/2-inch iron pipe found near the base of a fence post at the called northwest corner of said Rexroat 5.0000 acre tract, being the occupied northeast corner of said 5.01 acre tract, for an angle point hereof;

THENCE, S46°20'51"E, leaving the east line of said 248.77 acre tract, along the called and occupied west line of said Rexroat 5.0000 acre tract, being the occupied east line of said 5.01 acre tract, generally with a barbed-wire fence, a distance of 747.43 feet to a 1/2-inch iron pipe found near the base of a fence post at the called southwest corner of said Rexroat 5.0000 acre tract, being the southeast corner of said 5.01 acre tract, also being in said used and occupied northeast right-of-way line of County Road 266, for an angle point hereof;

THENCE, S72°25'29"W, along the used and occupied northeast right-of-way of County Road 266, being the called south line of said 5.01 acre tract, generally with a barbed-wire fence, a distance of 335.30 feet to a calculated point in a fence line, being the called southwest corner of said 5.01 acre tract, being the occupied southeast corner of said 248.77 acre tract, from which a 1/2-inch iron pipe found bears N46°20'31"W, a distance of 2.00 feet, for an angle point hereof;

THENCE, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 248.77 acre tract, generally with a barbed-wire fence, the following nine (9) courses and distances:

- 1) S71°40'15"W, a distance of 115.86 feet to a calculated point in a fence line, for an angle point hereof;
- 2) S76°06'10"W, a distance of 46.03 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 3) S86°28'05"W, a distance of 428.20 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 4) N89°34'56"W, a distance of 321.83 feet to a T-post found, for an angle point hereof;

- 5) N89°02'24"W, a distance of 554.59 feet to a calculated point in a fence line, for an angle point hereof;
- 6) S89°48'27"W, a distance of 68.91 feet to an 8-inch creosoted fence post found, for an angle point hereof;
- 7) N81°53'25"W, a distance of 50.53 feet to an 8-inch creosoted fence post found, for an angle point hereof;
- 8) N88°55'45"W, at approximately 713 feet leaving said barbed-wire fence line, and continuing for a distance of 802.47 feet to a 1/2-inch iron rod with "Macias" cap found, for an angle point hereof;
- 9) N70°06'57"W, a distance of 39.04 feet to an 8-inch creosoted fence post found, for the southwesterly corner hereof;

THENCE, N46°27'14"W, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called west line of said 248.77 acre tract, generally with a barbed-wire fence, a distance of 79.93 feet to a 1/2-inch iron pipe found at the called southeast corner of said 85.00 acre tract, for an angle point hereof;

THENCE, leaving said northeast right-of-way line of County Road 266, along the occupied east line of said 85.00 acre tract, being the called and occupied west line of said 248.77 acre tract, generally with a barbed wire fence, the following eight (8) courses and distances:

- 1) N41°35'30"W, a distance of 51.65 feet to a 1/2-inch iron pipe found, for an angle point hereof;
- 2) N45°22'24"W, a distance of 1221.06 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 3) N45°15'48"W, a distance of 427.82 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 4) N45°19'43"W, a distance of 673.22 feet to a 10-inch cedar fence post found, for an angle point hereof;
- 5) N46°33'40"W, a distance of 275.02 feet to a calculated point in a fence line, for an angle point hereof;
- 6) N47°51'30"W, a distance of 124.53 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 7) N46°26'02"W, a distance of 218.87 feet to a T-post found, for an angle point hereof;
- 8) N46°25'10"W, at 158.03 feet passing a 1/2-inch iron pipe found, and continuing for a total distance of 769.08 feet to the **POINT OF BEGINNING**, and containing 417.630 acres (18,191,980 square feet) of land, more or less.

BEARING BASIS: TEXAS COORDINATE SYSTEM, NAD 83(2011), SOUTH CENTRAL ZONE,
REFERENCING THE LEICA SMARTNET REFERENCE NETWORK.

I HEREBY CERTIFY THAT THIS DESCRIPTION AND ANY ACCOMPANYING SKETCHES
ARE THE RESULT OF AN ACTUAL ON-THE-GROUND SURVEY PERFORMED UNDER MY
DIRECT SUPERVISION DURING THE MONTH OF FEBRUARY, 2014, AND ARE TRUE AND
CORRECT TO THE BEST OF MY ABILITIES.

Witness my hand and seal March 4, 2014

Abram C. Dashner, R.P.L.S. 5901
PROJECT NO. 253-001

EXHIBIT B

FORM OF CERTIFICATION FOR PAYMENT

Form of Payment Request
(Design – Trace)

_____ (“**Construction Manager**”) hereby requests payment for the percentage of design costs completed (the “**Design Costs**”) described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Amended and Restated Trace Public Improvement District Financing Agreement between Highpointe TRACE, LLC, a California limited liability company, and the City of San Marcos (the “**City**”), dated as of September 18, 2018, and the First Amendment to Amended and Restated Trace Public Improvement District Financing Agreement (collectively, as may be amended from time to time, the “**Finance Agreement**”). In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.
2. The design work described in Attachment A has been completed in the percentages stated therein.
3. The true and correct Design Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.
4. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed design work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.
5. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Design Costs for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION FOR PAYMENT

Date : _____

[Construction Manager Signature Block to be
added]

APPROVAL BY THE CITY

The Design described in Attachment A has been reviewed, verified and approved by the City Construction Representative. Payment of the Design Costs are hereby approved.

Date: _____

CITY OF SAN MARCOS, TEXAS

By: _____

ATTACHMENT A TO CERTIFICATION OF PAYMENT (DESIGN)

<u>Description of Design Work</u>	<u>Percentage of Design Work Completed under this Certification for Payment</u>	<u>Design Costs</u>	<u>Total Percentage of Design Work Completed</u>
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ATTACHMENT B TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – bills paid affidavit]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – receipts]

FORM OF CERTIFICATION FOR PAYMENT
(Construction – Trace)

_____ (“**Construction Manager**”)
hereby requests payment of the Actual Cost of the work described in Attachment A attached hereto (the “**Draw Actual Costs**”). Capitalized undefined terms shall have the meanings ascribed thereto in the Amended and Restated Trace Public Improvement District Financing Agreement between Highpointe TRACE, LLC and the City of San Marcos, Texas (the “**City**”), dated as of September _18_, 2018, and the First Amendment to Amended and Restated Trace Public Improvement District Financing Agreement (collectively, as may be amended from time to time, the “**Finance Agreement**”). In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.
2. The true and correct Draw Actual Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.
3. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work on a Segment described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.
4. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Draw Actual Costs of each Segment for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION FOR PAYMENT

Date : _____

[Construction Manager Signature Block to
Be inserted]

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

Project Engineer

APPROVAL BY THE CITY

The Draw Actual Costs of each Segment described in Attachment A has been reviewed, verified and approved by the City Construction Representative of the City. Payment of the Draw Actual Costs of each such Segment is hereby approved.

Date: _____

CITY OF SAN MARCOS, TEXAS

By: _____

ATTACHMENT A TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

<u>Segment</u>	<u>Description of Work Completed under</u> <u>this Certification for Payment</u>	<u>Draw</u> <u>Actual</u> <u>Costs</u>
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ATTACHMENT B TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[bills paid affidavit – attached]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[receipts – attached]

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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Trace Public Improvement District

2023 Amended and Restated Service and Assessment
Plan

December 5, 2023

Section I

PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On October 20, 2015, (the “**Creation Date**”), the City Council (the “**City Council**”) of the City of San Marcos, Texas (the “**City**”) approved Resolution No. 2015-145R, which authorized the creation of the Trace Public Improvement District (the “**PID**”) to finance the Actual Costs of the Public Improvements for the benefit of certain property in the PID, all of which is located within the city limits of the City.

On October 18, 2016, the City Council approved and adopted Ordinance No. 2016-42, which approved a Service and Assessment Plan (the “**Original SAP**”) for the PID and levied \$11,175,000 in assessments on property within the PID.

On October 16, 2018, the City Council approved and adopted Ordinance No. 2018-38, which approved an Amended and Restated Service and Assessment Plan (the “**2018 SAP**”) for the PID and levied \$10,925,000 in additional assessments on property within the PID, which was amended and restated by Ordinance 2018-51 dated December 12, 2018.

On January 29, 2019, the City Council approved and adopted Ordinance No. 2019-06 which approved the January 2019 Annual Service Plan Update providing updated Annual Installments resulting from the issuance of the Initial PID Bonds.

On August 6, 2019, the City Council approved the August 2019 Annual Service Plan Update by approving Ordinance No 2019-142. The August 2019 Annual Service Plan Update updated the Assessment Roll for 2019.

On August 18, 2020, the City Council approved the 2020 Annual Service Plan Update by approving Ordinance No 20290-174R. The 2020 Annual Service Plan Update updated the Assessment Roll for 2020.

On August 17, 2021, the City Council approved the 2021 Annual Service Plan Update by approving Ordinance No 2021-152R. The 2021 Annual Service Plan Update updated the Assessment Roll for 2021.

On September 20, 2022, the City Council approved the 2022 Annual Service Plan Update by approving Ordinance No 2022-79. The 2022 Annual Service Plan Update updated the Assessment Roll for 2022.

On October 17, 2023, the City Council approved the 2023 Annual Service Plan Update by approving Ordinance No 2023-76. The 2023 Annual Service Plan Update updated the Assessment Roll for 2023.

Pursuant to the PID Act, a service and assessment plan must be reviewed and updated at least annually. This document is the 2023 Amended and Restated Service and Assessment Plan, which serves to amend and restate the January 2019 Annual Service Plan Update, as updated and amended, in its entirety for the purposes of (1) incorporating provisions relating to the City's issuance of Additional PID Bonds, and (2) updating the Assessment Roll.

Chapter 372 of the Texas Local Government Code (as amended, the "**PID Act**"), governs the creation and operation of public improvement districts within the State of Texas. The Original SAP, as amended and restated by the 2018 SAP, and as may be further updated, supplemented and amended from time to time, is the "SAP". The PID Act requires that a service plan cover a period of at least five years and must also define the annual indebtedness and the projected costs for improvements. The PID Act also requires a service plan be reviewed and updated annually for the purpose of determining the annual budget for improvements. The service plan for the PID is attached hereto as **Exhibit D** and is described in more detail in **Section V** herein.

Per Section 5.014 of the Texas Property Code, as amended, this 2023 Amended and Restated Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of buyer disclosures for the District. The buyer disclosures are attached hereto in **Appendix A**. Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance approving this 2023 Amended and Restated Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this 2023 Amended and Restated Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in the real property records of the County in its entirety.

The Assessment Roll for the PID is attached hereto as **Exhibit A**, and is addressed in **Section VII**. The Assessments as shown on the Assessment Roll are based on the method for establishing and levying the Assessments described in **Sections IV** and **VI** of this SAP.

B. Definitions

"2018 SAP" means the 2018 Amended and Restated Trace Public Improvement District Service and Assessment Plan approved by the City Council by an Assessment Ordinance 2018-38 dated October 16, 2018.

"2020 Annual Service Plan Update" means the 2020 Annual Service Plan Update passed and approved by City Council on August 18, 2020.

"2021 Annual Service Plan Update" means the 2021 Annual Service Plan Update passed and approved by City Council on August 17, 2021.

"2022 Annual Service Plan Update" means the 2022 Annual Service Plan Update passed and approved by City Council on September 20, 2022.

“2023 Amended and Restated Service and Assessment Plan” means this 2023 Amended and Restated Service and Assessment Plan passed and approved by the City on ____, 2023, by Ordinance No. ____, which serves to amend and restate the January 2019 Annual Service Plan Update, as updated and amended, in its entirety for the purposes of (1) incorporating provisions relating to the City’s issuance of Additional PID Bonds, and (2) updating the Assessment Roll.

“2023 Annual Service Plan Update” means the 2023 Annual Service Plan Update passed and approved by City Council on October 17, 2023.

“Actual Cost(s)” means, with respect to the Public Improvements, the Landowner’s demonstrated, reasonable, allocable, and allowable costs of constructing such Public Improvement, as specified in a payment request in a form that has been reviewed and approved by the City and in an amount not to exceed the amount for each Public Improvement as set forth in the 2018 SAP. Actual Costs may include (a) the costs incurred by or on behalf of the Landowner (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Public Improvements, (b) the fees paid for obtaining permits, licenses or other governmental approvals for such Public Improvements, (c) construction management fee, (d) the costs incurred by or on behalf of the Landowner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, (e) all labor, bonds and materials, including equipment and fixtures, by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Public Improvements, (f) all related permitting and public approval expenses, architectural, engineering, and consulting fees, financing charges, taxes, governmental fees and charges, and insurance premiums.

“Additional Assessments” means the \$10,925,000 of Assessment levied on all Assessed Property within the PID pursuant to the Assessment Ordinance 2018-38 dated October 16, 2018, as amended and restated by Ordinance 2018-51 dated December 12, 2018 and levied in accordance with Sections 372.019 and 372.020 of the PID Act.

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

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

“Additional PID Bonds” means those certain “City of San Marcos, Texas Special Assessment Revenue Bonds, Series 2023 (Trace Public Improvement District)” that are secured by Assessments levied on Assessed Property issued to fund Public Improvements (or a portion thereof) that were not funded with the Initial PID Bonds.

“Administrator” means an employee of the City or third party designee of the City who shall have the responsibilities provided for herein, in an Indenture relating to PID Bonds or in any other agreement approved by the City Council.

“Amenity Center Site” means that certain Trace Park/Presido Amenity Center as depicted on **Exhibit G-1**.

“Annual Collection Costs” means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the PID and preparing the Assessment Roll, (iii) computing, levying, collecting and transmitting the Assessments or the Annual Installments thereof, (iv) maintaining the record of installments, payments and reallocations and/or cancellations of the Assessments, (v) issuing, paying and redeeming the PID Bonds, (vi) investing or depositing the Assessments or other monies, (vii) complying with the PID Act with respect to the PID Bonds, (viii) paying the paying agent/registrar’s and trustee’s fees and expenses (including the fees and expenses of its legal counsel) related to the PID Bonds, and (ix) administering the construction of the Public Improvements.

“Annual Installment” means, with respect to each Parcel, each annual payment of: (i) the Assessment (including the principal of and interest on), as shown on the Assessment Roll attached hereto as **Exhibit A**, as applicable, and calculated as provided in **Section VI**, (ii) Annual Collection Costs, and (iii) the Additional Interest.

“Annual Service Plan Update” means any update to this 2023 Amended and Restated Service and Assessment Plan.

“Assessed Property” or **“Assessed Properties”** means property on which Assessments have been levied as shown on the Assessment Roll (as the same may be updated each year by an Annual Service Plan Update) and which includes any and all Parcels within the PID other than Non-Benefited Property and the Elementary School Site.

“Assessment(s)” means the assessments levied against Assessed Property in the PID, as provided for in the applicable Assessment Ordinance, including the Initial Assessments, the Additional Assessments, and any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

“Assessment Ordinance” means each ordinance adopted by the City Council levying the Assessments, including Ordinance 2016-42 levying the Initial Assessments, and Ordinance 2018-38, as amended and restated by Ordinance 2018-51, levying the Additional Assessments, and any future ordinance levying Assessments.

“Assessment Roll” means the Assessment Roll included in this 2023 Amended and Restated Service and Assessment Plan as **Exhibit A**, which may be updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act,

including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“August 2019 Annual Service Plan Update” means the August 2019 Annual Service Plan Update passed and approved by City Council on August 6, 2019.

“Bond Issuance Costs” mean the costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, first year Annual Collection Costs, underwriter’s discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

“City” means the City of San Marcos, Texas.

“City Council” means the City Council of City of San Marcos, Texas.

“County” means Hays County, Texas.

“Creation Date” means the date, October 20, 2015, the City Council approved Resolution No. 2015-145R which authorized the creation of the PID.

“Delinquent Collection Costs” means interest, penalties and expenses incurred or imposed with respect to any delinquent Assessment, or an Annual Installment thereof, in accordance with the PID Act which includes the costs related to pursuing collection of such delinquent Assessment, or an Annual Installment thereof, and the costs related to foreclosing the lien against the Assessed Property, including attorney’s fees.

“Elementary School Site” means that approximately 12 acres will be dedicated as an elementary school site to the Hays Consolidated Independent School District as shown on **Exhibit G-1**.

“Fire Station Agreement” means that certain agreement entered into between the City and the Landowner on November 2, 2015.

“Indenture” means the applicable Indenture of Trust between the City and a trustee relating to the issuance of a series of PID Bonds for financing costs of Public Improvements, as it may be amended from time to time.

“Initial PID Bonds” means those certain “City of San Marcos, Texas Special Assessment Revenue Bonds, Series 2019 (Trace Public Improvement District)” that are secured by Assessments levied on Assessed Property.

“Initial Assessment(s)” means the \$11,175,000 of Assessment levied on all Assessed Property within the PID upon the adoption of the Assessment Ordinance 2016-42 dated October 18, 2016 and levied in accordance with Sections 372.019 and 372.020 of the PID Act.

“January 2019 Annual Service Plan Update” means the January 2019 Annual Service Plan Update passed and approved by the City Council on January 29, 2019, for the purposes of updating the Assessment Roll in relation to the issuance of the Initial PID Bonds.

“Landowner(s)” means Highpointe Trace, LLC, a California limited liability corporation, or other entity affiliated with Highpointe Communities, Inc., Buffington Classic Texas Homes LLC, and Pacesetter Homes LLC.

“Lot” means (i) for any portion of the Property for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat, and (ii) for any portion of the Property for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single family residential Lots, the Lot Type shall be further defined by classifying the residential Lots based on the estimated buildout value of the Lot, as determined by the Administrator and confirmed by the City Council.

“Lot Type 1” means a Lot designated as a 32’/34’ alley lot.

“Lot Type 2” means a Lot designated as a 41’ alley lot.

“Lot Type 3” means a Lot designated as a 50’ lot.

“Non-Benefited Property” means Parcels within the boundaries of the Property that accrue no special benefit from the Public Improvements. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to **Section VI.C** or **Section VI.D**, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in **Section VI.E**.

“Original SAP” means the Trace Public Improvement District Service and Assessment Plan approved by the City Council by an Assessment Ordinance 2016-42 dated October 18, 2016.

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

“Phase 1” means the platted property contained within the Trace Subdivision Section A, PA 1A Phase A-1 Final Plat attached hereto as **Exhibit M** and the property contained within the Trace Subdivision Section A, PA 2A Phase A Final Plat attached hereto as **Exhibit N**.

“PID” means the Trace Public Improvement District created by the City pursuant to Resolution No. 2015-145R approved on October 20, 2015.

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

“PID Bonds” means the Assessment revenue bonds to be issued by the City, in one or more series, to finance the Public Improvements that confer special benefit on the Assessed Property within the PID, which may include funds for any required reserves and amounts necessary to pay the PID Bonds issuance cost, and to be secured by the revenues and funds pledged under an Indenture, consisting primarily of the Assessments, pursuant to the authority granted in the PID Act, for the purposes of (i) financing the costs of Public Improvements and related costs and (ii) reimbursing the Landowner for Actual Costs paid prior to the issuance of the PID Bonds. This term is also used to collectively refer to the Initial PID Bonds and any Additional PID Bonds throughout this SAP.

“PID Financing Agreement” means that certain Amended and Restated Trace Public Improvement District Financing Agreement between the Landowners and the City approved on October 20, 2015, which was amended and restated on September 18, 2018, as may be amended from time to time.

“Prepayment Costs” mean interest and Annual Collection Costs to the date of prepayment and in no event may amounts be recovered for costs incurred after the date of prepayment.

“Property” means the approximately 417.63 acres of property depicted and described by metes and bounds on Exhibit A to Resolution No. 2015-146R as adopted by City Council on October 29, 2015. The Property is located within the City and is legally described in **Exhibit J** and is depicted in **Exhibit G-2** of this 2023 Amended and Restated Service and Assessment Plan.

“Public Improvements” mean the improvements permitted by the PID Act and designed, constructed, and installed in accordance with this 2023 Amended and Restated Service and Assessment Plan for which Assessments are levied against the Assessed Property that receives a special benefit from such improvement and depicted in **Exhibit H**.

“Reimbursement Agreement” means the Amended and Restated Trace Public Improvement District Reimbursement Agreement executed between the City and Highpointe Trace, LLC, a California limited liability company (including its successors and assigns) effective as of September 18, 2018.

“Reimbursement Obligation” means the obligation of the City to pay certain costs of Public Improvements from Assessments levied on Assessed Property pursuant to the

Reimbursement Agreement.

“Trustee” means the trustee under the Indenture, and any successor thereto permitted under such Indenture and any other Trustee under a future Indenture.

“Unplatted Parcel” means the Parcel described in **Exhibit K** and shown on **Exhibit L**.

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Section II

PROPERTY INCLUDED IN THE PID

A. Property Included in the PID

The PID is comprised of the Property. The PID is located entirely within the corporate boundaries of the City. It contains a total of approximately 417.63 acres planned for development to include a combination of residential and commercial development as well as the associated rights of way, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID.

A map of the Property is shown in **Exhibit G-2**. A legal description for the Property is included in **Exhibit J**.

Section III

DESCRIPTION OF THE PUBLIC IMPROVEMENTS

A. Description and Estimated Cost of the Public Improvements

The Public Improvements are described below and generally depicted in **Exhibit H**. **Exhibit C** shows the estimated cost of the Public Improvements. The estimated cost to construct the Public Improvements and the Bond Issuance Costs for the PID Bonds is \$25,883,285. The costs shown in **Exhibit C** may be revised in Annual Service Plan Updates; however, any increase in Actual Costs will be subject to notice and hearing requirements pursuant to the PID Act.

A description of the Public Improvements is provided below:

- *Street Improvements*

The street improvement portion of the Public Improvements consists of the construction of perimeter road and thoroughfare improvements, including related paving, sidewalks, retaining walls, signage, and traffic control devices, and the acquisition of related rights-of-way which benefit the Assessed Property. The City has determined that the acquisition of rights-of-way related to road improvements meets the requirements of its current policy on the financing of roadway rights-of-way through public improvement district assessments. The road improvements will be constructed according to City standards.

- *Drainage Improvements*
The storm drainage improvement portion of the Public Improvements consists of the construction of one detention pond, storm drain pipes, culverts, catch basins and appurtenances thereto to appropriately control and convey storm water. The storm drainage improvements will be constructed according to City standards.
- *Erosion & Sedimentation Control/Mobilization & General Conditions*
The Erosion and Sedimentation Control Measures (temporary BMPs) of the Public Improvements will include stabilized construction entrances, silt fence located downstream of all disturbed area, rock berms, inlet protection, and protection of mature trees and vegetation.
- *Water Line Distribution*
The water improvement portion of the Public Improvements consists of construction and installation of waterlines, mains, pipes, valves and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be constructed according to City standards.
- *Wastewater Improvements*
The wastewater improvement portion of the Public Improvements consists of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The wastewater improvements will be constructed according to City standards.
- *Sewer Lift Stations*
The sewer Lift Station portion of the Public Improvements consists of construction and installation for Lift Station A of manholes, wet wells, piping, pumps, electrical control equipment and appurtenances necessary to collect wastewater on one side of a geographical highpoint and transporting it across that highpoint to Lift Station B, construction and installation for Lift Station B of manholes, wet wells, piping, pumps, electrical control equipment and appurtenances necessary to collect wastewater on one side of a geographical highpoint and transporting it across that highpoint to a City designated discharge point. All sewer Lift Station improvements will be constructed according to City standards.
- *Landscaping – Arterial Roads, Open Space and Trails*
The landscape portion of the Public Improvements consists of the installation of various landscape improvements along arterial roads. The improvements include: street tree plantings, enhanced landscaping on perimeters and medians, bio-swales in medians (where functionally possible), associated irrigation, street lighting, and hardscape improvements at key locations for wayfinding. The open space and trails system consist of selective clearing and removal of trees or other select (invasive) vegetative cover to enhance the quality and function of the natural drainage areas and open spaces. Other improvements shall include a variety of trails with either; concrete, decomposed granite or natural earth surfacing, throughout the open spaces to

provide access to the natural features of the site. Landscaping will include native grasses, wildflowers, trees and shrubs, associated irrigation as required, lighting, fencing or walls if necessary and hardscape improvements.

- *Public Safety Facilities*

The Public Improvements include an amount not to exceed \$500,000, associated with the construction of a new Fire Station per the Fire Station Agreement entered into by the City and Highpointe Trace LLC on November 2, 2015, the fire station will be constructed by the City.

B. Description and Estimated Cost of Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount required under an Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the capitalized interest payments on PID Bonds as reflected in an applicable Indenture.

- *Underwriting Discount*

Equals a percentage of the par amount of a series of PID Bonds plus a fee for underwriter's counsel.

- *Cost of Issuance*

Includes costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

- *1st Year Collection Costs*

Includes costs associated with administering the PID, including but not limited to costs associated with the PID Administrator, Trustee, County Tax Collector, City auditor, dissemination agent, and any other costs required to administer the PID.

Section IV

ASSESSMENT PLAN

A. Introduction

The PID Act requires the City Council to apportion the cost of the Public Improvements based on the special benefits conferred to each Parcel or Lot from the Public Improvements. The

PID Act provides that the Actual Costs may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the City Council may establish the methods of assessing the special benefits for various classes of improvements.

The determination by the City Council of the assessment methodology set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Landowners and all future owners and developers of any Assessed Property.

B. Assessment Methodology

The City Council has determined that the costs of the Public Improvements shall be allocated to the Assessed Property by spreading the entire Assessment across all Assessed Property based on the ratio of the estimated build out value of each Lot to the total build out value for all Parcels, excepting the Amenity Center which will be assessed 1.00% of total Assessments. **Exhibit F** summarizes the allocation of the Initial Assessments and Additional Assessments.

The Assessments for each Parcel or Lot is shown on the Assessment Roll, attached as **Exhibit A**, and no Assessment shall be changed except as authorized by this 2023 Amended and Restated Service and Assessment Plan or the PID Act.

C. Findings of Special Benefit

The City Council, acting in its legislative capacity based on information provided by the Landowner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

1. The estimated costs of the Public Improvements and Bond Issuance Costs equal \$25,883,285, as shown on **Exhibit C**; and
2. The Elementary School Site is allocated \$223,864 of the Public Improvement costs, resulting in \$25,659,421 in Public Improvements and Bond Issuance Costs being allocated to the Assessed Property; and
3. The Assessed Property receives special benefit from the Public Improvements and Bond Issuance Costs equal to or greater than the Assessed Property's allocable share of the Public Improvements and Bond Issuance Costs; and
4. The special benefit (\geq \$25,659,421) received by the Assessed Property from the Public Improvements and Bond Issuance Costs is greater than the combined amount of the Initial Assessments and Additional Assessments (\$22,000,000) levied for the Public Improvements and Bond Issuance Costs.

5. The Landowners have acknowledged by execution of the PID Financing Agreement that the Public Improvements and Bond Issuance Costs confer a special benefit on the Assessed Property and have consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Landowners have ratified, confirmed, accepted, agreed to and approved: (i) the determinations and findings by the City Council as to the special benefits described herein and the Assessment Ordinances; and (ii) the levying of Assessments on the Assessed Property.

D. Annual Collection Costs

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel or Lot based on the amount of outstanding assessment remaining on the Parcel or Lot. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments, which is subject to revision through Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments levied on the Assessed Property may exceed the interest rate on the PID Bonds by the Additional Interest Rate. The Additional Interest shall be collected as part of each Annual Installment. The Additional Interest shall be deposited and used as described in the Indenture for any PID Bonds.

Section V

SERVICE PLAN

The PID Act requires a service plan to (i) cover a period of at least five years, and (ii) define the annual projected costs and indebtedness for the Public Improvements undertaken within the PID during the five year period, and (iii) buyer disclosures.

The estimated cost for the Public Improvements and Bond Issuance Costs is \$25,883,285 as shown in **Exhibit C**. The service plan shall be reviewed and updated at least annually for purposes of determining the annual budget for Annual Collection Costs, updating the costs of the Public Improvements, and updating Assessment Roll shown on **Exhibit A**.

Exhibit E summarizes the sources and uses of funds required to construct the Public Improvements. The sources and uses of funds shown in **Exhibit E** shall be updated each year in the Annual Service Plan Update.

The Service Plan for the next five years is included as **Exhibit D**. The projected Annual Installments are subject to revision and shall be updated in the Annual Service Plan Update.

Section VI

TERMS OF THE ASSESSMENTS

A. Amount of Assessments and Annual Installments for Parcels

The Assessments for the Assessed Property are shown on the Assessment Roll in **Exhibit A**. The Assessment shall not be changed except as authorized under the terms of this 2023 Amended and Restated Service and Assessment Plan and the PID Act.

B. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the estimated buildout value of the newly divided Assessed Property

D = the sum of the estimated buildout value for all of the newly divided Assessed Properties

The calculation of the buildout value of an Assessed Property shall be performed by the Administrator based on information from the Landowners, homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The calculation as confirmed by the City Council shall be conclusive.

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the estimated average buildout value of all newly subdivided Lots with same Lot Type

D = the sum of the estimated average buildout value for all of the newly subdivided Lots excluding Non-Benefitted Property

E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Landowner shall provide the City an estimated buildout value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact value. The calculation of the estimated average buildout value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the Landowner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

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

3. Upon Consolidation

Upon the consolidation of two or more Assessed Properties, the Assessment for the consolidated Assessed Property shall be the sum of the Assessments for the Assessed Properties prior to consolidation. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be calculated by the Administrator and reflected in an Annual Service Plan Update approved by the City Council. The consolidation of any Assessed Property as described herein shall be considered an administrative action and will not require any notice or public hearing (as defined in the PID Act) by the City Council.

C. Mandatory Prepayment of Assessments

If Assessed Property or a portion thereof is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Lot, Parcel or portion thereof to become Non-Benefitted Property, the owner of such Lot, Parcel or portion thereof shall pay to the City the full amount of the Assessment, plus all Prepayment Costs, and Delinquent Collection Costs, for such Lot, Parcel or portion thereof prior to any such transfer or act.

D. Mandatory Reduction of Assessments

Pursuant to the PID Financing Agreement, the City was required to reduce the Outstanding Assessment by \$2,600,000 for all properties within the District pro rata based on the amount of outstanding Assessment if \$2,600,000 in Prepayments had not been received prior to August 31, 2022. Prepayments totaling \$43,233.74 were received prior to August 31, 2022, therefore the the amount of outstanding Assessment has been reduced by \$2,556,766.26.

E. Reduction of Assessments

If after all Public Improvements to be funded with PID Bonds have been completed and the Actual Costs for the Public Improvements are less than the costs used to calculate the Assessments, then the City may reduce the Assessment for each Assessed Property pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs. The Assessments shall not be reduced to an amount less than the outstanding principal amount of the PID Bonds.

Similarly, if the City does not undertake some of the Public Improvements, then the City may, at its discretion, reduce the Assessment for each Assessed Property pro-rata to reflect only the Actual Costs that were expended. The Assessments shall not be reduced to an amount less than the outstanding principal amount of the PID Bonds.

F. Payment of Assessments

1. Prepayment in Full or in Part

The Assessment for any Parcel or Lot may be paid in full, plus interest through the date of prepayment, at any time in accordance the PID Act.

If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount upon payment.

Upon payment in full of an Assessment, the City shall deposit the payment in accordance with the related Indenture; whereupon, the Assessment for the Parcel or Lot shall be reduced to zero, and the Parcel or Lot owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate. The City shall provide the owner of the affected Assessed Property a recordable "Notice of PID Assessment Termination", included as **Exhibit I**.

At the option of a Parcel or Lot owner, the Assessment on any Parcel or Lot may be prepaid in part in an amount equal to the amount of prepaid Assessments plus interest through the date of prepayment, if any, with respect thereto. Unless otherwise directed to a specific Assessment by the Parcel or Lot owner, any prepayment or partial prepayment for an Assessed Property within the District will be allocated between the Initial Assessments and the Additional Assessments

proportionally based on the amount of Initial Assessments and Additional Assessments outstanding on such Assessed Property at the time of such prepayment or partial prepayment. Upon the payment of such amount for a Parcel or Lot, the Assessment for the Parcel or Lot shall be reduced by the amount of such prepayment, the Assessment Roll shall be updated to reflect such prepayment, and the obligation to pay the Annual Installment for such Parcel or Lot shall be reduced to the extent the prepayment is made.

2. Payment of Annual Installments

The PID Act provides that an Assessment for a Parcel or Lot may be paid in full at any time. If not paid in full, the PID Act authorizes the City to collect interest and collection costs on the outstanding Assessment. An Assessment for a Parcel or Lot that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Assessment Roll, which includes interest on the outstanding Assessment and Annual Collection Costs. Any partial payment of an Annual Installment for an Assessed Property within the District will be allocated between the Initial Assessments and Additional Assessments proportionally based on the amount of Initial Assessments and Additional Assessments outstanding on such Assessed Property at the time of such partial payment.

The Annual Installments for the Assessments have been calculated utilizing an interest rate of the Initial PID Bonds for the portion of the Assessments used to pay the Initial PID Bond debt service, and the interest rate of the Additional PID Bond debt service for the portion of the Assessments used to pay the Additional PID Bond debt service.

The City reserves and shall have the right and option to refund PID Bonds in accordance with Section 372.027 of the PID Act, and such refunding bonds shall constitute "PID Bonds" for purposes of this SAP.

Any sale of Assessed Property for nonpayment of the delinquent Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such Assessed Property as they become due and payable.

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be assessed annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

Section VII THE ASSESSMENT ROLL

The Assessment Roll is attached as **Exhibit A**. The Administrator shall prepare, and submit to the City Council for review and approval, proposed revisions to the Assessment Roll as well as the Annual Installments as part of each Annual Service Plan Update.

Section VIII ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this 2023 Amended and Restated Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the City within 30 days of the mailing of a bill for the Annual Installment resulting from this 2023 Amended and Restated Service and Assessment Plan or any Annual Service Plan Update; otherwise, the owner shall be deemed to have unconditionally approved the calculation. Upon receipt of a written notice of error from an owner, the City shall refer the notice to the Administrator who shall provide a written response to the City and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response, and within 30 days the City Council shall make a final determination as to whether or not an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the Act, this 2023 Amended and Restated Service and Assessment Plan, the Assessment Ordinance, or the Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this 2023 Amended and Restated Service and Assessment Plan must be made by the City Council in accordance with the Act. To the extent permitted by the Act, this 2023 Amended and Restated Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this 2023 Amended and Restated Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this 2023 Amended and Restated Service and Assessment Plan; (2) administer the District for

and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this 2023 Amended and Restated Service and Assessment Plan. Interpretations of this 2023 Amended and Restated Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners or developers adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public hearing at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

D. Severability

If any provision of this 2023 Amended and Restated Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

E. Form of Buyer Disclosure

Per Section 5.014 of the Texas Property Code, as amended, this 2023 Amended and Restated Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto in **Appendix A**. Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance approving this Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this 2023 Amended and Restated Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in the real property records of the County in its entirety.

Exhibits & Appendices

The following exhibits and appendices are attached to and made a part of this 2023 Amended and Restated Service and Assessment Plan for all purposes:

Exhibit A	Assessment Roll
Exhibit B	Estimated Annual Installments
Exhibit C	Authorized Improvements
Exhibit D	Service Plan
Exhibit E	Sources and Uses
Exhibit F	Assessment Spread
Exhibit G-1	Land Use Map (Conceptual)
Exhibit G-2	PID Area Boundary Map

Exhibit H	Map of Public Improvements
Exhibit I	Notice of PID Assessment Termination
Exhibit J	Legal Description of PID
Exhibit K	Legal Description of Unplatted Parcel
Exhibit L	Unplatted Parcel Boundary Map
Exhibit M	Trace Subdivision Section A, PA 1A Phase A-1 Final Plat
Exhibit N	Trace Subdivision Section A, PA 2A Phase A Final Plat
Exhibit O	Trace Subdivision PID Phase 1A Esplanade Parkway Final Plat
Exhibit P	Trace Subdivision Section A, PA 2B, Phase A Final Plat
Exhibit Q	Trace Subdivision, Section A, PA 1A Phase A-2 Final Plat
Exhibit R	Trace Subdivision, PA 2B Section B Final Plat
Exhibit S	Trace Subdivision, PA 1A Section B Final Plat
Exhibit T	Trace Subdivision, PA 2C Section B Final Plat
Exhibit U	Trace Subdivision Section A, PA 12 Final Plat
Exhibit V	Trace Subdivision Section A, PA 9 C-Store Final Plat
Exhibit W	Trace Subdivision, PA 1B Section B Final Plat
Exhibit X-1	Trace Subdivision, PA 1A Section C Final Plat
Exhibit X-2	Trace Subdivision, PA 1A Section C Amending Plat
Exhibit Y	Trace Subdivision, PA 2B Section C Final Plat
Exhibit Z	Trace Subdivision, PA 6A Section D Final Plat
Exhibit AA	Final Plat Trace Subdivision Planning Area 6C, Section D
Exhibit BB	Trace Subdivision, PA 1B Section C Final Plat
Exhibit CC	Trace Subdivision, PA 2B Section D Final Plat
Exhibit DD	Final Plat Trace Subdivision Planning Area 6B, Section D
Exhibit EE	Trace Subdivision PA 6D Section E Final Plat

Appendix A

Lot Type 1 Homebuyer Disclosure

Lot Type 2 Homebuyer Disclosure

Lot Type 3 Homebuyer Disclosure

Multi-Family Phase 2B (R173949) Buyer Disclosure

Multi-Family R189756 Buyer Disclosure

Amenity Center Buyer Disclosure

Business Park Phase A (R173953) Buyer Disclosure

Unplatted Parcel Buyer Disclosure

Exhibit A

Assessment Roll

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R155692	1036 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R155693	1040 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R155694	1044 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R155695	1048 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R155696	1052 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R155697	1056 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R155698	1060 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R155699	1064 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R155700	1068 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R155701	1072 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R155702	1076 ESPLANADE	Open Space		\$ -	\$ -
R155703	173 BOSQUE	Open Space		\$ -	\$ -
R155704	169 BOSQUE	1		\$ 6,528.24	\$ 529.21
R155705	165 BOSQUE	1		\$ 6,528.24	\$ 529.21
R155706	161 BOSQUE	1		\$ 6,528.24	\$ 529.21
R155707	157 BOSQUE	1		\$ 6,528.24	\$ 529.21
R155708	153 BOSQUE	1		\$ 6,528.24	\$ 529.21
R155709	149 BOSQUE	1	[b]	\$ -	\$ -
R155710	145 BOSQUE	1		\$ 6,528.24	\$ 529.21
R155711	448 SPINY LIZARD	1		\$ 6,528.24	\$ 529.21
R155712	452 SPINY LIZARD	1		\$ 6,528.24	\$ 529.21
R155713	456 SPINY LIZARD	1		\$ 6,528.24	\$ 529.21
R155714	460 SPINY LIZARD	1		\$ 6,528.24	\$ 529.21
R155715	464 SPINY LIZARD	1		\$ 6,528.24	\$ 529.21
R155716	468 SPINY LIZARD	1		\$ 6,528.24	\$ 529.21
R155717	472 SPINY LIZARD	1		\$ 6,528.24	\$ 529.21
R155719	164 BOSQUE	1		\$ 6,528.24	\$ 529.21
R155720	168 BOSQUE	1		\$ 6,528.24	\$ 529.21
R155721	172 BOSQUE	1		\$ 6,528.24	\$ 529.21
R155722	176 BOSQUE	1		\$ 6,528.24	\$ 529.21
R155723	180 BOSQUE	1		\$ 6,528.24	\$ 529.21
R155724	184 BOSQUE	1		\$ 6,528.24	\$ 529.21
R156552	185 BOSQUE	Open Space		\$ -	\$ -
R156553	186 BOSQUE	Open Space		\$ -	\$ -
R156554	187 BOSQUE	Open Space		\$ -	\$ -
R162924	404 SPINY LIZARD	1		\$ 6,528.24	\$ 529.21
R162925	408 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R162926	412 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R162927	416 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R162928	420 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R162929	424 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R162930	428 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R162931	432 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R162932	436 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R162933	105 BOSQUE DR	1		\$ 6,528.24	\$ 529.21
R162934	109 BOSQUE DR	1		\$ 6,528.24	\$ 529.21
R162935	113 BOSQUE DR	1		\$ 6,528.24	\$ 529.21
R162936	117 BOSQUE DR	1		\$ 6,528.24	\$ 529.21
R162937	121 BOSQUE DR	1		\$ 6,528.24	\$ 529.21
R162938	125 BOSQUE DR	1		\$ 6,528.24	\$ 529.21
R162939	129 BOSQUE DR	1		\$ 6,528.24	\$ 529.21
R162940	133 BOSQUE DR	1		\$ 6,528.24	\$ 529.21
R162941	364 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R162942	137 SWITCHGRASS ST	1		\$ 6,528.24	\$ 529.21
R162943	133 SWITCHGRASS ST	1		\$ 6,528.24	\$ 529.21
R162944	139 SWITCHGRASS ST	1		\$ 6,528.24	\$ 529.21
R162945	125 SWITCHGRASS ST	1		\$ 6,528.24	\$ 529.21
R162946	121 SWITCHGRASS ST	1		\$ 6,528.24	\$ 529.21
R162947	117 SWITCHGRASS ST	1		\$ 6,528.24	\$ 529.21
R162948	113 SWITCHGRASS ST	1		\$ 6,528.24	\$ 529.21
R162949	109 SWITCHGRASS ST	1		\$ 6,528.24	\$ 529.21
R162950	105 SWITCHGRASS ST	1		\$ 6,528.24	\$ 529.21
R155728	248 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R155729	240 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R155730	236 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R155731	232 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R155732	228 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R155733	224 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R155734	220 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R155735	216 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R155736	212 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R155737	208 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R155738	204 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R155739	152 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R155740	148 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R155741	144 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R155742	140 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R155743	136 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R155744	132 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R155745	128 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R155746	124 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R155747	120 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R155748	116 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R155749	112 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R155750	108 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R155751	104 SAGE MEADOWS	Open Space		\$ -	\$ -
R155752	1025 ESPLANDE	2		\$ 7,998.44	\$ 648.30
R155753	1029 ESPLANDE	2		\$ 7,998.44	\$ 648.30
R155754	1033 ESPLANDE	2		\$ 7,998.44	\$ 648.30
R155755	1037 ESPLANDE	2		\$ 7,998.44	\$ 648.30
R155756	1041 ESPLANDE	2		\$ 7,998.44	\$ 648.30
R155757	1045 ESPLANDE	2		\$ 7,998.44	\$ 648.30
R155758	1049 ESPLANDE	2		\$ 7,998.44	\$ 648.30
R155759	1053 ESPLANDE	2		\$ 7,998.44	\$ 648.30
R155760	1057 ESPLANDE	2		\$ 7,998.44	\$ 648.30
R155761	1061 ESPLANDE	2		\$ 7,998.44	\$ 648.30
R155762	209 BOSQUE	Open Space		\$ -	\$ -
R155763	213 BOSQUE	2		\$ 7,998.44	\$ 648.30
R155764	217 BOSQUE	2		\$ 7,998.44	\$ 648.30
R155765	221 BOSQUE	2		\$ 7,998.44	\$ 648.30
R155766	225 BOSQUE	2		\$ 7,998.44	\$ 648.30
R155767	229 BOSQUE	2		\$ 7,998.44	\$ 648.30
R155768	213 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R155769	217 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R155770	221 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R155771	225 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R155772	229 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R155773	233 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R155774	237 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R155775	241 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R155776	245 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R155777	249 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R155778	253 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R155779	257 HORSEMINT	Open Space		\$ -	\$ -
R162951	N/A	Open Space		\$ -	\$ -
R162970	105 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R162971	109 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R162972	113 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R162973	117 SAGE MEADOWS	3		\$ 8,822.66	\$ 715.33
R162974	117 GRAY WOLF	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R162975	121 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162976	125 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162977	129 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162978	133 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162979	137 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162980	141 GRAY WOLF	Open Space		\$ -	\$ -
R162981	161 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162982	165 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162983	205 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162984	209 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162985	213 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162986	217 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162987	104 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162988	108 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162989	112 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162990	116 GRAY WOLF	3	[b]	\$ -	\$ -
R162991	120 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162992	124 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162993	128 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162994	156 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162995	160 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162996	164 GRAY WOLF	3		\$ 8,822.66	\$ 715.33
R162997	129 CYPRESS HILLS	3	[b]	\$ -	\$ -
R162998	125 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R162999	121 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163000	117 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163001	113 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163002	109 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163003	105 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163005	104 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163006	108 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163007	112 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163008	116 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163009	120 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163010	124 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163011	128 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163012	132 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163013	136 CYPRESS HILLS	3		\$ 8,822.66	\$ 715.33
R163014	N/A	Open Space		\$ -	\$ -
R166396	165 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R166397	161 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166398	157 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166399	153 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166400	149 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166401	145 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166402	141 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166403	137 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166404	133 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166405	129 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166406	125 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166407	121 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166408	117 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166409	113 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166410	109 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166411	105 RUSTIC GLEN	1		\$ 6,528.24	\$ 529.21
R166412	1122 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R166413	1126 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R166414	1130 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R166415	1134 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R166416	1138 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R166417	1142 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R166418	1146 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R166419	1150 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R166420	1154 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R166421	1158 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R166422	1162 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R166423	1166 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R166424	153 DUCK CREEK	1		\$ 6,528.24	\$ 529.21
R166425	149 DUCK CREEK	1		\$ 6,528.24	\$ 529.21
R166426	145 DUCK CREEK	1		\$ 6,528.24	\$ 529.21
R166427	141 DUCK CREEK	1		\$ 6,528.24	\$ 529.21
R166428	137 DUCK CREEK	1		\$ 6,528.24	\$ 529.21
R166429	133 DUCK CREEK	1		\$ 6,528.24	\$ 529.21
R166430	129 DUCK CREEK	1		\$ 6,528.24	\$ 529.21
R166431	125 DUCK CREEK	1		\$ 6,528.24	\$ 529.21
R166432	121 DUCK CREEK	1		\$ 6,528.24	\$ 529.21
R166433	117 DUCK CREEK	1		\$ 6,528.24	\$ 529.21
R166434	113 DUCK CREEK	1		\$ 6,528.24	\$ 529.21
R165153	1105 ESPLANADE	Open Space		\$ -	\$ -
R165154	1109 ESPLANADE	2		\$ 7,998.44	\$ 648.30

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R165155	1113 ESPLANADE	2		\$ 7,998.44	\$ 648.30
R165156	1117 ESPLANADE	2		\$ 7,998.44	\$ 648.30
R165157	1121 ESPLANADE	2		\$ 7,998.44	\$ 648.30
R165158	1125 ESPLANADE	2		\$ 7,998.44	\$ 648.30
R165159	1129 ESPLANADE	2		\$ 7,998.44	\$ 648.30
R165160	1133 ESPLANADE	2		\$ 7,998.44	\$ 648.30
R165161	1137 ESPLANADE	2		\$ 7,998.44	\$ 648.30
R165162	1141 ESPLANADE	2		\$ 7,998.44	\$ 648.30
R165163	1147 ESPLANADE	2		\$ 7,998.44	\$ 648.30
R165164	1151 ESPLANADE	2		\$ 7,998.44	\$ 648.30
R165165	1157 ESPLANADE	2		\$ 7,998.44	\$ 648.30
R165166	1161 ESPLANADE	2		\$ 7,998.44	\$ 648.30
R165167	1167 ESPLANADE	2		\$ 7,998.44	\$ 648.30
R165168	1177 ESPLANADE	Open Space		\$ -	\$ -
R165169	109 WILLIAM MOON	2		\$ 7,998.44	\$ 648.30
R165170	113 WILLIAM MOON	2		\$ 7,998.44	\$ 648.30
R165171	117 WILLIAM MOON	2		\$ 7,998.44	\$ 648.30
R165172	121 WILLIAM MOON	2		\$ 7,998.44	\$ 648.30
R165173	125 WILLIAM MOON	2		\$ 7,998.44	\$ 648.30
R165174	109 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165175	113 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165176	117 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165177	121 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165178	125 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165179	129 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165180	133 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165181	137 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165182	141 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165183	145 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165184	149 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165185	153 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165186	157 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165187	161 HORSEMINT	2		\$ 7,998.44	\$ 648.30
R165188	165 HORSEMINT	Open Space		\$ -	\$ -
R165189	160 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R165190	156 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R165191	150 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R165192	146 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R165193	142 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R165194	136 HORSEMINT	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R165195	240 BOSQUE	Open Space		\$ -	\$ -
R165196	108 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R165197	112 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R165198	116 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R165199	120 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R165200	124 HORSEMINT	3		\$ 8,822.66	\$ 715.33
R168822	113 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168823	119 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168824	127 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168825	131 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168826	135 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168827	139 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168828	143 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168829	147 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168830	151 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168831	155 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168832	159 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168833	228 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168834	224 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168835	220 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168836	216 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168837	212 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168838	208 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168839	204 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168840	232 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168841	236 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168842	240 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168843	244 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168844	250 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168845	253 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168846	249 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168847	245 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168848	241 SAGE MEADOWS DR	3		\$ 8,822.66	\$ 715.33
R168849	108 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168850	112 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168851	116 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168852	120 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168853	124 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168854	128 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168855	132 LYNDON DR	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R168856	136 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168857	140 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168858	144 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168859	148 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168860	152 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168861	156 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168862	160 LYNDON DR	3		\$ 8,822.66	\$ 715.33
R168863	104 LYNDON DR	Open Space		\$ -	\$ -
R168864	221 GRAY WOLF DR	3		\$ 8,822.66	\$ 715.33
R168865	225 GRAY WOLF DR	3		\$ 8,822.66	\$ 715.33
R168866	229 GRAY WOLF DR	3	[b]	\$ -	\$ -
R168867	233 GRAY WOLF DR	3		\$ 8,822.66	\$ 715.33
R167305	261 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167306	265 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167307	269 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167308	273 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167309	277 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167310	305 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167311	309 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167312	313 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167313	317 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167314	321 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167315	325 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167316	329 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167317	333 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167318	337 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167319	341 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167320	345 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167321	349 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167322	353 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167323	357 HORSEMINT WAY	Open Space		\$ -	\$ -
R167324	145 GRAY WOLF DR	3		\$ 8,822.66	\$ 715.33
R167325	149 GRAY WOLF DR	3		\$ 8,822.66	\$ 715.33
R167326	153 GRAY WOLF DR	3		\$ 8,822.66	\$ 715.33
R167327	157 GRAY WOLF DR	3		\$ 8,822.66	\$ 715.33
R167328	224 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167329	220 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167330	216 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167331	212 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167332	208 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R167333	204 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167334	148 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167335	144 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167336	140 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167337	136 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167338	132 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167339	128 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167340	356 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167341	352 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167342	348 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167343	344 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167344	340 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167345	336 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167346	332 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167347	328 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167348	324 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167349	320 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167350	316 HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R167351	360 HORSEMINT WAY	Open Space		\$ -	\$ -
R167352	403 HORSEMINT WAY	Open Space		\$ -	\$ -
R167353	119 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167354	123 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167355	127 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167356	131 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167357	135 LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R167358	125 GOLDFINCH DR	3		\$ 8,822.66	\$ 715.33
R167359	129 GOLDFINCH DR	3		\$ 8,822.66	\$ 715.33
R167360	133 GOLDFINCH DR	3		\$ 8,822.66	\$ 715.33
R167361	137 GOLDFINCH DR	3		\$ 8,822.66	\$ 715.33
R167362	141 GOLDFINCH DR	3		\$ 8,822.66	\$ 715.33
R167363	145 GOLDFINCH DR	3		\$ 8,822.66	\$ 715.33
R167364	149 GOLDFINCH DR	3		\$ 8,822.66	\$ 715.33
R167365	146 GOLDFINCH DR	3		\$ 8,822.66	\$ 715.33
R167366	142 GOLDFINCH DR	3		\$ 8,822.66	\$ 715.33
R167367	138 GOLDFINCH DR	3		\$ 8,822.66	\$ 715.33
R167368	134 GOLDFINCH DR	3		\$ 8,822.66	\$ 715.33
R163004	N/A	Open Space		\$ -	\$ -
R169312	N/A	Open Space		\$ -	\$ -
R169313	N/A	Open Space		\$ -	\$ -
R169314	N/A	Open Space		\$ -	\$ -

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R164621	N/A	Open Space		\$ -	\$ -
R164619	1003 VAN HORN TRCE	Open Space		\$ -	\$ -
R164620	1103 VAN HORN TRCE	Open Space		\$ -	\$ -
R164622	1001 VAN HORN TRCE	Open Space		\$ -	\$ -
R164623	1101 VAN HORN TRCE	Open Space		\$ -	\$ -
R164624	1002 VAN HORN TRCE	Open Space		\$ -	\$ -
R164625	1102 VAN HORN TRCE	Open Space		\$ -	\$ -
R164631	201 1\2 ROLLINGWOOD DR	Amenity Center		\$ 179,470.00	\$ 14,546.74
R173948	N/A	Open Space		\$ -	\$ -
R173949	618 EL RIO ST	Multi Family		\$ 1,495,375.86	\$ 121,206.00
R189756	EL RIO ST	Multi Family		\$ 1,830,229.97	\$ 148,347.22
R173950	1112 VAN HORN TRCE	Open Space		\$ -	\$ -
R173951	1122 VAN HORN TRCE	Open Space		\$ -	\$ -
R174873	N/A	Open Space		\$ -	\$ -
R155718	N/A	Open Space		\$ -	\$ -
R155725	188 BOSQUE DR	Open Space		\$ -	\$ -
R156551	N/A	Open Space		\$ -	\$ -
R164125	ESPLANADE PKWY	Elementary School		\$ -	\$ -
R169236	N/A	Open Space		\$ -	\$ -
R171067	447 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171068	441 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171069	435 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171070	431 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171071	429 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171072	425 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171073	417 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171074	411 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171075	405 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171076	369 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171077	365 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171078	359 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171079	353 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171080	345 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171081	341 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171082	337 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171083	333 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171084	329 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171085	325 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171086	321 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171087	317 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R171088	311 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171089	305 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171090	N/A	Open Space		\$ -	\$ -
R171091	340 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171092	344 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171093	348 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171094	352 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171095	356 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171096	360 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171097	318 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171098	314 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171099	310 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171100	306 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171101	302 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171102	238 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171103	234 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171104	230 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171105	226 SPINY LIZARD LN	1		\$ 6,528.24	\$ 529.21
R171106	231 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171107	225 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R171108	221 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178529	237 WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178530	WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178531	WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178532	WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178533	221 WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178534	217 WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178535	213 WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178536	209 WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178537	205 WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178538	SNOWBELL ST	3		\$ 8,822.66	\$ 715.33
R178539	SNOWBELL ST	Open Space		\$ -	\$ -
R178540	SNOWBELL ST	3		\$ 8,822.66	\$ 715.33
R178541	SNOWBELL ST	3		\$ 8,822.66	\$ 715.33
R178542	SNOWBELL ST	3		\$ 8,822.66	\$ 715.33
R178543	SNOWBELL ST	3		\$ 8,822.66	\$ 715.33
R178544	WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178545	SNOWBELL ST	3		\$ 8,822.66	\$ 715.33
R178546	SNOWBELL ST	3		\$ 8,822.66	\$ 715.33
R178547	WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R178548	311 WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178549	WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178550	WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178551	WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178552	WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178553	WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178554	WILLIAM MOON WAY	3		\$ 8,822.66	\$ 715.33
R178555	SNOWBELL ST	Open Space		\$ -	\$ -
R178376	217 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178377	213 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178378	209 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178379	205 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178380	201 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178381	163 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178382	159 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178383	155 SPINY LIZARD LN	3	[b]	\$ -	\$ -
R178384	151 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178385	147 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178386	143 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178387	139 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178388	135 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178389	131 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178390	127 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178391	121 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178392	113 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178393	105 SPINY LIZARD LN	3		\$ 8,822.66	\$ 715.33
R178394	204 ROLLINGWOOD DR	3		\$ 8,822.66	\$ 715.33
R178395	208 ROLLINGWOOD DR	3		\$ 8,822.66	\$ 715.33
R178396	212 ROLLINGWOOD DR	3	[b]	\$ -	\$ -
R178397	216 ROLLINGWOOD DR	3		\$ 8,822.66	\$ 715.33
R178398	220 ROLLINGWOOD DR	3		\$ 8,822.66	\$ 715.33
R178399	224 ROLLINGWOOD DR	3		\$ 8,822.66	\$ 715.33
R178400	228 ROLLINGWOOD DR	3	[b]	\$ -	\$ -
R178401	156 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21
R178402	152 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21
R178403	148 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21
R178404	144 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21
R178405	140 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21
R178406	136 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21
R178407	132 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R178408	128 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21
R178409	124 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21
R178410	120 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21
R178411	116 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21
R178412	112 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21
R178413	108 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21
R178414	104 TORTOISE TRL	1		\$ 6,528.24	\$ 529.21
R178415	155 TORTOISE TRL	2		\$ 7,998.44	\$ 648.30
R178416	151 TORTOISE TRL	2		\$ 7,998.44	\$ 648.30
R178417	145 TORTOISE TRL	2		\$ 7,998.44	\$ 648.30
R178418	141 TORTOISE TRL	2		\$ 7,998.44	\$ 648.30
R178419	135 TORTOISE TRL	2		\$ 7,998.44	\$ 648.30
R178420	129 TORTOISE TRL	2		\$ 7,998.44	\$ 648.30
R178421	123 TORTOISE TRL	2		\$ 7,998.44	\$ 648.30
R178422	115 TORTOISE TRL	2		\$ 7,998.44	\$ 648.30
R178423	107 TORTOISE TRL	2		\$ 7,998.44	\$ 648.30
R178424	103 TORTOISE TRL	2		\$ 7,998.44	\$ 648.30
R178425	104 SPINY LIZARD LN	2		\$ 7,998.44	\$ 648.30
R178426	108 SPINY LIZARD LN	2		\$ 7,998.44	\$ 648.30
R178427	112 SPINY LIZARD LN	2		\$ 7,998.44	\$ 648.30
R178428	116 SPINY LIZARD LN	2		\$ 7,998.44	\$ 648.30
R178429	120 SPINY LIZARD LN	2		\$ 7,998.44	\$ 648.30
R178430	124 SPINY LIZARD LN	2		\$ 7,998.44	\$ 648.30
R178431	128 SPINY LIZARD LN	2		\$ 7,998.44	\$ 648.30
R178432	1170 ESPLANADE PKWY	1		\$ 6,528.24	\$ 529.21
R178433	1174 ESPLANADE PKWY	1		\$ 6,528.24	\$ 529.21
R178434	1178 ESPLANADE PKWY	1		\$ 6,528.24	\$ 529.21
R178435	1182 ESPLANADE PKWY	1		\$ 6,528.24	\$ 529.21
R178436	1186 ESPLANADE PKWY	1		\$ 6,528.24	\$ 529.21
R178437	1204 ESPLANADE PKWY	1		\$ 6,528.24	\$ 529.21
R178438	1208 ESPLANADE PKWY	1		\$ 6,528.24	\$ 529.21
R178439	1212 ESPLANADE PKWY	1		\$ 6,528.24	\$ 529.21
R178440	1216 ESPLANADE PKWY	1		\$ 6,528.24	\$ 529.21
R178441	1220 ESPLANADE PKWY	1		\$ 6,528.24	\$ 529.21
R178442	1224 ESPLANADE PKWY	1		\$ 6,528.24	\$ 529.21
R178443	1228 ESPLANADE PKWY	1		\$ 6,528.24	\$ 529.21
R178444	1232 ESPLANADE PKWY	1		\$ 6,528.24	\$ 529.21
R178445	ROLLINGWOOD DR	Open Space		\$ -	\$ -
R178446	108 ROLLINGWOOD DR	1		\$ 6,528.24	\$ 529.21
R178447	112 ROLLINGWOOD DR	1		\$ 6,528.24	\$ 529.21

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R178448	116 ROLLINGWOOD DR	1		\$ 6,528.24	\$ 529.21
R178449	120 ROLLINGWOOD DR	1		\$ 6,528.24	\$ 529.21
R178450	124 ROLLINGWOOD DR	1		\$ 6,528.24	\$ 529.21
R178451	128 ROLLINGWOOD DR	1		\$ 6,528.24	\$ 529.21
R178452	245 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R178453	241 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R178454	237 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R178455	233 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R178456	229 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R178457	225 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R178458	221 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R178459	217 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R178460	213 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R178461	209 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R178462	205 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R178463	165 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R178464	161 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R178465	157 DUCK CREEK TRL	1		\$ 6,528.24	\$ 529.21
R184027		Right of Way		\$ -	\$ -
R178472	HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R178473	HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R178474	HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R178475	HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R178476	HORSEMINT WAY	Open Space		\$ -	\$ -
R178477	HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R178478	HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R178479	HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R178480	HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R178481	HORSEMINT WAY	3		\$ 8,822.66	\$ 715.33
R178482	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33
R178483	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33
R178484	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33
R178485	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33
R178486	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33
R178487	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33
R178488	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33
R178489	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33
R178490	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33
R178491	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33
R178492	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R178493	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33
R178494	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33
R178495	SKYFLOWER LN	3		\$ 8,822.66	\$ 715.33
R178496	GOLDFINCH DR	Open Space		\$ -	\$ -
R178497	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178498	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178499	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178500	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178501	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178502	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178503	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178504	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178505	CAMINO VERDE	Open Space		\$ -	\$ -
R178506	CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R178507	CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R178508	CAMINO VERDE	Right of Way		\$ -	\$ -
R178509	CAMINO VERDE	Right of Way		\$ -	\$ -
R178510	CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R178511	CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R178512	CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R178513	CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R178514	CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R178515	CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R178516	CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R178517	GRAY WOLF DR	3		\$ 8,822.66	\$ 715.33
R178518	GRAY WOLF DR	3		\$ 8,822.66	\$ 715.33
R178519	GRAY WOLF DR	3		\$ 8,822.66	\$ 715.33
R178520	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178521	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178522	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178523	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178524	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178525	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178526	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R178527	LT. JOHN DECKER DR	3		\$ 8,822.66	\$ 715.33
R187716	645 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187717	641 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187718	637 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187719	633 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187720	629 JANE LONG	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R187721	625 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187722	621 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187723	617 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187724	613 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187725	609 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187726	605 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187727	345 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187728	341 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187729	337 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187730	333 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187731	329 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187732	325 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187733	321 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187734	317 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187735	313 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187736	309 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187737	305 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187738	606 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187739	610 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187740	614 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187741	618 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187742	622 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187743	626 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187744	630 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187745	634 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187746	638 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187747	642 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187748	646 JANE LONG	3		\$ 8,822.66	\$ 715.33
R187749	405 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187750	409 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187751	413 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187752	417 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187753	421 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187754	425 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187755	429 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187756	433 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187757	420 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187758	416 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187759	412 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187760	408 MERRIMAN	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R187761	404 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187762	346 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187763	342 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187764	338 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187765	334 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187766	330 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187767	326 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187768	322 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187769	318 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187770	314 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187771	310 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187772	306 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R187773	SNOWBELL	Open Space		\$ -	\$ -
R187774	MERRIMAN	Open Space		\$ -	\$ -
R187775	MERRIMAN	Right of Way		\$ -	\$ -
R186007	ROSA	Right of Way		\$ -	\$ -
R186008	NETHERLAND	Right of Way		\$ -	\$ -
R186009	SAGE MEADOWS	Open Space		\$ -	\$ -
R186010	112 ROSA	3		\$ 8,822.66	\$ 715.33
R186011	116 ROSA	3		\$ 8,822.66	\$ 715.33
R186012	120 ROSA	3		\$ 8,822.66	\$ 715.33
R186013	124 ROSA	3		\$ 8,822.66	\$ 715.33
R186014	128 ROSA	3		\$ 8,822.66	\$ 715.33
R186015	132 ROSA	3		\$ 8,822.66	\$ 715.33
R186016	205 SNOWBELL	3		\$ 8,822.66	\$ 715.33
R186017	127 ROSA	3		\$ 8,822.66	\$ 715.33
R186018	123 ROSA	3		\$ 8,822.66	\$ 715.33
R186019	119 ROSA	3		\$ 8,822.66	\$ 715.33
R186020	115 ROSA	3		\$ 8,822.66	\$ 715.33
R186021	111 ROSA	3		\$ 8,822.66	\$ 715.33
R186022	145 NETHERLAND	3		\$ 8,822.66	\$ 715.33
R186023	141 NETHERLAND	3		\$ 8,822.66	\$ 715.33
R186024	137 NETHERLAND	3		\$ 8,822.66	\$ 715.33
R186025	133 NETHERLAND	3		\$ 8,822.66	\$ 715.33
R186026	129 NETHERLAND	3		\$ 8,822.66	\$ 715.33
R186027	125 NETHERLAND	3		\$ 8,822.66	\$ 715.33
R186028	121 NETHERLAND	3		\$ 8,822.66	\$ 715.33
R186029	117 NETHERLAND	3		\$ 8,822.66	\$ 715.33
R186030	113 NETHERLAND	3		\$ 8,822.66	\$ 715.33
R186031	109 NETHERLAND	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R186032	105 NETHERLAND	3		\$ 8,822.66	\$ 715.33
R186033	339 WILLIAM MOON	3		\$ 8,822.66	\$ 715.33
R186034	111 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R186035	117 MERRIMAN	3		\$ 8,822.66	\$ 715.33
R186036	105 BING	3		\$ 8,822.66	\$ 715.33
R186037	109 BING	3		\$ 8,822.66	\$ 715.33
R186038	113 BING	3		\$ 8,822.66	\$ 715.33
R186039	112 BING	3		\$ 8,822.66	\$ 715.33
R186040	108 BING	3		\$ 8,822.66	\$ 715.33
R186041	104 BING	3		\$ 8,822.66	\$ 715.33
R186042	216 SNOWBELL	3		\$ 8,822.66	\$ 715.33
R186043	212 SNOWBELL	3		\$ 8,822.66	\$ 715.33
R186044	208 SNOWBELL	3		\$ 8,822.66	\$ 715.33
R186045	204 SNOWBELL	3		\$ 8,822.66	\$ 715.33
R186046	114 SNOWBELL	3		\$ 8,822.66	\$ 715.33
R186047	110 SNOWBELL	3		\$ 8,822.66	\$ 715.33
R192926	425 WILLIAM MOON	Open Space		\$ -	\$ -
R192927	421 WILLIAM MOON	2		\$ 7,998.44	\$ 648.30
R192928	417 WILLIAM MOON	2		\$ 7,998.44	\$ 648.30
R192929	413 WILLIAM MOON	2		\$ 7,998.44	\$ 648.30
R192930	409 WILLIAM MOON	2		\$ 7,998.44	\$ 648.30
R192931	405 WILLIAM MOON	2		\$ 7,998.44	\$ 648.30
R192933	1623 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192934	1627 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192935	1631 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192936	1635 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192937	1639 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192938	1643 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192939	1647 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192940	1651 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192941	1655 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192942	1659 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192943	152 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192944	148 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192945	144 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192946	140 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192947	136 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192948	132 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192949	128 MERRIMAN	1		\$ 6,528.24	\$ 529.21

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R192950	124 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192951	120 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192952	116 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192953	112 MERRIMAN	2		\$ 7,998.44	\$ 648.30
R192954	240 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192955	236 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192956	232 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192957	228 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192958	224 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192959	220 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192960	216 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192961	212 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192962	208 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192963	204 MERRIMAN	1		\$ 6,528.24	\$ 529.21
R192964	1705 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192965	1709 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192966	1713 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192967	1717 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192968	1721 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192969	1725 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192970	1729 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192971	1733 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192972	1737 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192973	1741 ESPLANADE	1		\$ 6,528.24	\$ 529.21
R192974	JANE LONG	Open Space		\$ -	\$ -
R184026		Right of Way		\$ -	\$ -
R187923	112 REXROOT	Open Space		\$ -	\$ -
R187924	116 REXROAT	3		\$ 8,822.66	\$ 715.33
R187925	120 REXROAT	3		\$ 8,822.66	\$ 715.33
R187926	124 REXROOT	3		\$ 8,822.66	\$ 715.33
R187927	128 REXROAT	3		\$ 8,822.66	\$ 715.33
R187928	248 SHUGART	3		\$ 8,822.66	\$ 715.33
R187929	244 SHUGART	3		\$ 8,822.66	\$ 715.33
R187930	240 SHUGART	3		\$ 8,822.66	\$ 715.33
R187931	236 SHUGART	3		\$ 8,822.66	\$ 715.33
R187932	232 SHUGART	3		\$ 8,822.66	\$ 715.33
R187933	228 SHUGART	3		\$ 8,822.66	\$ 715.33
R187934	224 SHUGART	3		\$ 8,822.66	\$ 715.33
R187935	220 SHUGART	3		\$ 8,822.66	\$ 715.33
R187936	216 SHUGART	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R187937	212 SHUGART	3		\$ 8,822.66	\$ 715.33
R187938	208 SHUGART	3		\$ 8,822.66	\$ 715.33
R187939	204 SHUGART	3		\$ 8,822.66	\$ 715.33
R187940	160 SHUGART	3		\$ 8,822.66	\$ 715.33
R187941	156 SHUGART	3		\$ 8,822.66	\$ 715.33
R187942	152 SHUGART	3		\$ 8,822.66	\$ 715.33
R187943	148 SHUGART	3		\$ 8,822.66	\$ 715.33
R187944	144 SHUGART	3		\$ 8,822.66	\$ 715.33
R187945	140 SHUGART	3		\$ 8,822.66	\$ 715.33
R187946	136 SHUGART	3		\$ 8,822.66	\$ 715.33
R187947	132 SHUGART	3		\$ 8,822.66	\$ 715.33
R187948	128 SHUGART	3		\$ 8,822.66	\$ 715.33
R187949	124 SHUGART	3		\$ 8,822.66	\$ 715.33
R187950	120 SHUGART	3		\$ 8,822.66	\$ 715.33
R187951	104 SHUGART	Open Space		\$ -	\$ -
R187952	144 THUNDER OAK	3		\$ 8,822.66	\$ 715.33
R187953	140 THUNDER OAK	3		\$ 8,822.66	\$ 715.33
R187954	136 THUNDER OAK	3		\$ 8,822.66	\$ 715.33
R187955	132 THUNDER OAK	3		\$ 8,822.66	\$ 715.33
R187956	128 THUNDER OAK	3		\$ 8,822.66	\$ 715.33
R187957	137 SHUGART	3		\$ 8,822.66	\$ 715.33
R187958	143 SHUGART	3		\$ 8,822.66	\$ 715.33
R187959	147 SHUGART	3		\$ 8,822.66	\$ 715.33
R187960	155 SHUGART	3		\$ 8,822.66	\$ 715.33
R187961	164 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187962	160 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187963	156 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187964	152 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187965	148 EDWARD R.GAYTAN	Open Space		\$ -	\$ -
R187966	144 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187967	140 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187968	136 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187969	132 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187970	128 EDWARD R.GAYTAN	Open Space		\$ -	\$ -
R187971	124 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187972	120 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187973	116 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187974	112 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187975	108 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187976	104 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R187977	155 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187978	151 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187979	145 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187980	141 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187981	137 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187982	133 EDWARD R.GAYTAN	3		\$ 8,822.66	\$ 715.33
R187983	133 THUNDER OAK	3		\$ 8,822.66	\$ 715.33
R187984	129 THUNDER OAK	3		\$ 8,822.66	\$ 715.33
R187985	161 EDWARD R.GAYTAN	Open Space		\$ -	\$ -
R187986	121 THUNDER OAK	Open Space		\$ -	\$ -
R187987	109 THUNDER OAK	3		\$ 8,822.66	\$ 715.33
R187988	105 THUNDER OAK	3		\$ 8,822.66	\$ 715.33
R187989	109 SHUGART	3		\$ 8,822.66	\$ 715.33
R187990	105 SHUGART	3		\$ 8,822.66	\$ 715.33
R187991	127 REXROAT	Open Space		\$ -	\$ -
R187992	115 SHUGART	Open Space		\$ -	\$ -
R187993	151 SHUGART	3		\$ 8,822.66	\$ 715.33
R187994		Right of Way		\$ -	\$ -
R182651	118 CAMINO VERDE	Open Space		\$ -	\$ -
R182652	120 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182653	124 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182654	128 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182655	132 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182656	247 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182657	243 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182658	239 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182659	235 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182660	231 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182661	227 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182662	223 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182663	219 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182664	215 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182665	211 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182666	207 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182667	203 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182668	133 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182669	129 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182670	125 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182671	121 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182672	119 CAMINO VERDE	Open Space		\$ -	\$ -

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R182673	204 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182674	208 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182675	212 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182676	216 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182677	220 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182678	224 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182679	114 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182680	122 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182681	126 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182682	130 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182683	134 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182684	138 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182685	142 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182686	146 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182687	150 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182688	154 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182689	158 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182690	162 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182691	241 SNOWBELL	3		\$ 8,822.66	\$ 715.33
R182692	244 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182693	240 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182694	236 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182695	232 CAMINO VERDE	3		\$ 8,822.66	\$ 715.33
R182696	111 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182697	115 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182698	119 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182699	123 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182700	127 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182701	131 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182702	155 PAUL PENA	3		\$ 8,822.66	\$ 715.33
R182703	520 JANE LONG	3		\$ 8,822.66	\$ 715.33
R182704	516 JANE LONG	3		\$ 8,822.66	\$ 715.33
R182705	512 JANE LONG	3		\$ 8,822.66	\$ 715.33
R182706	506 JANE LONG	Open Space		\$ -	\$ -
R182707	505 JANE LONG	Open Space		\$ -	\$ -
R182708	511 JANE LONG	3		\$ 8,822.66	\$ 715.33
R182709	515 JANE LONG	3		\$ 8,822.66	\$ 715.33
R182710	519 JANE LONG	3		\$ 8,822.66	\$ 715.33
R182711	523 JANE LONG	3		\$ 8,822.66	\$ 715.33
R182712	527 JANE LONG	3		\$ 8,822.66	\$ 715.33

Property ID	Address	Lot Type	Note	Annual	
				Outstanding Assessment	Installment Due 1/31/2024 [a]
R182713	531 JANE LONG	3		\$ 8,822.66	\$ 715.33
R182714	535 JANE LONG	3		\$ 8,822.66	\$ 715.33
R182715	539 JANE LONG	3		\$ 8,822.66	\$ 715.33
R182716	543 JANE LONG	3		\$ 8,822.66	\$ 715.33
R184028		Right of Way		\$ -	\$ -
R173953	5403 S IH 35	Business Park		\$ 45,870.43	\$ 3,717.98
R175601	S OLD BASTROP HWY	Fire Station		\$ -	\$ -
R192395	ESPLANADE PKWY	Open Space		\$ -	\$ -
R187602	VAN HORN TRACE	Amenity Center Park		\$ -	\$ -
R162350	Unplatted Parcel		[c]	\$ 344,527.06	\$ 27,925.25
R162351	Unplatted Parcel		[c]	\$ 424,033.31	\$ 34,369.54
R182225	Unplatted Parcel		[c]	\$ 270,009.44	\$ 21,885.31
R18614	Unplatted Parcel		[c]	\$ 4,218,881.98	\$ 341,956.70
R162349	Unplatted Parcel		[c]	\$ 2,514,954.02	\$ 203,846.75
Total				\$ 17,887,535.82	\$ 1,449,984.33

[a] The Annual Installment covers the period September 1, 2023 to August 31, 2024, and is due by January 31, 2024.

[b] Prepaid in full.

[c] The Unplatted Parcel's Annual Installment is allocated to tax Parcels based on acreage.

Note: The total outstanding Assessment for the Assessment Roll takes into account 7 prepayments made on single family lots within the District and, as such, is less than the total outstanding Assessment for the District.

Exhibit B

Estimated Annual Installments

Annual Installment Due 1/31	Series 2019 PID Bonds			Series 2023 PID Bonds			Annual Collection Costs	Total
	Principal	Interest [a]	Additional Interest [c]	Principal	Interest [b]	Additional Interest [c]		
2024	\$ 220,000.00	\$ 625,975.00	\$ 55,500.00	\$ 26,000.00	\$ 487,848.75	\$ -	\$ 39,350.00	\$ 1,454,673.75
2025	230,000.00	616,075.00	54,400.00	100,000.00	485,996.25	34,105.00	40,137.00	1,560,713.25
2026	240,000.00	604,575.00	53,250.00	110,000.00	478,871.25	33,605.00	40,939.74	1,561,240.99
2027	255,000.00	592,575.00	52,050.00	115,000.00	471,033.75	33,055.00	41,758.53	1,560,472.28
2028	265,000.00	579,825.00	50,775.00	127,000.00	462,840.00	32,480.00	42,593.71	1,560,513.71
2029	280,000.00	566,575.00	49,450.00	136,000.00	453,791.25	31,845.00	43,445.58	1,561,106.83
2030	290,000.00	552,575.00	48,050.00	151,000.00	444,101.25	31,165.00	44,314.49	1,561,205.74
2031	310,000.00	535,900.00	46,600.00	160,000.00	433,342.50	30,410.00	45,200.78	1,561,453.28
2032	325,000.00	518,075.00	45,050.00	176,000.00	421,942.50	29,610.00	46,104.80	1,561,782.30
2033	345,000.00	499,387.50	43,425.00	189,000.00	409,402.50	28,730.00	47,026.89	1,561,971.89
2034	365,000.00	479,550.00	41,700.00	204,000.00	395,936.25	27,785.00	47,967.43	1,561,938.68
2035	385,000.00	458,562.50	39,875.00	221,000.00	381,401.25	26,765.00	48,926.78	1,561,530.53
2036	410,000.00	436,425.00	37,950.00	236,000.00	365,655.00	25,660.00	49,905.31	1,561,595.31
2037	430,000.00	412,850.00	35,900.00	259,000.00	348,840.00	24,480.00	50,903.42	1,561,973.42
2038	455,000.00	388,125.00	33,750.00	279,000.00	330,386.25	23,185.00	51,921.49	1,561,367.74
2039	485,000.00	361,962.50	31,475.00	298,000.00	310,507.50	21,790.00	52,959.92	1,561,694.92
2040	510,000.00	334,075.00	29,050.00	325,000.00	289,275.00	20,300.00	54,019.12	1,561,719.12
2041	540,000.00	304,750.00	26,500.00	351,000.00	266,118.75	18,675.00	55,099.50	1,562,143.25
2042	570,000.00	273,700.00	23,800.00	380,000.00	241,110.00	16,920.00	56,201.49	1,561,731.49
2043	605,000.00	240,925.00	20,950.00	408,000.00	214,035.00	15,020.00	57,325.52	1,561,255.52
2044	640,000.00	206,137.50	17,925.00	441,000.00	184,965.00	12,980.00	58,472.03	1,561,479.53
2045	675,000.00	169,337.50	14,725.00	478,000.00	153,543.75	10,775.00	59,641.47	1,561,022.72
2046	715,000.00	130,525.00	11,350.00	516,000.00	119,486.25	8,385.00	60,834.30	1,561,580.55
2047	755,000.00	89,412.50	7,775.00	559,000.00	82,721.25	5,805.00	62,050.99	1,561,764.74
2048	800,000.00	46,000.00	4,000.00	602,000.00	42,892.50	3,010.00	63,292.01	1,558,184.51
Total	\$ 11,100,000.00	\$ 10,023,875.00	\$ 875,275.00	\$ 6,847,000.00	\$ 8,276,043.75	\$ 546,540.00	\$ 1,260,392.29	\$ 38,926,116.04

Notes:

[a] Interest is calculated at the actual rate of the Initial PID Bonds.

[b] Interest is calculated at a rate of 7.125% for illustrative purposes.

[c] Additional Interest is calculated at the Additional Interest Rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates.

Exhibit C

Authorized Improvements

	Total Costs
<i>Public Improvements</i>	
Street Improvements	\$ 5,788,090
Drainage Improvements	1,272,692
Erosion Control/Mobilization & General Conditions	563,672
Water Line Distribution	728,070
Wastewater	1,026,228
Sewer Lift Station	3,967,557
Landscaping	2,989,342
Public Safety Facilities	500,000
Contingency	1,327,000
Construction Management Fee	711,072
Soft Costs	3,512,697
Total Public Improvements	<u>22,386,420</u>
 <i>2019 Bond Issuance Costs</i>	
Debt Service Reserve Fund	\$ 847,575
Capitalized Interest	387,595
Underwriter's Discount	356,550
Cost of Issuance	501,375
First Year Collection Costs	40,000
Original Issue Discount	101,675
Rounding	973
	<u>\$ 2,235,743</u>
 <i>2023 Bond Issuance Costs</i>	
Debt Service Reserve Fund	\$ 644,893
Capitalized Interest	-
Underwriter's Discount	205,410
Cost of Issuance	410,820
	<u>\$ 1,261,123</u>
 Total	 <u>\$ 25,883,285</u>

Exhibit D

Service Plan

Trace Public Improvement District						
Annual Installments Due		1/31/2024	1/31/2025	1/31/2026	1/31/2027	1/31/2028
Series 2019 Bonds						
Principal		\$ 220,000.00	\$ 230,000.00	\$ 240,000.00	\$ 255,000.00	\$ 265,000.00
Interest		\$ 625,975.00	\$ 616,075.00	\$ 604,575.00	\$ 592,575.00	\$ 579,825.00
Additional Interest		\$ 55,500.00	\$ 54,400.00	\$ 53,250.00	\$ 52,050.00	\$ 50,775.00
	(1)	\$ 901,475.00	\$ 900,475.00	\$ 897,825.00	\$ 899,625.00	\$ 895,600.00
Series 2023 Bonds						
Principal		\$ 26,000.00	\$ 100,000.00	\$ 110,000.00	\$ 115,000.00	\$ 127,000.00
Interest		\$ 487,848.75	\$ 485,996.25	\$ 478,871.25	\$ 471,033.75	\$ 462,840.00
Additional Interest		\$ -	\$ 34,105.00	\$ 33,605.00	\$ 33,055.00	\$ 32,480.00
	(2)	\$ 513,848.75	\$ 620,101.25	\$ 622,476.25	\$ 619,088.75	\$ 622,320.00
Annual Collection Costs	(3)	\$ 39,350.00	\$ 40,137.00	\$ 40,939.74	\$ 41,758.53	\$ 42,593.71
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 1,454,673.75	\$ 1,560,713.25	\$ 1,561,240.99	\$ 1,560,472.28	\$ 1,560,513.71

Exhibit E

Sources and Uses

Sources of Funds	
2019 Bond Par	\$ 11,885,000
2023 Bond Par	\$ 6,847,000
Reimbursement Obligation Principal [a]	\$ 702,801
Landowner Contribution [c]	\$ 6,448,485
Total Sources	\$ 25,883,285

Uses of Funds	
Public Improvements	\$ 22,386,420
	\$ 22,386,420
<i>2019 Bond Issuance Costs</i>	
Debt Service Reserve Fund	\$ 847,575
Capitalized Interest	387,595
Underwriter's Discount	356,550
Cost of Issuance	501,375
First Year Collection Costs	40,000
Original Issue Discount	101,675
Rounding	973
	\$ 2,235,743
<i>2023 Bond Issuance Costs</i>	
	\$ -
Debt Service Reserve Fund	644,893
Capitalized Interest	-
Underwriter's Discount	205,410
Cost of Issuance	410,820
	\$ 1,261,123
Total	\$ 25,883,285

Notes:

[a] Includes principal collected under the terms of the Reimbursement Agreement.

[b] Includes excess interest collected under the terms of the Reimbursement Agreement, which was used to reimburse the Landowner for costs of Public Improvements pursuant to Section 6.3(a)v of the Indenture. Such amount has been credited towards the principal amount of the Reimbursement Obligation.

[c] Represents the estimated cost of Authorized Improvements that will be funded by the Owner and are not eligible for reimbursement.

Exhibit F

Assessment Spread

							Total	Per Unit		
							Outstanding Total Special Assessment	Outstanding Initial Special Assessment	Outstanding Additional Special Assessment	Outstanding Total Special Assessment
Lot Type	Lot Size	Land Use	Estimated Lot Values	Estimated Buildout Values	Units/SF	Prepaid Units				
<i>Platted Parcels</i>										
1	34	Single Family	61,050	192,131	198	1	\$ 1,292,592.50	\$ 4,037.64	\$ 2,490.61	\$ 6,528.24
2	40	Single Family	75,850	235,400	83	-	\$ 663,870.77	\$ 4,946.94	\$ 3,051.50	\$ 7,998.44
3	50	Single Family	92,500	259,657	529	6	\$ 4,667,184.66	\$ 5,456.70	\$ 3,365.95	\$ 8,822.66
		Business Park (PA 9A)		200	6,750	-	\$ 45,870.43	\$ 4.20	\$ 2.59	\$ 6.80
		Multi Family (PA12 - Emerson Apts)		135,000	326	-	\$ 1,495,375.86	\$ 2,837.03	\$ 1,750.01	\$ 4,587.04
		Multi Family (PA8 - Sendero Apts)		135,000	399	-	\$ 1,830,229.97	\$ 2,837.03	\$ 1,750.01	\$ 4,587.04
		Elementary School		-	-	-	\$ -	\$ -	\$ -	\$ -
		Amenity Center			1	-	\$ 179,470.00	NA	NA	NA
					810		\$ 10,174,594.19			
<i>Unplatted Parcels</i>										
		Retail (PA 10/11 - Hwy 35)		150	191,000	-	\$ 973,472	\$ 3.15	\$ 1.94	\$ 5.10
		Business Park (PA 9C/D)		200	401,449	-	\$ 2,728,094	\$ 4.20	\$ 2.59	\$ 6.80
		Retail (PA 3)		150	163,350	-	\$ 832,548	\$ 3.15	\$ 1.94	\$ 5.10
1	34	Single Family (PA 7 Sec E)		192,131	29	-	\$ 189,319	\$ 4,037.64	\$ 2,490.61	\$ 6,528.24
2	40	Single Family (PA 7 Sec E)		235,400	29	-	\$ 231,955	\$ 4,946.94	\$ 3,051.50	\$ 7,998.44
3	50	Single Family (PA 7 & 13 Sec E)		259,657	155	-	\$ 1,367,512	\$ 5,456.70	\$ 3,365.95	\$ 8,822.66
		Multi Family (PA 9B Serena Townhomes)		135,000	316	-	\$ 1,449,505	\$ 2,837.03	\$ 1,750.01	\$ 4,587.04
					213		\$ 7,772,406			

Total Outstanding Assessment: \$ 17,947,000

Exhibit G-1

Land Use Map (Conceptual)

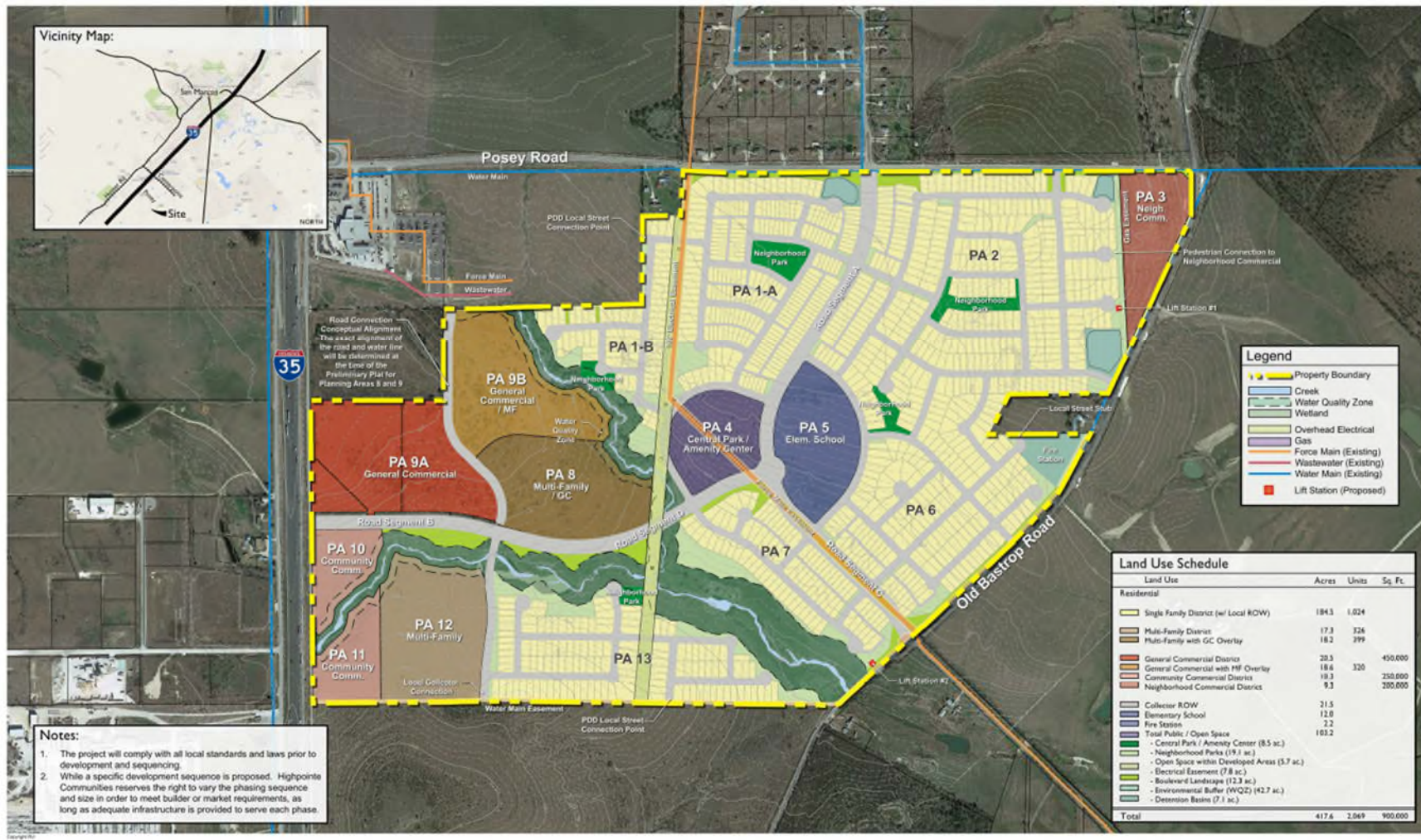


Exhibit G-2

PID Area Boundary Map

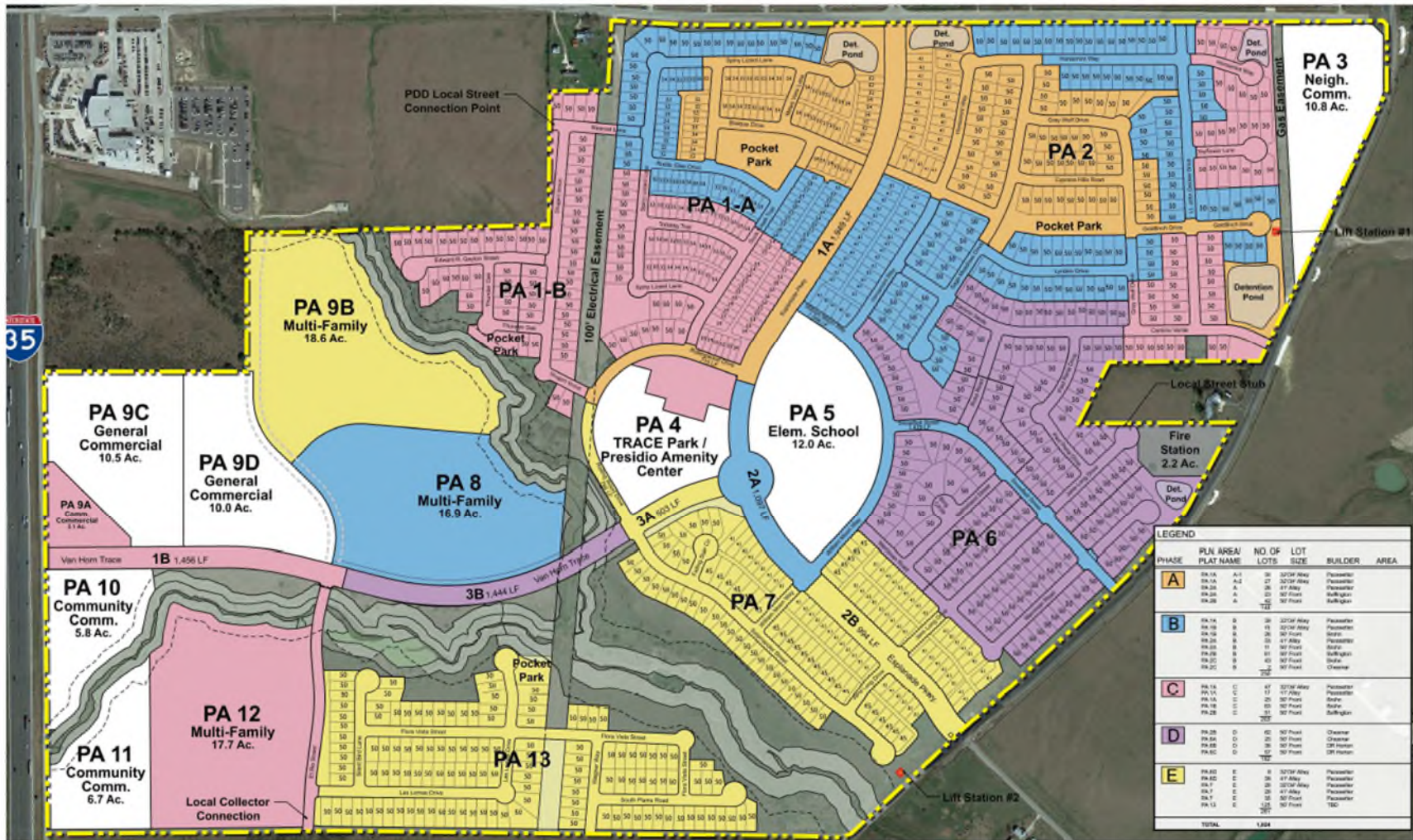


Exhibit H

Map of Public Improvements

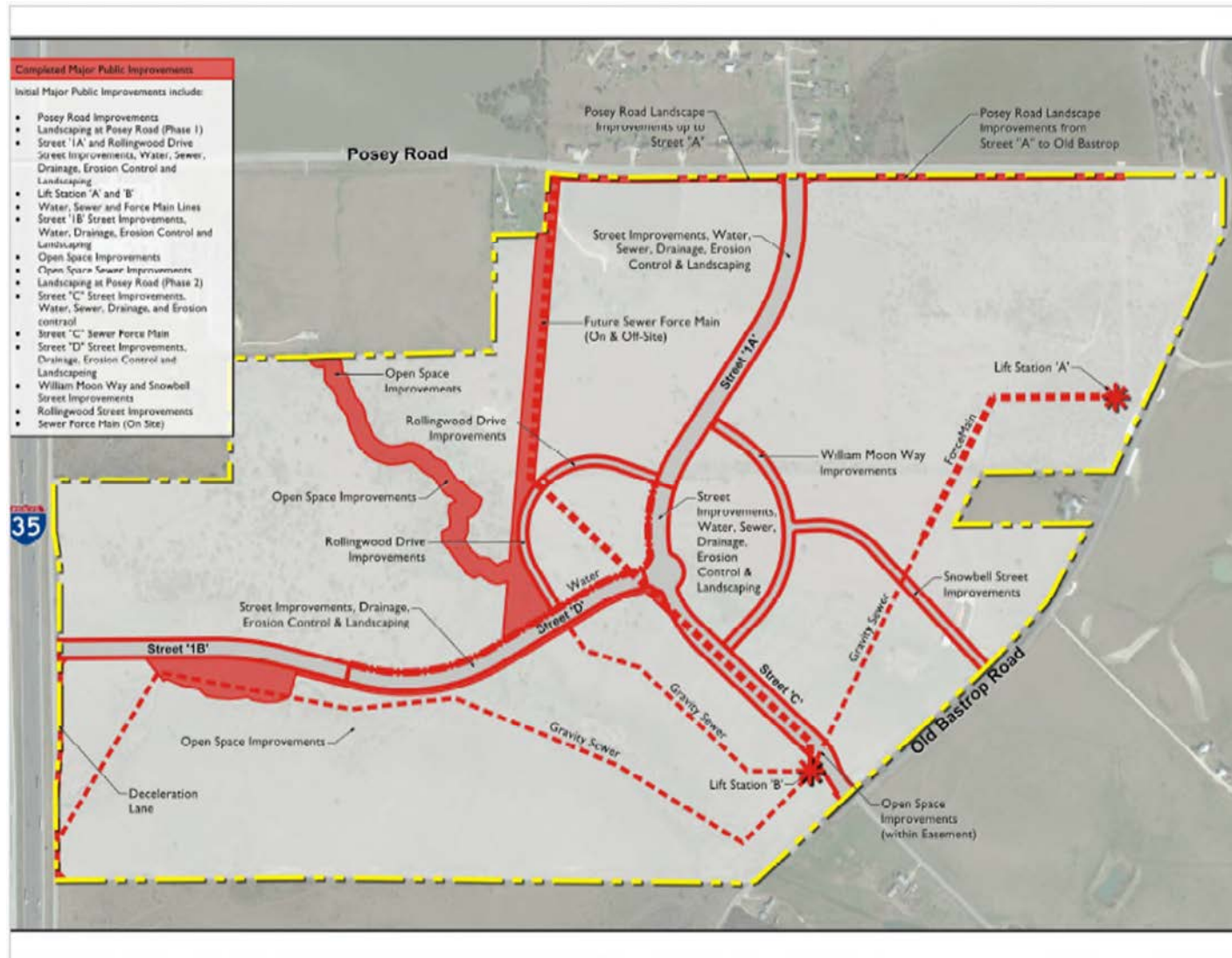


Exhibit I

Notice of PID Assessment Termination



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Hays County Clerk's Office
Honorable [County Clerk Name]
712 S Stagecoach Trail #2008
San Marcos, TX 78666

Re: City of San Marcos Lien Release documents for filing

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of San Marcos is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents below:

City of San Marcos
Attn: [City Secretary]
630 E Hopkins
San Marcos, TX 78666

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
P: (817) 393-0353
admin@p3-works.com

AFTER RECORDING RETURN TO:

[City Secretary Name]
630 E Hopkins
San Marcos, TX 78666

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HAYS	§	

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of San Marcos, Texas.

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City of San Marcos, Texas (hereinafter referred to as the "City "), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits and extraterritorial jurisdiction of the City; and

WHEREAS, on or about October 20, 2015, the City Council for the City, approved Resolution No. 2015-145R, creating the Trace Public Improvement District; and

WHEREAS, the Trace Public Improvement District consists of approximately 417.63 contiguous acres located within the City; and

WHEREAS, on or about October 18, 2016, the City Council, approved Ordinance No. 2016-42, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the Trace Public Improvement District; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of \$ _____ (hereinafter referred to as the "Lien Amount") for the following property:

WHEREAS, on or about October 16, 2018, the City Council, approved Ordinance No. 2018-

Exhibit J

Legal Description of PID

FIELD NOTES

BEING A 417.630 ACRE TRACT OUT OF THE WILLIAM H. VAN HORN SURVEY, ABSTRACT NO. 464, HAYS COUNTY, TEXAS, AND BEING A PORTION OF THOSE CERTAIN 100.22 ACRE, 67.53 ACRE, 248.77 ACRE, AND 5.01 ACRE TRACTS CONVEYED TO JOQ-SAN MARCOS VENTURES L.P. BY DEED OF RECORD IN VOLUME 1820, PAGE 715, OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 417.630 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1-inch iron pipe found in the east right-of-way line of Interstate Highway 35 (300' R.O.W.), being the called northeast corner of that certain 85.00 acre tract conveyed to San Marcos 197 Acre Associates, LLC, by Deed of record in Volume 4015, Page 562, of said Official Public Records, also being the northwest corner of said 248.77 acre tract, for the northwesterly corner hereof;

THENCE, N43°34'33"E, along said east right-of-way line of Interstate Highway 35, being the north line of said 248.77 acre tract, a distance of 2222.49 feet to a 1/2-inch iron rod found near the base of a fence post at the called northeast corner of said 248.77 acre tract, being the northwest corner of that certain 14.86 acre tract conveyed to Kimberley Gunnarson, by Deed of record in Volume 3281, Page 47, of said Official Public Records, for the northeasterly corner hereof;

THENCE, S45°57'08"E, leaving said east right-of-way line, along the west line of said 14.86 acre tract, being an east line of said 248.77 acre tract, generally with the remnants of an old barbed-wire fence (a new barbed-wire fence meanders parallel and several feet to the west), a distance of 976.48 feet to a calculated point at the called southwest corner of said 14.86 acre tract, being an angle point of said 248.77 acre tract, for an angle point hereof, from which an 8-inch cedar fence post found bears S45°57'08"E, a distance of 0.87 feet;

THENCE, N44°02'46"E, along the south line of said 14.86 acre tract, generally with a barbed-wire fence, at 14.92 feet passing a 1/2-inch iron rod found at the base of an 8-inch cedar fence post, being approximately at an angle point in the east line of said 248.77 acre tract and the approximate northwest corner of said 67.53 acre tract, and continuing along the north line of said 67.53 acre tract for a total distance of 673.37 feet to a 1/2-inch iron rod found at the base of a leaning 10-inch cedar fence post at the called southeast corner of said 14.86 acre tract, being the northeast corner of said 67.53 acre tract, also being in the

west line of Lot 2, Final Plat of San Marcos Toyota Subdivision, of record in Book 9, Pages 155-156, of the Plat Records of Hays County, Texas, for an angle point hereof;

THENCE, S46°27'25"E, in part along the west line of said Lot 2 and in part along the remainder of that certain 56.288 acre tract conveyed to JMC Realty, LP, by Deed of record in Volume 1662, Page 628, of said Official Public Records, being the east line of said 67.53 acre tract, generally with a barbed-wire fence as called in said Volume 1662, Page 628 and Volume 1820, Page 715, a distance of 181.47 feet to a 3-inch cedar fence post found, for an angle point hereof;

THENCE, continuing along the west line of said 56.288 acre tract, being the east line of said 67.53 acre tract, generally with a barbed-wire fence as called in said Volume 1662, Page 628 and said Volume 1820, Page 715, the following four (4) courses and distances:

- 1) S46°59'15"E, a distance of 232.69 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 2) S49°30'26"E, deviating from a re-established fence line over a creek, a distance of 126.95 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 3) S47°20'32"E, rejoining and continuing generally with a barbed-wire fence line, a distance of 387.84 feet to a 1/2-inch iron rod found in the base of a hackberry tree, as called in said Volume 1662, Page 628, for an angle point hereof;
- 4) S47°39'57"E, a distance of 528.76 feet to a 1/2-inch iron rod found at the called southwest corner of said 56.288 acre tract, being at the base of a 10-inch cedar fence post at a called angle point in the east line of said 67.53 acre tract, for an angle point hereof;

THENCE, N44°31'00"E, along the south line of said 56.288 acre tract, being an east line of said 67.53 acre tract, generally with a barbed-wire fence, a distance of 646.04 feet to a 1/2-inch iron rod found at an angle point in the east line of said 67.53 acre tract, being the northwest corner of that certain 1.000 acre tract conveyed to Wilford L. Wootan, Jr., et ux, by Deed of record in Volume 536, Page 849, of the Real Property Records of Hays County, Texas, for an angle point hereof;

THENCE, S46°59'32"E, leaving the south line of said 56.288 acre tract, along the west line of said 1.000 acre tract, being an east line of said 67.53 acre tract, generally with a barbed-wire fence, a distance of 280.51 feet to a 1/2-inch iron rod found at the base of a fence post at the called southwest corner of said 1.000 acre tract, for an angle point hereof;

THENCE, N47°03'15"E, along the south line of said 1.000 acre tract and that certain 1.335 acre tract conveyed to Wilford L. Wootan, Jr., et ux, by Deed of record in Volume 401, Page 769, of said Real Property Records, being an east line of said 67.53 feet, generally with a barbed-wire fence, a distance of 335.24 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the northwest corner of that certain 0.8521 acre tract

conveyed to Hays County, Texas for right-of-way purposes, by Deed of record in Volume 2927, Page 699, of said Official Public Records, being the southwest right-of-way line of Posey Road (R.O.W. varies), for an angle point hereof;

THENCE, leaving the south line of said 1.335 acre tract, over and across said 67.53 acre tract and said 100.22 acre tract, along said southwest right-of-way line of Posey Road, being the west line of said 0.8521 acre tract, and those certain 0.5415 acre and 2.4004 acre tracts conveyed to Hays County, Texas for right-of-way purposes, by said Deed of record in Volume 2927, Page 699, the following eight (8) courses and distances:

- 1) S41°53'43"E, a distance of 78.28 feet to a disturbed 1/2-inch iron rod found at the point of curvature of a curve to the left;
- 2) Along said curve, having a radius of 6075.00 feet, a central angle of 04°47'50", an arc length of 508.66 feet, and a chord which bears S44°20'45"E, a distance of 508.51 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;
- 3) S46°43'43"E, at 327.46 feet passing a 1/2-inch iron rod found on the south line of said 67.53 acre tract, being the north line of said 100.22 acre tract, and continuing for a total distance of 865.99 feet to a calculated point at the point of curvature of a curve to the right;
- 4) Along said curve, having a radius of 15031.48 feet, a central angle of 00°34'12", an arc length of 149.56 feet, and a chord which bears S46°08'19"E, a distance of 149.56 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;
- 5) S46°08'26"E, a distance of 1770.49 feet to a calculated point at the point of curvature of a curve to the left;
- 6) Along said curve, having a radius of 14862.04 feet, a central angle of 00°34'49", an arc length of 150.53 feet, and a chord which bears S46°25'49"E, a distance of 150.53 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;
- 7) S46°41'07"E, a distance of 195.22 feet to a 1/2-inch iron rod with "Capital Surveying Company" stamp found near the base of a 2-inch steel fence post, for an angle point hereof;
- 8) S01°32'03"E, a distance of 28.03 feet to a calculated point at the southwest corner of said 2.4004 acre tract, being in the south line of said 100.22 acre tract, also being the intersection of said southwest right-of-way line of Posey Road and the northeast right-of-way line of County Road 266/Old Bastrop Highway/El Camino Real (R.O.W. varies), for the southeasterly corner hereof;

THENCE, along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 100.22 acre tract, generally with a barbed-wire fence, the following two (2) courses and distances:

- 1) S43°45'05"W, a distance of 70.45 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 2) S44°04'56"W, a distance of 207.09 feet to a calculated point at the point of curvature of a curve to the right, being near the base of a 2-inch steel fence post, also being the east corner of that certain 0.0123 acre tract conveyed to Hays County, Texas for right-of-way purposes, by Deed of record in Volume 4600, Page 118, of said Official Public Records;

THENCE, continuing along said northeast right-of-way line, over and across said 100.22 acre tract, along said curve to the right, having a radius of 950.00 feet, a central angle of 08°05'19", an arc length of 134.11 feet, and a chord which bears S62°20'44"W, a distance of 134.00 feet to a calculated point near the base of a 2-inch steel fence post at the west corner of said 0.123 acre tract, being on the called south line of said 100.22 acre tract, for an angle point hereof;

THENCE, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 100.22 acre tract, generally with a barbed-wire fence, the following four (4) courses and distances:

- 1) S68°39'21"W, a distance of 769.76 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 2) S69°15'47"W, a distance of 221.52 feet to a 60D nail found in an 8-inch cedar fence post, for an angle point hereof;
- 3) S70°25'00"W, a distance of 127.68 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 4) S69°14'26"W, a distance of 228.32 feet to a calculated point at the called southwest corner of said 100.22 acre tract, being the southeast corner of that certain 5.0000 acre tract conveyed to Pleasant F. Rexroat and wife, Elwanda J. Rexroat, by Deed of record in Volume 1898, Page 98, of said Official Public Records, for an angle point hereof;

THENCE, N45°06'19"W, leaving said northeast right-of-way line of County Road 266, along the called west line of said 100.22 acre tract, generally with the remnants of an old barbed-wire fence (new wire fence meanders approximately parallel and several feet southwest of old fence), a distance of 85.52 feet to a 6-inch cedar fence post found leaning, for an angle point;

THENCE, N46°36'04"W, continuing generally with the remnants of an old-barbed wire fence as called in said Volume 1820, Page 715, a distance of 642.34 feet to a 1/2-inch iron pipe found near the base of a fence post, being the called northeast corner of said Rexroat 5.0000 acre tract, also being an angle point in the occupied east line of said 248.77 acre tract, for an angle point hereof;

THENCE, S70°39'07"W, leaving the occupied west line of said 100.22 acre tract, along the called and occupied north line of said Rexroat 5.0000 acre tract, being the occupied east line of said 248.77 acre tract, generally with a barbed-wire fence, a distance of 329.36 feet to a 1/2-inch iron pipe found near the base of a fence post at the called northwest corner of said Rexroat 5.0000 acre tract, being the occupied northeast corner of said 5.01 acre tract, for an angle point hereof;

THENCE, S46°20'51"E, leaving the east line of said 248.77 acre tract, along the called and occupied west line of said Rexroat 5.0000 acre tract, being the occupied east line of said 5.01 acre tract, generally with a barbed-wire fence, a distance of 747.43 feet to a 1/2-inch iron pipe found near the base of a fence post at the called southwest corner of said Rexroat 5.0000 acre tract, being the southeast corner of said 5.01 acre tract, also being in said used and occupied northeast right-of-way line of County Road 266, for an angle point hereof;

THENCE, S72°25'29"W, along the used and occupied northeast right-of-way of County Road 266, being the called south line of said 5.01 acre tract, generally with a barbed-wire fence, a distance of 335.30 feet to a calculated point in a fence line, being the called southwest corner of said 5.01 acre tract, being the occupied southeast corner of said 248.77 acre tract, from which a 1/2-inch iron pipe found bears N46°20'31"W, a distance of 2.00 feet, for an angle point hereof;

THENCE, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 248.77 acre tract, generally with a barbed-wire fence, the following nine (9) courses and distances:

- 1) S71°40'15"W, a distance of 115.86 feet to a calculated point in a fence line, for an angle point hereof;
- 2) S76°06'10"W, a distance of 46.03 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 3) S86°28'05"W, a distance of 428.20 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 4) N89°34'56"W, a distance of 321.83 feet to a T-post found, for an angle point hereof;
- 5) N89°02'24"W, a distance of 554.59 feet to a calculated point in a fence line, for an angle point hereof;

- 6) S89°48'27"W, a distance of 68.91 feet to an 8-inch creosoted fence post found, for an angle point hereof;
- 7) N81°53'25"W, a distance of 50.53 feet to an 8-inch creosoted fence post found, for an angle point hereof;
- 8) N88°55'45"W, at approximately 713 feet leaving said barbed-wire fence line, and continuing for a distance of 802.47 feet to a 1/2-inch iron rod with "Macias" cap found, for an angle point hereof;
- 9) N70°06'57"W, a distance of 39.04 feet to an 8-inch creosoted fence post found, for the southwesterly corner hereof;

THENCE, N46°27'14"W, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called west line of said 248.77 acre tract, generally with a barbed-wire fence, a distance of 79.93 feet to a 1/2-inch iron pipe found at the called southeast corner of said 85.00 acre tract, for an angle point hereof;

THENCE, leaving said northeast right-of-way line of County Road 266, along the occupied east line of said 85.00 acre tract, being the called and occupied west line of said 248.77 acre tract, generally with a barbed wire fence, the following eight (8) courses and distances:

- 1) N41°35'30"W, a distance of 51.65 feet to a 1/2-inch iron pipe found, for an angle point hereof;
- 2) N45°22'24"W, a distance of 1221.06 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 3) N45°15'48"W, a distance of 427.82 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 4) N45°19'43"W, a distance of 673.22 feet to a 10-inch cedar fence post found, for an angle point hereof;
- 5) N46°33'40"W, a distance of 275.02 feet to a calculated point in a fence line, for an angle point hereof;
- 6) N47°51'30"W, a distance of 124.53 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 7) N46°26'02"W, a distance of 218.87 feet to a T-post found, for an angle point hereof;
- 8) N46°25'10"W, at 158.03 feet passing a 1/2-inch iron pipe found, and continuing for a total distance of 769.08 feet to the **POINT OF BEGINNING**, and containing 417.630 acres (18,191,980 square feet) of land, more or less.

BEARING BASIS: TEXAS COORDINATE SYSTEM, NAD 83(2011), SOUTH CENTRAL ZONE, REFERENCING THE LEICA SMARTNET REFERENCE NETWORK.

I HEREBY CERTIFY THAT THIS DESCRIPTION AND ANY ACCOMPANYING SKETCHES ARE THE RESULT OF AN ACTUAL ON-THE-GROUND SURVEY PERFORMED UNDER MY DIRECT SUPERVISION DURING THE MONTH OF FEBRUARY, 2014, AND ARE TRUE AND CORRECT TO THE BEST OF MY ABILITIES.

Witness my hand and seal March 4, 2014

Abram C. Dashner, R.P.L.S. 5901
PROJECT NO. 253-001

Exhibit K

Legal Description of Unplatted Parcel

Being approximately 417.630 acres of land as more particularly described in **Exhibit E**,

SAVE AND EXCEPT the approximately 6.512 acre tract of land described comprising the Trace Subdivision Section A, PA 1A Phase A-1 Final Plat, as described in **Exhibit M** attached to this SAP,

SAVE AND EXCEPT the approximately 11.181 acre tract of land described comprising the Trace Subdivision Section A, PA 2A Phase A Final Plat, as described in **Exhibit N** attached to this SAP,

SAVE AND EXCEPT the approximately 5.459 acre tract of land described comprising the Trace Subdivision PID Phase 1A Esplanade Parkway Final Plat, as described in **Exhibit O** attached to this SAP,

SAVE AND EXCEPT the approximately 11.633 acre tract of land described comprising the Trace Subdivision Section A, PA 2B Phase A Final Plat, as described in **Exhibit P** attached to this SAP,

SAVE AND EXCEPT the approximately 6.472 acre tract of land described comprising the Trace Subdivision Section A, PA 1A Phase A-2 Final Plat, as described in **Exhibit Q** attached to this SAP,

SAVE AND EXCEPT the approximately 13.525 acre tract of land described comprising the Trace Subdivision PA 2B Section B Final Plat, as described in **Exhibit R** attached to this SAP,

SAVE AND EXCEPT the approximately 5.256 acre tract of land described comprising the Trace Subdivision PA 1A Section B Final Plat, as described in **Exhibit S** attached to this SAP,

SAVE AND EXCEPT the approximately 9.617 acre tract of land described comprising the Trace Subdivision PA 2C Section B Final Plat, as described in **Exhibit T** attached to this SAP,

SAVE AND EXCEPT the approximately 21.758 acre tract of land described comprising the Trace Subdivision Section A PA 12 Final Plat, as described in **Exhibit U** attached to this SAP,

SAVE AND EXCEPT the approximately 2.127 acre tract of land described comprising the Trace Subdivision Section A PA 9 C-Store Final Plat, as described in **Exhibit V** attached to this SAP,

SAVE AND EXCEPT the approximately 7.406 acre tract of land described comprising the Trace Subdivision PA 1B Section B Final Plat, as described in **Exhibit W** attached to this

SAP,

SAVE AND EXCEPT the approximately 13.861 acre tract of land described comprising the Trace Subdivision PA 9 1A Section C Final Plat, as described in **Exhibit X-1** attached to this SAP,

SAVE AND EXCEPT the approximately 15.308 acre tract of land described comprising the Trace Subdivision PA 2B Section C Final Plat, as described in **Exhibit Y** attached to this SAP,

SAVE AND EXCEPT the approximately 4.243 acre tract of land described comprising the Trace Subdivision PA 9 6A Section D Final Plat, as described in **Exhibit Z** attached to this SAP,

SAVE AND EXCEPT the approximately 11.69 acre tract of land described comprising the Final Plat Trace Subdivision Planning Area 6C, Section D, as described in **Exhibit AA** attached to this SAP,

SAVE AND EXCEPT the approximately 28.453 acre tract of land described comprising the Trace Subdivision PA 9 1B Section C Final Plat, as described in **Exhibit BB** attached to this SAP,

SAVE AND EXCEPT the approximately 14.660 acre tract of land described comprising the Trace Subdivision PA 2B Section D Final Plat, as described in **Exhibit CC** attached to this SAP,

SAVE AND EXCEPT the approximately 11.69 acre tract of land described comprising the Final Plat Trace Subdivision Planning Area 6B, Section D, as described in **Exhibit DD** attached to this SAP,

SAVE AND EXCEPT the approximately 5.939 acre tract of land described comprising the Trace Subdivision PA 6D Section E Final Plat, as described in **Exhibit EE** attached to this SAP,

containing approximately 109.882 acres of land, more or less.

Exhibit L

Unplatted Parcel Boundary Map



Trace Subdivision Section A, PA 1A Phase A-1 Final Plat

68

Appendix C – Page 70

A-492 HENRY WARNELL SURVEY NO. 21

NOVEMBER, 2017
HAYS COUNTY, TEXAS

PAGE DETAIL
NOT TO SCALE

FINAL PLAT SHEET 2 OF 3
TRACE SUBDIVISION SECTION A, PA 2A
PHASE A
WILLIAM H. VAN HORN SURVEY NO. 18,
ABSTRACT NO. 464
HAYS COUNTY, TEXAS

Appendix C – Page 71

Trace Subdivision PID Phase 1A Esplanade Parkway Final Plat

Appendix C – Page 73

100 0 100
SCALE: 1"=100'
NOVEMBER, 2017
HAYS COUNTY, TEXAS

- [illegible]

A-464
WILLIAM H. VAN HORN
SURVEY NO. 18

[illegible]

Bowman
CONSULTING

FINAL PLAT
TRACT SUBDIVISION
PID PHASE 1A
ESPLANADE PARKWAY
WILLIAM H. VAN BORN SURVEY NO.
18, ABSTRACT NO. 484
HAYS COUNTY, TEXAS

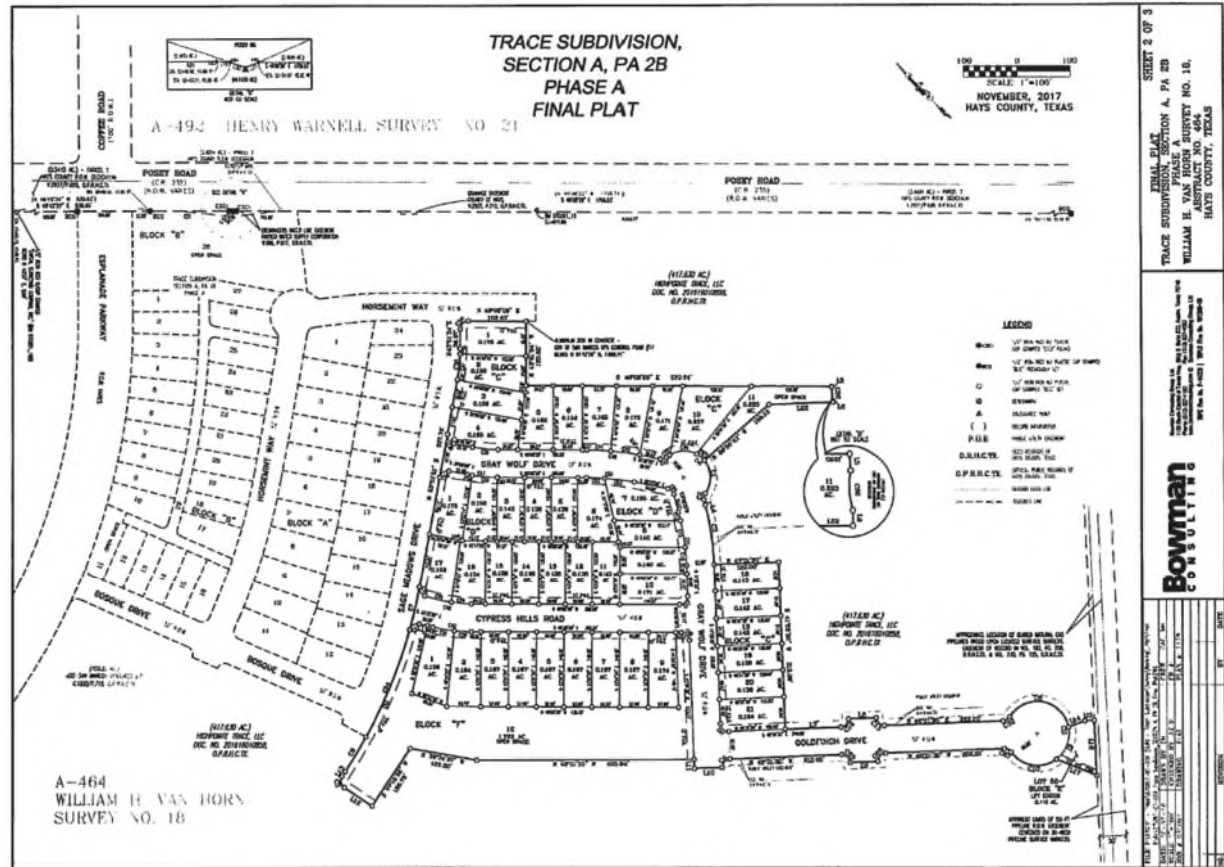
SHEET 2 OF 2

PLAN # 1175

Trace Subdivision PID Section A, PA 2B, Phase A Final Plat

42 Lots

Recorded 11/20/17



TRACE SUBDIVISION,
SECTION A, PA 1A PHASE A-2
FINAL PLAT

Appendix C – Page 76

A-464
WILLIAM H. VAN HORN
SURVEY NO. 18

LINE #	BEARING	DISTANCE
1	S 52°40'00" W	30.00
2	S 10°30'00" W	34.61
3	S 52°30'00" E	8.36
4	S 48°35'00" E	55.00
5	S 4°15'00" E	5.85
6	S 21°30'00" E	16.28
7	S 42°30'00" E	45.48
8	S 75°30'00" E	24.65
9	N 38°15'00" E	30.00
10	N 48°35'00" E	35.00
11	N 38°30'00" E	30.00
12	N 48°30'00" W	28.93

CURVE TABLE					
CURVE #	RADIUS	ARC DISTANCE	CORR BEARING	CHORD DISTANCE	CHORD BEARING
C1	15.00	23.87	S 17.290° W	31.27	
C2	294.20	45.30	S 80.513° E	45.40	
C3	328.40	17.21	S 87.014° E	31.73	
C4	15.00	20.94	S 80.513° E	34.07	
C5	274.00	17.80	S 10.903° E	34.40	
C6	15.00	22.38	S 10.903° E	31.27	
C7	274.00	44.82	S 17.290° W	44.87	
C8	15.00	22.38	S 29.460° E	31.27	
C9	458.00	196.80	S 10.903° E	196.92	
C10	15.00	22.37	S 10.903° E	20.98	
C11	15.00	22.38	S 80.513° E	21.27	
C12	15.00	20.94	S 10.903° E	20.98	
C13	458.00	196.80	S 10.903° E	196.90	
C14	15.00	22.38	S 80.513° E	20.92	
C15	274.00	44.82	S 10.903° E	44.87	
C16	274.00	44.80	S 10.903° E	44.77	
C17	458.00	223.57	S 29.460° E	223.67	
C18	15.00	20.94	S 10.903° E	21.27	
C19	458.00	173.47	S 80.513° E	173.67	
C20	15.00	20.94	S 10.903° E	20.97	
C21	15.00	22.38	S 80.513° E	20.97	
C22	15.00	22.38	S 80.513° E	20.97	

NOVEMBER, 2017
HAYS COUNTY, TEXAS

LEGEND

●	1/2" ROK-HD 1/4" ALUMINUM (W/ STAINLESS) "ROCK" OVERLAY SET
○	1/2" ROK-HD 1/4" ALUMINUM (W/ STAINLESS "ROCK" SET)
△	STAINLESS STEEL
[]	RECORD INFORMATION
DR.HCTX	RECORD RECORDS OF HAYS COUNTY, TEXAS
OP.HCTX	SPECIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS
	RECORDS DEED LINE
	ALLOTMENT LINE
R.S.M.	RIGHT-OF-WAY

[illegible]

Bowman
CONSULTING

Stewart Consulting Group, Ltd.
100 South Capital of Texas Way, Ste 300, Austin, Texas 78705
Phone: (512) 327-1180 Fax: (512) 327-4992
www.stewartconsulting.com © Stewart Consulting Group, Ltd.
TSPC Item No. F-1426 | TSP3 Item No. W226-06

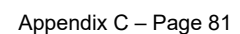
FINAL PLAT
TRACE SUBDIVISION,
SECTION A, PA 1A PHASE A-2,
WILLIAM H. VAN HORN SURVEY NO. 18,
ABSTRACT NO. 464
HAYS COUNTY, TEXAS

SHEET 2 OF 2

PLAN #: 1188

TRACE SUBDIVISION,
PA 2A SECTION B
FINAL PLAT

Appendix C – Page 78



TRACE SUBDIVISION,
PA 1A SECTION B
FINAL PLAT

LINE TABLE		
LINE #	BEARING	DISTANCE
L1	N 77°48'W	17.88'
L2	N 12°48'W	38.98'
L3	-----	---
L4	-----	---
L5	-----	---
L6	-----	---
L7	-----	---
L8	-----	---
L9	-----	---
L10	-----	---
L11	-----	---
L12	S 38°17'W	50.87'
L13	S 22°54'W	19.27'
L14	N 77°48'W	5.30'
L15	S 22°54'W	55.77'
L16	S 22°54'W	27.88'
L17	N 77°48'W	14.88'
L18	S 12°48'W	38.98'
L19	-----	---
L20	-----	---
L21	-----	---
L22	-----	---
L23	N 42°42'W	52.08'
L24	S 42°12'E	52.07'

CURVE TABLE				
CURVE #	RADIUS	ARC DISTANCE	CHORD BEARING	CHORD DISTANCE
C1	1488.00'	88.20'	S 70°58'W	48.20'
C2	488.00'	25.80'	S 27°02'W	25.80'
C3	---	---	-----	---
C4	---	---	-----	---
C5	---	---	-----	---
C6	---	---	-----	---
C7	---	---	-----	---
C8	---	---	-----	---
C9	---	---	-----	---
C10	---	---	-----	---
C11	56.00'	12.20'	S 88°28'E	21.27'
C12	56.00'	12.20'	S 88°18'W	28.28'
C13	478.00'	94.88'	S 24°32'E	153.32'
C14	56.00'	12.20'	S 57°48'E	21.27'
C15	56.00'	12.20'	S 57°48'W	23.87'
C16	56.00'	12.20'	S 57°48'E	14.25'
C17	488.00'	28.88'	S 27°02'W	32.147'
C18	---	---	-----	---
C19	488.00'	34.32'	S 34°32'W	34.18'
C20	488.00'	34.32'	S 37°12'W	34.17'
C21	488.00'	34.32'	S 37°12'W	34.38'
C22	488.00'	34.32'	S 37°12'W	34.38'
C23	488.00'	34.32'	S 37°12'W	34.38'
C24	---	---	-----	---
C25	488.00'	34.32'	S 37°12'E	32.217'
C26	488.00'	34.32'	S 37°12'E	47.48'
C27	488.00'	34.32'	S 25°17'W	47.48'
C28	488.00'	34.32'	S 18°38'W	47.28'
C29	488.00'	34.32'	S 14°13'W	21.28'
C30	56.00'	12.20'	N 37°13'W	21.27'
C31	---	---	-----	---
C32	488.00'	34.32'	S 37°12'W	75.24'
C33	488.00'	34.32'	S 35°08'W	34.18'
C34	488.00'	34.32'	S 30°12'W	34.07'
C35	488.00'	34.32'	S 42°14'W	18.17'
C36	56.00'	12.20'	S 88°58'W	21.17'
C37	488.00'	34.32'	S 38°38'W	46.26'
C38	---	---	-----	---
C39	---	---	-----	---
C40	---	---	-----	---
C41	1488.00'	12.88'	N 71°02'E	113.88'
C42	2148.00'	113.88'	S 71°02'W	113.88'
C43	488.00'	34.32'	S 37°12'W	34.07'

FILE: P:\JUNE - 1998\1198-41-004.DWG - User: bshelton (Survey/Planning) 1/10/98			
DATE: 12-08-13	DRAWN BY: E.J.	CHECK: CAY. M.	
SCALE: 1"=100'	PROJECTED BY: JON	DATE: 6-11-98	
USER: J. BROWN	REVISION: 12-27		
1. PROPOSE PLAT			
2. REVISION PLAT			
3. ADD NOTES TO TITLE BLOCK			
NO.	REVISION	BY	DATE

Bowman
CONSULTING

Bowman Consulting Group, Ltd.
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www.bowmanconsulting.com
MPL Plan No. 11-1288 1198.41-004-02

FINAL PLAT
TRACE SUBDIVISION,
PA 1A SECTION B
WILLIAM E. VAN HORN SURVEY NO. 18,
ABSTRACT NO. 464
HAYS COUNTY, TEXAS

SHEET 3 OF 3

NOT SCALE, SEE SURVEY RECORD

PLAN #: 1198.3

Trace Subdivisions PA 2C Section B Final Plat

SHEET 1 OF 3

**TRACE SUBDIVISION,
PA 2C SECTION B
FINAL PLAT**

LINE TABLE		
LINE #	BEARING	DISTANCE
11	S 70°27'40" E	52.00'
12	S 77°14'30" W	66.00'
13	S 12°50'30" E	42.50'
14	S 47°30'30" W	70.50'
15	S 40°51'30" E	70.00'
16	-----	-----
17	N 40°27'40" W	44.00'
18	S 30°34'30" W	40.00'
19	N 20°30'30" E	21.17'
20	N 30°42'30" W	33.75'
21	-----	-----
22	-----	-----
23	-----	-----
24	N 12°40'30" W	15.00'
25	S 32°54'30" E	50.00'
26	S 40°27'30" E	100.00'

CURVE TABLE				
CURVE #	RADIUS	ARC DISTANCE	CHORD BEARING	CHORD DISTANCE
C1	15.00'	23.96'	S 67°32'40" E	24.25'
C2	15.00'	25.00'	S 24°03'30" W	22.83'
C3	40.00'	27.42'	S 75°25'30" W	24.42'
C4	60.00'	40.20'	S 70°30'27" W	40.20'
C5	15.00'	25.00'	S 32°19'30" W	23.21'
C6	15.00'	25.00'	N 80°28'30" E	23.21'
C7	15.00'	25.00'	S 30°19'30" W	23.21'
C8	15.00'	25.00'	S 54°03'30" W	23.21'
C9	40.00'	40.00'	N 30°26'30" W	40.17'
C10	-----	-----	-----	-----
C11	-----	-----	-----	-----
C12	-----	-----	-----	-----
C13	-----	-----	-----	-----
C14	274.82'	150.22'	S 20°47'40" E	150.80'
C15	274.82'	40.62'	S 17°01'17" E	40.60'
C16	274.82'	79.67'	S 20°30'30" E	79.24'
C17	274.82'	40.76'	S 47°17'30" E	40.32'
C18	15.00'	24.00'	N 87°38'17" E	24.50'
C19	15.00'	23.00'	N 82°27'30" W	23.00'
C20	20.00'	100.00'	S 30°47'30" E	100.00'
C21	20.00'	20.00'	S 47°34'30" E	20.00'
C22	20.00'	42.00'	S 30°29'30" E	41.17'
C23	20.00'	42.00'	S 30°19'30" E	41.17'
C24	20.00'	53.00'	S 30°30'30" E	51.00'
C25	20.00'	22.47'	S 14°52'40" E	22.46'
C26	15.00'	22.00'	N 57°40'00" W	21.25'
C27	15.00'	36.24'	S 27°57'00" W	37.40'
C28	40.00'	270.00'	N 89°00'00" E	40.00'
C29	40.00'	44.20'	N 10°20'00" E	43.22'
C30	40.00'	53.27'	N 80°25'00" E	51.50'
C31	40.00'	45.00'	S 80°16'10" E	44.10'
C32	40.00'	37.40'	S 50°19'30" W	36.00'
C33	15.00'	22.00'	N 22°19'30" E	21.21'
C34	15.00'	22.00'	S 57°40'00" E	21.21'
C35	474.00'	5.00'	N 72°30'00" E	5.00'
C36	474.00'	80.00'	S 14°57'14" W	80.00'
C37	500.00'	30.47'	N 30°16'00" E	30.47'
C38	500.00'	53.07'	N 72°30'00" E	52.00'
C39	500.00'	36.72'	N 80°30'00" E	36.72'
C40	474.00'	40.00'	N 72°30'00" E	40.00'
C41	500.00'	260.70'	N 80°30'00" E	250.00'
C42	500.00'	240.00'	N 60°30'00" E	240.00'

FILE: P:\2016 - Surveying\2016-2017\11-19-16\11-19-16\11-19-16.dwg
 DATE: 11-19-16
 SCALE: 1"=100'
 ABL # 1197-01
 L: 1197-01
 W: 1197-01
 BY: [blank]
 DATE: [blank]



BOWMAN CONSULTING GROUP, INC.
 1100 South Capital of Texas Hwy., Suite 200, Austin, Texas 78746
 Phone: (512) 351-1100 Fax: (512) 351-4500
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 TSP File No. 1-14288-1 1913 Rec No. 00000-00

FINAL PLAT
 TRACE SUBDIVISION,
 PA 2C SECTION B
 WILLIAM H. VAN HORN SURVEY NO. 10,
 ABSTRACT NO. 464
 HAYS COUNTY, TEXAS

SHEET 3 OF 3

PLAN #: 1197.01

Exhibit U

Trace Subdivision Section A, PA 12 Final Plat

TRACE SUBDIVISION SECTION A, PA 12 FINAL PLAT

CITY OF TEXAS
COUNTY OF HAYS

HAYSPORTE FERRY ROAD L.P., MANAGING MEMBER OF HAYSPORTE TRACE, LLC, BEING THE OWNER OF THAT CERTAIN 21.750 ACRES OF LAND OUT OF THE WILLIAM H. VAN HORN SURVEY AND 18, ABSTRACT NO. 464, HAYS COUNTY, TEXAS, BEING A PORTION OF THE CERTAIN CALLED 417.630 ACRES TRACT DESCRIBED IN THE DEED TO HAYSPORTE TRACE, LLC OF RECORD IN DOCUMENT NO. 20100400000, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, OR HEREOF SUFFERING THE SAID 21.750 ACRES TO BE KNOWN AS:

TRACE SUBDIVISION, SECTION A, PA 12

AND DELEGATE TO THE USE OF THE PUBLIC ALL STREETS, ALLEYS, PARKS, INTERCHANGES, DRIVEWAYS, EXCHANGES AND PUBLIC PLACES SHOWN ON THIS PLAT.

MANAGING MEMBER
HAYSPORTE TRACE, LLC
A CALIFORNIA LIMITED LIABILITY COMPANY

BY: HAYSPORTE FERRY ROAD L.P., A CALIFORNIA LIMITED PARTNERSHIP, ITS MANAGING MEMBER

BY: HAYSPORTE INVESTMENTS, INC., A CALIFORNIA CORPORATION, ITS GENERAL PARTNER

IN: THOMAS G. ENGLISH, CIV

CITY OF CALIFORNIA
COUNTY OF ORANGE

THIS SUBDIVISION PLAT WAS ACKNOWLEDGED BEFORE ME ON April 20th, 2020, BY THOMAS G. ENGLISH, CIV.

NOTARY PUBLIC, STATE OF CALIFORNIA
PERMANENT NAME: THOMAS G. ENGLISH
MY COMMISSION EXPIRES: DEC 15, 2023

PROJECT ADDRESS:
3015 S. OLD DARTMOUTH HWY.
SAN MARCOS, TEXAS 78083

AREA TABLE:

1. TOTAL ACRES: 21.750 ACRES.
2. THE TOTAL AREA OF STREETS IN THIS SUBDIVISION IS 0.000 ACRES.
3. THE TOTAL LENGTH OF ALL STREETS IN THIS SUBDIVISION IS 0.000 FEET.

LOT SUMMARY	
TOTAL NUMBER OF LOTS: 3	1.34 ACRES
CONDOMINIUM/JOINT TENANT LOTS: 0	0.00 ACRES
SMALL LOTS: 0	0.00 ACRES
OPEN SPACE LOTS: 0	0.00 ACRES
PARKING SPACES: 0	0.00 ACRES
TOTAL	1.34 ACRES

NOTES:

- THIS PROJECT IS WITHIN THE CITY LIMITS OF SAN MARCOS, TEXAS.
- DEVELOPMENT WILL BE PROVIDED AS CALLED FOR IN THE FINAL PLANNED DEVELOPMENT DISTRICT (OCTOBER 21, 2015).
- THE FUTURE SPACING AND WATER FLOW WILL MEET CITY SPECIFICATIONS.
- AS USED HEREIN, THE TERM "DEVELOPMENT" SHALL MEAN "HAYSPORTE TRACE, LLC" OR ITS SUCCESSORS OR ASSIGNS.
- THIS PLAT (AND THE LOTS HEREON) ARE SUBJECT TO THE PLANNED DEVELOPMENT DISTRICT (OCTOBER 21, 2015) WITH THE CITY OF SAN MARCOS.
- RESIDENTIAL DENSITY ON LOT 1 SHALL NOT EXCEED 24 UNITS PER ACRE.
- OPEN SPACE LOT 1 SHALL BE MAINTAINED BY THE CITY. OPEN SPACE LOT 2 SHALL BE MAINTAINED BY THE HOA.
- HOA OPEN SPACE LOTS ARE A PERMANENT ACCESS EASEMENT.

SURVEY NOTES:

- BOUNDARY DATA IS TEXAS COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83, GRS80.
- DISTANCES SHOWN HEREON ARE BASED ON SURFACE MEASUREMENTS, TO CORRESPOND TO SURFACE DISTANCES TO LAND, MULTIPLY BY THE COMBINED SCALE FACTOR.
- THE COMBINED SCALE FACTOR FOR THIS PROJECT IS 0.9999.

ADDITIONAL NOTES:

THIS PROJECT IS NOT IN THE CURRENTLY ADJUTED REZONE ZONE OR IN THE CORRESPONDING ZONE.

FLOODING NOTES:

THE SUBJECT TRACT IS SHOWN TO BE IN ZONE X, OTHER AREAS, AREAS DETERMINED TO BE OUTSIDE THE 1% ANNUAL FLOOD FLOODPLAIN, AS DETERMINED BY THE FLOOD INSURANCE RATE MAP PANEL NO. 482000000P, REISED SEPTEMBER 10, 2015.

THE ABOVE STATEMENT IS MEANT FOR FLOOD INSURANCE DETERMINATION ONLY AND THIS SURVEYOR ASSUMES NO LIABILITY FOR THE CORRECTNESS OF THE CRED MAPS.

RECORDING NOTES:

THE CREDITED MAP NO. 482000000P IS 2 1/4" HIGH AND SET IN CONCRETE. THE LINE OF INTERSECTION BETWEEN THE 20' WIDE AND 15' WIDE AND 15' WIDE AND 15' WIDE FROM THE INTERSECTION OF THE EAST PLAT. LINE OF INTERSECTION BETWEEN THE 20' WIDE AND 15' WIDE FROM THE INTERSECTION OF THE EAST PLAT. LINE OF INTERSECTION BETWEEN THE 20' WIDE AND 15' WIDE FROM THE INTERSECTION OF THE EAST PLAT.

WATER/WASTE WATER: CITY OF SAN MARCOS
3015 S. OLD DARTMOUTH HWY.
SAN MARCOS, TEXAS 78083

ELECTRIC POWER/TELEPHONE/TELEVISION:
3015 S. OLD DARTMOUTH HWY.
SAN MARCOS, TEXAS 78083

VICINITY MAP
NOT TO SCALE

CITY OF SAN MARCOS
CERTIFICATE OF APPROVAL

APPROVED AND AUTHORIZED TO BE RECORDED ON April 28, 2020
BY THE PLANNING AND ZONING COMMISSION OF THE CITY OF SAN MARCOS, TEXAS.

[Signature] 08/05/2020
RECORDING SECRETARY DATE

[Signature] 5.9.2020
DIRECTOR OF PLANNING & DEVELOPMENT SERVICES DATE

[Signature] 6.5.20
PLANNING & ZONING COMMISSION CHAIRMAN DATE

CITY OF TEXAS
COUNTY OF HAYS

THAT CLARENCE H. GARDNER, CLERK OF HAYS COUNTY COURT DOES HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT OF WRITING AND THE CERTIFICATE OF AUTHORIZATION WAS FILED FOR RECORD IN MY OFFICE ON THE 3 DAY OF September, 2020, AS IN THE PLAT RECORDS OF HAYS COUNTY AND STATE IN DOCUMENT NO. 200373332. WITNESS MY HAND AND SEAL OF OFFICE OF COUNTY CLERK OF HAYS COUNTY ON THIS THE 3 DAY OF September, 2020, AS.

FILED FOR RECORD AT 2020.09.03 10:00 AM THIS THE 3 DAY OF September, 2020, AS.

CLARENCE H. GARDNER by [Signature]
CLARENCE H. GARDNER
COUNTY CLERK
HAYS COUNTY, TEXAS

CITY OF TEXAS
COUNTY OF HAYS

I, RUDOLPH J. PADILLA, JR., A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM AN ACTUAL, 30-60-GROUND SURVEY MADE UNDER THE DIRECTION AND SUPERVISION OF JOHN G. ENGLISH, A REGISTERED PROFESSIONAL LAND SURVEYOR, (RPLS) NO. 5248, AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

BY: [Signature] 12/20/2020
RUDOLPH J. PADILLA, JR.
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 5248 - STATE OF TEXAS
BOWMAN CONSULTING GROUP, L.L.C.
1100 S. CAPITAL, 6TH FLOOR, SUITE 200
AUSTIN, TEXAS 78704
512-221-1100

STATE OF TEXAS
RUDOLPH J. PADILLA, JR.
5248
REGISTERED PROFESSIONAL LAND SURVEYOR

Bowman CONSULTING

1100 South Capital of Texas Blvd, Suite 200, Austin, Texas 78704
Phone: (512) 221-1100 Fax: (512) 221-1100
www.bowmanconsulting.com Bowman Consulting Group, L.L.C.
DPT: Proj. No. 1-10000 | RPLS: State No. 01200-01

**FINAL PLAT
TRACE SUBDIVISION
SECTION A, PA 12
WILLIAM H. VAN HORN SURVEY NO. 18, ABSTRACT NO. 464
HAYS COUNTY, TEXAS**

SHEET 1 OF 2

PLAN #: 1224

100 0 100
SCALE: 1"=100'
APRIL, 2020
HAYS COUNTY, TEXAS

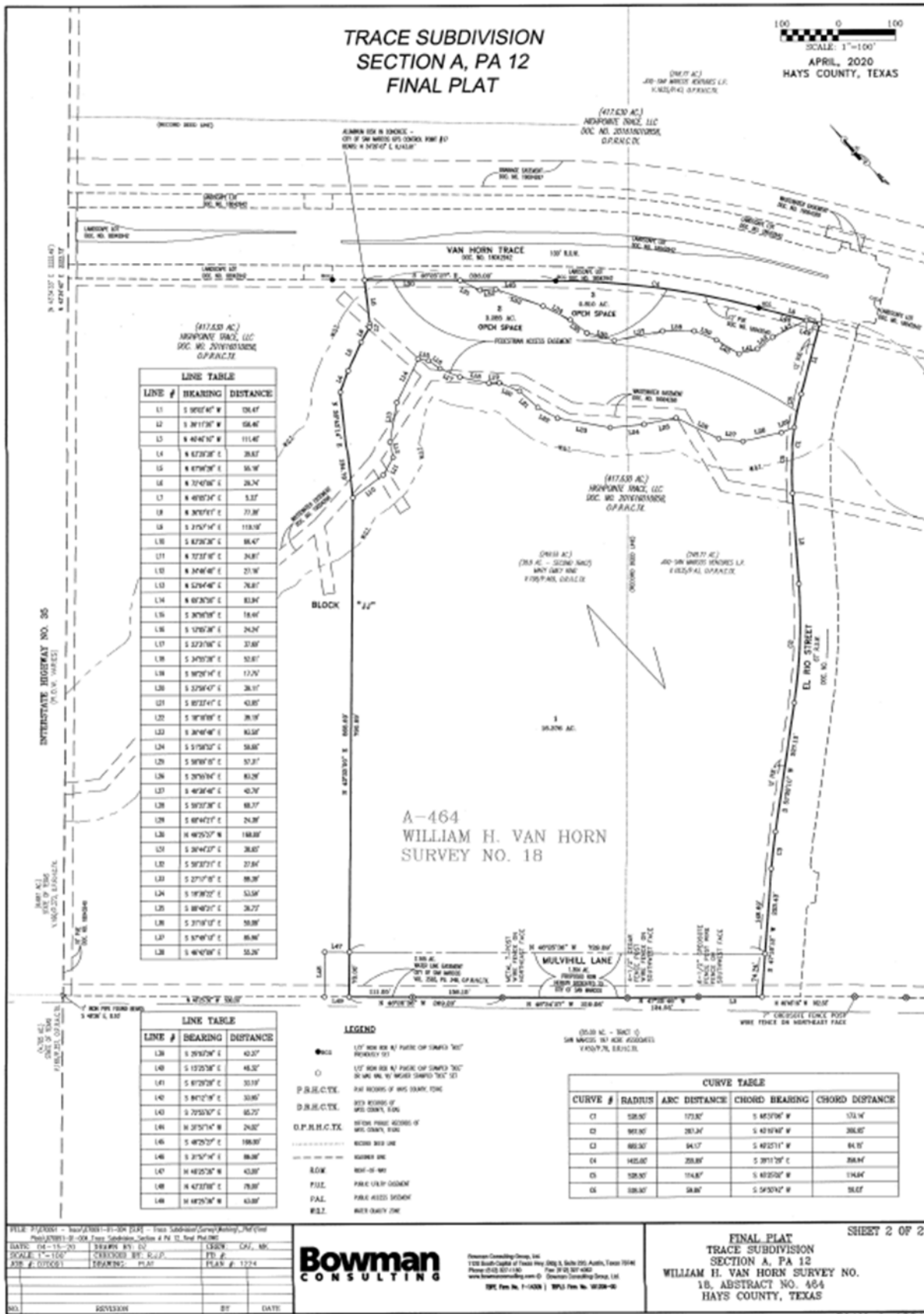


Exhibit V

Trace Subdivision Section A, PA 9 C-Store Final Plat

TRACE SUBDIVISION PLANNING AREA 9 C-STORE FINAL PLAT

STATE OF TEXAS
COUNTY OF HAYS

HIGHPOINT POSEY ROAD, L.P., MAKING MEMBER OF HIGHPOINT TRACE, LLC, BEING THE OWNER OF THAT CERTAIN 2.127 ACRES OF LAND OUT OF THE WILLIAM H. VAN HORN SURVEY NO. 464, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN CALLED 417.636 ACRES TRACT DESCRIBED IN THE DEED TO HIGHPOINT TRACE, LLC OF RECORD IN DOCUMENT NO. 201618140308, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, SO HEREBY SUBDIVIDE THE SAID 2.127 ACRES TO BE KNOWN AS:


TRACE SUBDIVISION, PLANNING AREA 9, C-STORE

AND DEVOLVE TO THE USE OF THE PUBLIC ALL STREETS, ALLEYS, PARKS, WATERCOURSES, DRAINS, EASEMENTS AND PUBLIC PLACES SHOWN ON THIS PLAT.

MAKING MEMBER:
HIGHPOINT TRACE, LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY

BY: HIGHPOINT POSEY ROAD, L.P., A CALIFORNIA LIMITED PARTNERSHIP, ITS MAKING MEMBER


BY: HIGHPOINT INVESTMENTS, INC., A CALIFORNIA CORPORATION, ITS GENERAL PARTNER

BY: 
TIMOTHY D. ENGLAND, DFP

STATE OF CALIFORNIA
COUNTY OF Orange

THIS SUBDIVISION PLAT WAS ACKNOWLEDGED BEFORE ME ON May 26th 2020 BY TIMOTHY D. ENGLAND, DFP.

NOTARY PUBLIC, STATE OF CALIFORNIA
POWERED NAME: Sherry C. Grogg
MY COMMISSION EXPIRES: DEC 15, 2023



PROJECT ADDRESS:
3015 S. OLD DUSTY HWY.
SAN MARCOS, TEXAS 78686

AREA TABLE:

- TOTAL ACRES: 2.127 ACRES.
- THE TOTAL AREA OF STREETS IN THIS SUBDIVISION IS 0.000 ACRES.
- THE TOTAL LENGTH OF ALL STREETS IN THIS SUBDIVISION IS 0.000 FEET.

LOT SUMMARY	
TOTAL NUMBER OF LOTS: 0	
COMMERCIAL/OTHER: 0	
SHALL TRACT: 0	0.000 ACRES
COMMERCIAL/OTHER: 0	0.000 ACRES
LANDSCAPE: 0	0.000 ACRES
PRIVATE STREET: 0	0.000 ACRES
TOTAL	2.127 ACRES

NOTES:

- THIS PROJECT IS WITHIN THE CITY LIMITS OF SAN MARCOS, TEXAS.
- RECORDS WILL BE PROVIDED AS CALLED FOR IN THE TRACE PLANNED DEVELOPMENT DISTRICT. (OCTOBER 21, 2015)
- FIRE FIGHTER SPACING AND WATER FLOW WILL MEET CITY SPECIFICATIONS.
- AS USED HEREIN THE TERM "DEVELOPER" SHALL MEAN "HIGHPOINT TRACE, LLC" OR ITS SUCCESSORS OR ASSIGNS.
- THIS PLAT AND THE LOTS THEREON ARE SUBJECT TO THE PLANNED DEVELOPMENT DISTRICT (OCTOBER 21, 2015) WITH THE CITY OF SAN MARCOS.

SURVEY NOTES:

- BEARING BASIS: TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NAD83(2011) (SPROCKHOFF EDITION), ONE CONTROL NETWORK CONSIDERED TO SPILL HIS CORNER (SAND, TROD TUCK, TUCK, TUCK).
- WEST BENCHMARK (CMAS) SHOWN FOR USE CORNER (SAND, TROD, TUCK, TUCK, TUCK).
- SAND SUB-MARK CONTROL (4000) AND TUCK CONTROL FOR 1-20 AT POSEY ROAD (SAND NO. 2016-02-102 (AUG 2016) CONTROL, POINT TUCK, CONTROL, POINT TUCK).
- DISTANCES SHOWN HEREON ARE BASED ON SURFACE MEASUREMENTS TO CORNER SURFACE DISTANCES TO 0.01, MULTIPLY BY THE COMBINED SCALE FACTOR.
- THE COMBINED SCALE FACTOR FOR THIS PROJECT IS 0.0000.

ADDITIONAL NOTE:

THIS PROJECT IS NOT IN THE COMMERCIAL ADJUTER REZONE ZONE OR IN THE CONTROLLING ZONE.

FLOOD NOTE:

THE SUBJECT TRACT IS SHOWN TO BE IN ZONE X, OTHER AREAS AREAS DETERMINED TO BE OUTSIDE THE FLOOD ANNUAL CHANCE FLOODPLAIN, AS DETERMINED BY THE FLOOD INSURANCE RATE MAP PANEL NO. 4802000007, REVISED SEPTEMBER 02, 2006.

THE ABOVE STATEMENT IS MEANT FOR FLOOD INSURANCE DETERMINATION ONLY AND THIS SURVEYOR ASSUMES HIS LIABILITY FOR THE CORRECTNESS OF THE DATA HEREON.


RECORDING NOTE: THIS PLAT IS BEING RECORDED FOR THE RECORD IN THE PUBLIC RECORDS OF HAYS COUNTY, TEXAS, AND IS SUBJECT TO THE RECORDING ACT OF THE STATE OF TEXAS.

SEE SHEET 2 OF 2 FOR BENCHMARK LIST.

ONLY NOTE:

WATER/PAVED WATER: CITY OF SAN MARCOS
625 EAST HOPKINS STREET
SAN MARCOS, TEXAS 78686

ELECTRIC PERSONNELS ELECTRIC COOPERATIVE
1810 FM 150 WEST
ADEL, TEXAS 78602



VICINITY MAP
NOT TO SCALE

CITY OF SAN MARCOS
CERTIFICATE OF APPROVAL

APPROVED AND AUTHORIZED TO BE RECORDED BY: Sherry C. Grogg
BY THE PLANNING AND ZONING COMMISSION OF THE CITY OF SAN MARCOS, TEXAS.

RECORDING SECRETARY: Sherry C. Grogg DATE: 06/15/2020

SHERRI WATKINS, NOTARY PUBLIC, COUNTY OF PLANNING & DEVELOPMENT SERVICES
DATE: 6/16/2020

DATE: 6/16/2020

DATE: 6-5-20

PLANNING & ZONING COMMISSION CHAIRMAN

STATE OF TEXAS
COUNTY OF HAYS


THAT CLARE A. CARROLL, CLERK OF HAYS COUNTY COURT DOES HEREBY CERTIFY THAT THE FOREGOING RECORD OF THE CITY OF SAN MARCOS, TEXAS, WAS FILED FOR RECORDS IN MY OFFICE ON THE 15th DAY OF JUNE, 2020, A.D., IN THE PUBLIC RECORDS OF THE COUNTY AND STATE IN DOCUMENT NO. 20024602, WITNESS MY HAND AND SEAL OF OFFICE OF COUNTY CLERK OF SAID COUNTY ON THIS 15th DAY OF JUNE, 2020, A.D.

FILED FOR RECORD AT 11:10 O'CLOCK A.M. THIS 15th DAY OF JUNE, 2020, A.D.

Clare A. Carroll
CLARE A. CARROLL
COUNTY CLERK
HAYS COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF HAYS

I, Robert A. Pina, Jr., A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM AN ACTUAL ON-THE-GROUND SURVEY MADE UNDER THE DIRECTION AND SUPERVISION OF MYSELF, I, ROBERT A. PINA, JR., A REGISTERED PROFESSIONAL LAND SURVEYOR, WHO HAS SAID, AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.




BY: Robert A. Pina, Jr.
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 5386 - STATE OF TEXAS
BOWMAN CONSULTING GROUP, LTD.
1322 S. CAPITAL OF TEXAS HWY.
AUSTIN, TEXAS 78746
512-327-1180

DATE: 5/16/20

FILED: 20200615-11:10 AM (FILE) - From Subdivision/Planning/Recording/Plat/Title
Plat/000001-01-000, New Subdivision, No. 9, C-Store, Final Plat

DATE: 06-15-2020 ENGINEER BY: Sherry C. Grogg (SEEN, LOC., M.P.)
SCALE: 1"=100' ENGINEER BY: Sherry C. Grogg PLAT # 12322
SIN # 273222 DRAWING: 11-07 PLAT # 12322

BY: Sherry C. Grogg DATE: 06/15/2020



**Bowman
CONSULTING**

1000 Capital of Texas Hwy, Ste 5, Suite 500, Austin, Texas 78746
Phone: 512.327.1180 Fax: 512.327.1180
www.bowmanconsulting.com © Bowman Consulting Group, Ltd.
MFL No. 1-1428 | 1992 No. 10-208-06

FINAL PLAT
TRACE SUBDIVISION
PLANNING AREA 9
C-STORE
WILLIAM H. VAN HORN SURVEY NO. 464
HAYS COUNTY, TEXAS

SHEET 1 OF 2

PLAN #: 12322

TRACE SUBDIVISION,
PA 1B SECTION B
FINAL PLAT

Appendix C – Page 90

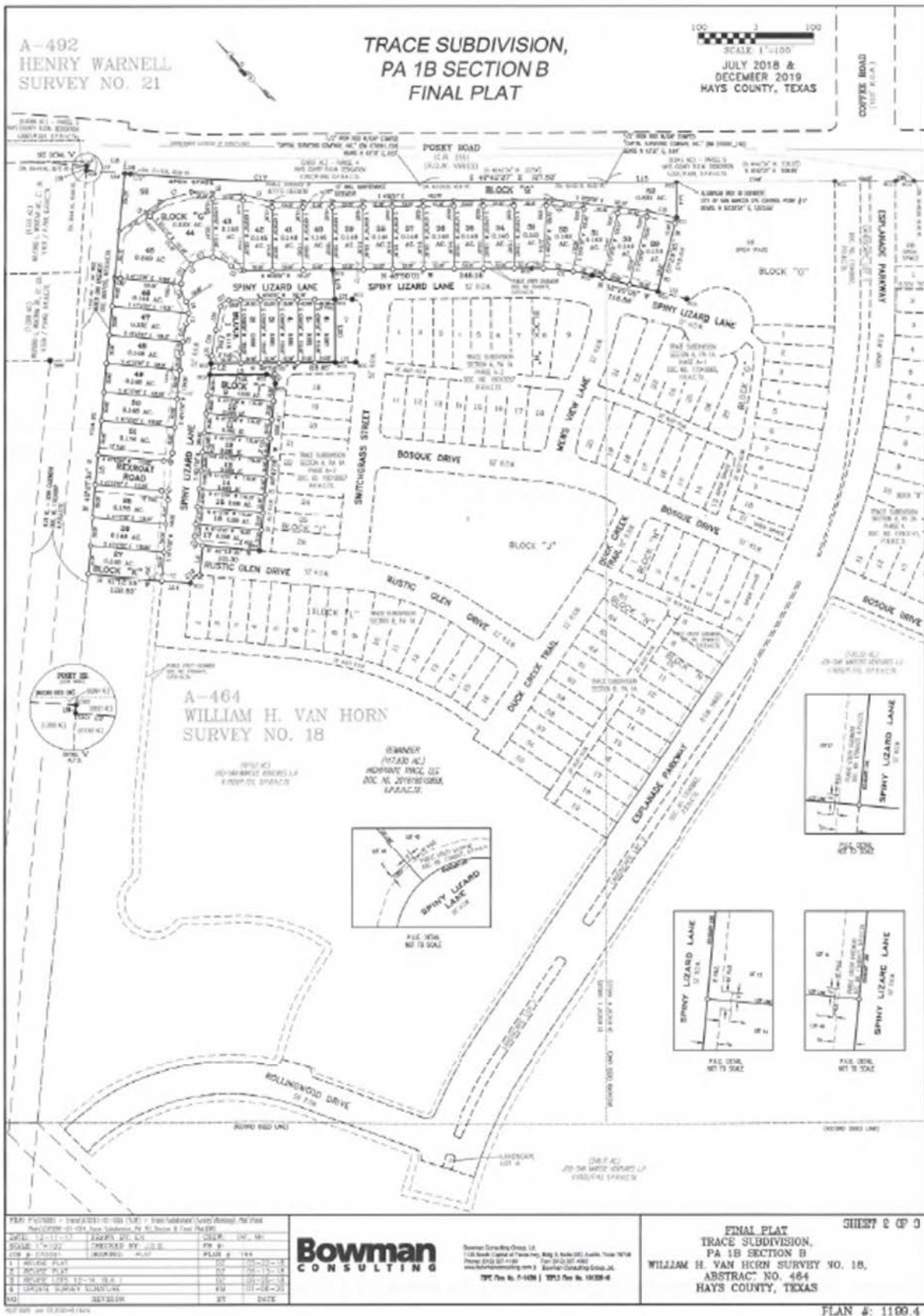


Exhibit X-1

Trace Subdivision, PA 1A Section C Final Plat

STATE OF TEXAS
COUNTY OF HAYS

HIGHPOINT POSEY L.P., MEMBERS MEMBERS OF HIGHPOINT TRACE L.P., BEING THE OWNER OF THAT CERTAIN TRACT ACRES OF LAND OUT OF THE BLK 100 HIGH POINT SURVEY NO. 10, DISTRICT NO. 404, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN CALLED 417.620 ACRES TRACT DESCRIBED IN THE DEED TO HIGHPOINT TRACE, LLC, OF RECORD IN RECORDS NO. 1470508, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, DO HEREBY SUBMIT THE SAID TRACT ACRES TO BE DIVIDED AS:

TRACE SUBDIVISION, PA 1A SECTION C

AND DEVOTE TO THE USE OF THE PUBLIC AS STREETS, ALLEYS, PARKS, RECREATION, DRIVING, EXERCISING AND PUBLIC PLACES SHOWN ON THIS PLAT.

MEMBERS MEMBERS:
HIGHPOINT TRACE L.P.,
A CALIFORNIA LIMITED LIABILITY COMPANY

BY: HIGHPOINT POSEY REAL L.P., A CALIFORNIA LIMITED PARTNERSHIP, ITS MANAGING MEMBER

BY: HIGHPOINT INVESTMENTS, INC., A CALIFORNIA CORPORATION, ITS GENERAL MANAGER

BY: *[Signature]*
TIMOTHY D. ENGLAND, DVP

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

THIS SUBDIVISION PLAN WAS ACKNOWLEDGED BEFORE ME ON January 15th 2021 BY
TIMOTHY D. ENGLAND, DVP.

NOTARY PUBLIC, STATE OF CALIFORNIA
PRINTED NAME: Gregory J. Foster, Jr.
MY COMMISSION EXPIRES: Dec. 15, 2023

PROJECT ADDRESS:
1001 S. OLD HIGHWAY HWY.
SAN MARCOS, TEXAS 78066

AREA TABLE:

- TOTAL ACRES: 3.661 ACRES.
- THE TOTAL AREA OF STREETS IN THIS SUBDIVISION IS 2.801 ACRES.
- THE TOTAL LENGTH OF ALL STREETS IN THIS SUBDIVISION IS 2002 LINEAR FEET.

LOT SUMMARY	
RESIDENTIAL	2.801 ACRES
COMMERCIAL/OTHER	0.860 ACRES
UNDEVELOPED LAND	0.000 ACRES
TOTAL	3.661 ACRES

STREET SUMMARY	
STREET NAME	STREET TYPE
OLD HIGHWAY	RD
TRAIL	RD
TRAIL	RD
TRAIL	RD

NOTES:

- THIS PROJECT IS WITHIN THE CITY LIMITS OF SAN MARCOS, TEXAS.
- THE PROJECT WILL BE PROVIDED AS CALLED FOR IN THE TRACE PLANNED DEVELOPMENT DISTRICT (DECEMBER 21, 2013).
- THE PROJECT WILL BE PROVIDED AS CALLED FOR IN THE TRACE PLANNED DEVELOPMENT DISTRICT (DECEMBER 21, 2013).
- AS USED HEREIN THE TERM "DEVELOPER" SHALL MEAN "HIGHPOINT TRACE, LLC" OR ITS SUCCESSORS OR ASSIGNS.
- THIS PLAT (AND THE LOT'S THEREON) ARE SUBJECT TO THE PLANNED DEVELOPMENT DISTRICT (DECEMBER 21, 2013) WITH THE CITY OF SAN MARCOS.
- THIS PLAT (AND THE LOT'S THEREON) ARE SUBJECT TO THE PLANNED DEVELOPMENT DISTRICT (DECEMBER 21, 2013) WITH THE CITY OF SAN MARCOS.
- THE PROJECT WILL BE PROVIDED AS CALLED FOR IN THE TRACE PLANNED DEVELOPMENT DISTRICT (DECEMBER 21, 2013).
- THE PROJECT WILL BE PROVIDED AS CALLED FOR IN THE TRACE PLANNED DEVELOPMENT DISTRICT (DECEMBER 21, 2013).

SURVEY NOTES:

BEARING DATA IS TO BE OBTAINED FROM THE SURVEY OF THE TRACT.

THIS IS A TRIP SURVEY. HORIZONTAL DISTANCES AND ANGLES SHOWN HEREON ARE REPORTED AT SURFACE VALUES BASED ON A SURFACE ADJUSTMENT UNDER OF 1000000.00 TO CORRECT SURFACE DISTANCES TO GRID, BASED ON THE COMBINED SCALE FACTOR.

THE COMBINED SCALE FACTOR FOR THIS PROJECT IS 0.999999.

ACQUIRER NOTE:

THIS PROJECT IS NOT IN THE EXPOSED AQUIFER RECHARGE ZONE OR IN THE CONTIGUOUS ZONE.

FLOOD NOTE:

THE SUBJECT TRACT IS SHOWN TO BE IN ZONE 0, OTHER AREAS ARE DETERMINED TO BE OUTSIDE THE 0.5% ANNUAL FLOOD PLAIN, AS DETERMINED BY THE FLOOD INSURANCE RATE MAP (FIRM) NO. 4830000000, REVISED SEPTEMBER 01, 2010.

THE ABOVE STATEMENT IS MADE FOR FLOOD INSURANCE DETERMINATION ONLY AND THIS SURVEYOR ASSUMES NO LIABILITY FOR THE CORRECTNESS OF THE FIRM MAP(S).

DEMONSTRATE LOT:

DM #1: SQUARE CUT ON SOUTH SIDE OF SIDEWALK, NORTH SIDE OF ESPLANADE PARK, 4" - 50" EAST OF THE CURRENT TERMINUS OF ESPLANADE PARK. ELEVATION = 665.75'

DM #2: SQUARE CUT ON BACK OF CURB, SOUTHWEST SIDE OF ROLLINGWOOD DRIVE, 4" - 50" SOUTHWEST OF THE CURRENT TERMINUS OF ROLLINGWOOD DRIVE. ELEVATION = 648.15'

VERTICAL DATUM: NAVD 83, (GEOID 120)

UTILITY NOTE:

WATER/SEWER: CITY OF SAN MARCOS
CITY OF SAN MARCOS
1001 S. OLD HIGHWAY STREET
SAN MARCOS, TEXAS 78066

DESIGN: FEDERALIZED ELECTRIC
1001 S. OLD HIGHWAY STREET
SAN MARCOS, TEXAS 78066

TRACE SUBDIVISION, PA 1A SECTION C FINAL PLAT

CITY OF SAN MARCOS
CERTIFICATE OF APPROVAL

APPROVED AND AUTHORIZED TO BE RECORDED ON April 26, 2020 BY THE PLANNING AND ZONING COMMISSION OF THE CITY OF SAN MARCOS, TEXAS.

[Signature] DATE
RECORDS & RECORDS

[Signature] DATE
SUPERVISOR, PLANNING AND ZONING COMMISSION

[Signature] DATE
OFFICE OF ENGINEERING DEPARTMENT

[Signature] DATE
PLANNING & ZONING COMMISSION CHAIRMAN

STATE OF TEXAS
COUNTY OF HAYS

CLERK, CLERK OF HAYS COUNTY COURT DOCS HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT OF WRITING AND THE CERTIFICATE OF AUTHORIZATION HAS BEEN FILED FOR RECORDS IN MY OFFICE ON THE 16 DAY OF February 2021, A.D., IN THE PUBLIC RECORDS OF SAID COUNTY AND STATE IN DOCUMENT NO. 3,101,799 WITHIN MY HAND AND SEAL OF OFFICE OF COUNTY CLERK OF SAID COUNTY ON THIS THE 16 DAY OF February 2021, A.D.

FILED FOR RECORD AT 2:14 O'CLOCK P.M. THIS THE 16 DAY OF February 2021, A.D.

[Signature] DATE
CLERK OF HAYS COUNTY COURT

STATE OF TEXAS
COUNTY OF HAYS

I, ETC. J. MANUEL, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS PLAT AND PRELIMINARY FROM AN ACTUAL, ON-THE-GROUND SURVEY MADE AUGUST 2018 - JANUARY 2021, UNDER MY DIRECTION AND SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

BY: *[Signature]* DATE
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 8076 - STATE OF TEXAS
JAMES MANUEL, LLC
300 W. DURHAM, SU. 10
SAN MARCOS, TEXAS 78066
(379) 507-4302

REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 8076 - STATE OF TEXAS
JAMES MANUEL, LLC
300 W. DURHAM, SU. 10
SAN MARCOS, TEXAS 78066
(379) 507-4302

ADDRESS: 1001 S. OLD HIGHWAY HWY.

LOT SUMMARY:

LOT	ACRES
1	0.860
2	0.860
3	0.860
4	0.860
5	0.860
6	0.860
7	0.860
8	0.860
9	0.860
10	0.860
11	0.860
12	0.860
13	0.860
14	0.860
15	0.860
16	0.860
17	0.860
18	0.860
19	0.860
20	0.860
21	0.860
22	0.860
23	0.860
24	0.860
25	0.860
26	0.860
27	0.860
28	0.860
29	0.860
30	0.860
31	0.860
32	0.860
33	0.860
34	0.860
35	0.860
36	0.860
37	0.860
38	0.860
39	0.860
40	0.860
41	0.860
42	0.860
43	0.860
44	0.860
45	0.860
46	0.860
47	0.860
48	0.860
49	0.860
50	0.860
51	0.860
52	0.860
53	0.860
54	0.860
55	0.860
56	0.860
57	0.860
58	0.860
59	0.860
60	0.860
61	0.860
62	0.860
63	0.860
64	0.860
65	0.860
66	0.860
67	0.860
68	0.860
69	0.860
70	0.860
71	0.860
72	0.860
73	0.860
74	0.860
75	0.860
76	0.860
77	0.860
78	0.860
79	0.860
80	0.860
81	0.860
82	0.860
83	0.860
84	0.860
85	0.860
86	0.860
87	0.860
88	0.860
89	0.860
90	0.860
91	0.860
92	0.860
93	0.860
94	0.860
95	0.860
96	0.860
97	0.860
98	0.860
99	0.860
100	0.860

REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 8076 - STATE OF TEXAS
JAMES MANUEL, LLC
300 W. DURHAM, SU. 10
SAN MARCOS, TEXAS 78066
(379) 507-4302

REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 8076 - STATE OF TEXAS
JAMES MANUEL, LLC
300 W. DURHAM, SU. 10
SAN MARCOS, TEXAS 78066
(379) 507-4302

SHEET 1 OF 5

SAN MARCOS, TEXAS

PAYNE

REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 8076 - STATE OF TEXAS
JAMES MANUEL, LLC
300 W. DURHAM, SU. 10
SAN MARCOS, TEXAS 78066
(379) 507-4302



TRACE SUBDIVISION,
PA 1A SECTION C
FINAL PLAT

CURVE	DELTA	RADIUS	ARC	BEARING	CHORD
C1	28°23'09"	838.02	315.09	S72°00'33"E	311.47
C2	10°33'55"	852.02	137.11	S71°54'01"W	156.89
C3	88°57'38"	15.30	22.77	N69°54'11"W	20.84
C4	88°58'40"	15.30	22.84	S18°37'51"E	20.48
C5	84°34'00"	15.30	22.14	N70°01'50"W	20.18
C6	48°17'24"	412.02	332.89	N68°53'38"W	323.88
C7	1°40'50"	274.00	83.89	S69°25'03"E	83.30
C8	89°02'00"	15.30	15.91	S14°10'58"W	14.12
C9	78°23'36"	15.30	20.00	N64°37'14"W	18.38
C10	90°00'00"	10.30	15.71	N67°49'02"W	14.34
C11	103°36'24"	15.30	27.12	N29°22'46"E	23.58
C12	0°19'37"	852.02	4.86	S77°01'10"W	4.86
C13	2°23'14"	852.02	35.50	S79°39'40"W	35.49
C14	7°51'05"	852.02	118.79	S79°32'35"W	118.66
C15	9°09'31"	274.00	43.80	N64°15'54"E	43.72
C16	4°13'05"	274.00	20.17	N70°27'12"E	20.11
C17	4°07'14"	274.00	18.71	S72°07'21"E	18.79
C18	90°00'00"	15.30	23.55	N67°49'02"W	21.21
C19	28°23'03"	526.00	286.58	N67°00'33"W	257.80
C20	90°00'00"	15.30	23.55	N67°49'02"E	21.21
C21	2°29'11"	856.00	27.60	S78°23'30"E	27.59
C22	3°50'10"	856.00	43.51	S76°45'19"E	43.58
C23	3°50'10"	856.00	43.51	S72°50'09"E	43.54
C24	2°35'05"	856.00	39.89	S79°04'32"E	39.91
C25	3°30'05"	856.00	38.88	S74°28'02"E	38.91
C26	3°30'12"	856.00	40.55	S71°50'48"E	40.58
C27	3°30'05"	856.00	38.88	S18°13'09"E	38.91
C28	3°30'05"	856.00	39.89	S14°37'04"E	39.91
C29	3°30'05"	526.00	33.08	N64°37'05"W	33.04
C30	3°30'05"	526.00	33.08	N69°13'10"W	33.04
C31	3°30'12"	856.00	33.84	N61°50'48"W	33.81
C32	3°30'05"	526.00	33.08	N69°28'28"W	33.04
C33	3°30'05"	526.00	33.08	N69°04'32"W	33.04
C34	3°35'10"	526.00	35.88	N62°50'09"W	35.91
C35	3°35'10"	526.00	35.88	N60°45'19"W	35.91
C36	3°35'11"	526.00	32.83	N59°57'59"W	32.81
C37	88°18'49"	15.30	23.11	S68°40'38"E	20.89
C38	33°38'07"	328.00	191.19	N61°20'18"W	188.49
C39	92°55'53"	20.80	32.44	S01°40'25"E	29.09
C40	4°00'24"	774.00	54.12	S69°47'44"W	54.11
C41	90°00'00"	15.30	23.55	S68°12'05"E	21.21
C42	28°23'03"	274.00	434.82	S67°00'33"E	432.41
C43	90°00'00"	15.30	23.55	S32°10'58"W	21.21
C44	33°16'15"	481.00	287.70	N58°51'59"W	283.89
C45	33°17'52"	441.00	256.29	N59°51'09"W	252.77
C46	2°48'48"	481.00	68.77	N59°08'11"W	68.75
C47	4°45'07"	481.00	38.12	N60°25'39"W	38.35
C48	4°44'20"	481.00	38.12	N59°10'53"W	38.14
C49	4°43'28"	481.00	38.01	N59°54'47"W	38.00
C50	4°43'28"	481.00	38.02	N54°38'19"W	38.00

CURVE	DELTA	RADIUS	ARC	BEARING	CHORD
C51	4°20'56"	461.00	36.68	N39°27'58"W	39.87
C52	3°24'07"	461.00	28.71	N45°42'59"W	28.71
C53	1°43'08"	50.00	14.58	S69°19'33"W	14.54
C54	59°30'44"	50.00	48.44	S01°12'37"E	46.87
C55	63°43'34"	50.00	55.81	S09°24'33"E	53.79
C56	62°27'11"	274.00	6.19	S49°01'07"W	6.19
C57	3°33'13"	274.00	46.01	S49°01'19"W	46.00
C58	2°45'58"	474.00	28.88	N42°49'07"W	28.88
C59	8°07'14"	474.00	50.63	N32°22'32"W	50.61
C60	8°07'14"	474.00	50.63	N27°48'15"W	50.61
C61	8°07'14"	474.00	50.63	N21°08'08"W	50.61
C62	8°07'14"	474.00	50.63	N17°00'52"W	50.61
C63	1°08'13"	474.00	9.41	N17°23'08"W	9.41
C64	8°29'45"	326.00	38.80	N17°02'07"W	38.78
C65	7°55'38"	326.00	43.21	N25°19'49"W	43.18
C66	7°55'38"	326.00	43.21	N32°55'27"W	43.18
C67	7°55'38"	326.00	43.21	N43°21'04"W	43.18
C68	7°55'38"	326.00	43.21	N49°12'58"W	43.18
C69	1°30'50"	441.00	9.09	N41°54'40"W	9.09
C70	2°35'38"	441.00	36.45	N47°31'25"W	36.41
C71	7°55'38"	441.00	58.45	N37°59'48"W	58.41
C72	7°55'38"	441.00	58.45	N27°20'09"W	58.41
C73	9°20'07"	441.00	71.80	N17°32'16"W	71.77
C74	7°42'55"	456.00	43.46	S33°39'01"E	43.47
C75	9°24'43"	456.00	40.93	S45°08'12"E	40.91
C76	58°45'37"	50.00	51.38	S69°38'08"E	49.68
C77	18°15'13"	15.30	7.40	S68°54'21"E	7.35
C78	4°00'24"	826.00	57.78	S49°47'44"W	57.79
C79	50°53'35"	15.30	13.32	N77°14'19"E	12.89
C80	64°18'13"	50.50	188.88	S59°40'38"E	98.10
C81	50°53'35"	15.30	13.32	N73°35'00"W	12.89
C82	3°03'25"	274.00	158.09	N31°50'59"W	156.80
C83	52°15'55"	15.30	24.13	N39°33'01"E	21.63
C84	17°49'50"	326.00	59.88	S68°28'03"W	59.17
C85	2°58'09"	626.00	42.32	S49°19'51"W	42.32
C86	1°04'15"	838.02	15.44	S48°19'39"W	15.44
C87	12°28'22"	15.30	8.93	S67°27'33"E	8.99
C88	163°22'52"	20.00	144.00	S11°21'33"E	99.18
C89	17°48'03"	274.00	81.80	S37°38'20"E	81.32
C90	12°59'33"	274.00	78.47	S27°24'58"E	76.22
C91	9°40'19"	274.00	27.84	N17°58'56"W	27.83
C92	8°41'47"	328.00	55.17	S72°02'05"W	55.10
C93	7°48'03"	326.00	44.39	S69°55'10"W	44.35
C94	8°18'38"	412.00	45.47	N48°44'58"W	45.49
C95	8°43'01"	412.00	48.30	N49°25'52"W	48.27
C96	8°38'59"	412.00	47.80	N50°07'12"W	47.87
C97	8°40'52"	412.00	48.00	N56°47'30"W	48.02
C98	8°38'07"	412.00	47.71	N68°27'02"W	47.69
C99	8°38'10"	412.00	47.72	N77°05'10"W	47.69
C100	8°38'08"	412.00	47.71	N78°43'17"W	47.69

LINE	BEARING	DISTANCE
L1	S17°49'52"E	39.38
L2	S77°10'58"W	17.60
L3	S77°10'58"W	16.89
L4	S30°24'02"W	55.20
L5	S59°41'59"E	52.98
L6	S28°28'28"E	10.85
L7	N67°34'34"E	20.30
L8	N12°49'02"W	24.95
L9	S12°49'02"E	24.98
L10	S77°10'58"W	47.79
L11	S58°41'08"W	55.17
L12	S22°30'49"W	58.50
L13	N43°52'48"W	48.72
L14	N48°33'42"W	55.00
L15	N48°33'42"W	52.41
L16	S59°56'18"W	87.94
L17	S58°56'18"W	59.38
L18	S72°50'23"E	63.58
L19	S72°50'23"E	63.88
L20	S58°56'18"E	63.48
L21	S48°56'18"E	62.40
L22	S58°56'18"E	6.39
L23	S48°33'42"E	62.27
L24	S48°33'42"E	44.54
L25	S43°52'48"E	17.20
L26	S43°52'48"E	28.33
L27	S22°30'49"E	58.50

ADDRESS: 5415 S. OLD
BROADWAY HWY.
SAN MARCOS, TEXAS 78083
BLDG. NO.: 5415-001-001-001
BLDG. ORIGIN: 001
DATE: 1/14/2021
FILED: 001-001-001
OFFICE: SAN MARCOS



SHEET 5 OF 5

SAN MARCOS,
HAYS COUNTY, TEXAS



Exhibit X-2

Trace Subdivision, PA 1A Section C Amending Plat

STATE OF TEXAS
COUNTY OF HAYS

HIGHPOINTE POSEY LP, MANAGING MEMBER OF HIGHPOINTE TRACE, LLC, BEING THE OWNER OF LOTS 32, 33, 34, 35, 36, 37, 38, 39, 41 AND PLATTED ALLEY, TRACE SUBDIVISION, PA 1A SECTION C, A SUBDIVISION OF RECORD IN DOCUMENT NO. 21037380, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, DOES HEREBY SUBMIT THE SAID LOTS 32, 33, 34, 35, 36, 37, 38, 39, 41 AND PLATTED ALLEY, TRACE SUBDIVISION, PA 1A SECTION C TO BE KNOWN AS:

REPLAT OF LOTS 32, 33, 34, 35, 36, 37, 38, 39, 41 AND PLATTED ALLEY, ALL IN BLOCK N, TRACE SUBDIVISION, PA 1A SECTION C

AND DEDICATE TO THE USE OF THE PUBLIC ALL STREETS, ALLEYS, PARKS, WATERCOURSES, DRAINS, EASEMENTS AND PUBLIC PLACES SHOWN ON THIS PLAT.

MANAGING MEMBER:
HIGHPOINTE TRACE, LLC
A CALIFORNIA LIMITED LIABILITY COMPANY

BY: HIGHPOINTE POSEY ROAD, LP, A CALIFORNIA LIMITED PARTNERSHIP, ITS MANAGING MEMBER

BY: HIGHPOINTE INVESTMENTS, INC., A CALIFORNIA CORPORATION, ITS GENERAL PARTNER

BY: Timothy D. England, SVP
TIMOTHY D. ENGLAND, SVP

STATE OF CALIFORNIA
COUNTY OF ORANGE

THIS SUBDIVISION PLAT WAS ACKNOWLEDGED BEFORE ME ON July 19th, 2021 BY
TIMOTHY D. ENGLAND, SVP.

NOTARY PUBLIC, STATE OF CALIFORNIA
PRINTED NAME: Stacey Osso
MY COMMISSION EXPIRES: Dec. 15, 2023

STATE OF TEXAS
COUNTY OF HAYS

PRADERSTER HOMES, LLC, BEING THE OWNER OF LOTS 32, 34, 35, 36, 37, 38, 39, 41 AND PLATTED ALLEY, TRACE SUBDIVISION, PA 1A SECTION C, A SUBDIVISION OF RECORD IN DOCUMENT NO. 21037380, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, DOES HEREBY SUBMIT THE SAID LOTS 32, 34, 35, 36, 37, 38, 39, 41 AND PLATTED ALLEY, TRACE SUBDIVISION, PA 1A SECTION C TO BE KNOWN AS:

REPLAT OF LOTS 32, 33, 34, 35, 36, 37, 38, 39, 41 AND PLATTED ALLEY, ALL IN BLOCK N, TRACE SUBDIVISION, PA 1A SECTION C

AND DEDICATE TO THE USE OF THE PUBLIC ALL STREETS, ALLEYS, PARKS, WATERCOURSES, DRAINS, EASEMENTS AND PUBLIC PLACES SHOWN ON THIS PLAT.

PRADERSTER HOMES, LLC, A TEXAS LIMITED LIABILITY COMPANY

BY: Tom Lynch
TOM LYNCH

STATE OF TEXAS
COUNTY OF Texas

THIS SUBDIVISION PLAT WAS ACKNOWLEDGED BEFORE ME ON August 6, 2021 BY
TOM LYNCH, PRESIDENT.

NOTARY PUBLIC, STATE OF TEXAS
PRINTED NAME: Kathleen A. Coffey
MY COMMISSION EXPIRES: 10/18/2022

AMENDING PLAT OF LOTS 32, 33, 34, 35, 36, 37, 38, 39, 41 AND PLATTED ALLEY, ALL IN BLOCK N, TRACE SUBDIVISION, PA 1A SECTION C

AS RECORDED IN
DOCUMENT NO. 21037380, PLAT RECORDS OF
HAYS COUNTY, TEXAS

AMENDING PLAT CORRECTS RECORDED LOT BOUNDARIES FOR BLOCK N, LOTS 32-39 AND 41

CITY OF SAN MARCOS
CERTIFICATE OF APPROVAL

APPROVED AND AUTHORIZED TO BE RECORDED ON JUNE 1, 2021
BY THE PLANNING & DEVELOPMENT SERVICES DEPARTMENT OF THE CITY OF SAN MARCOS, TEXAS.

8/17/21
DATE

8/17/21
DATE

8/17/21
DATE

STATE OF TEXAS
COUNTY OF HAYS

THAT, CLAUDE CARSON, CLERK OF HAYS COUNTY COURT DOES HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT OF WRITING AND THE CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 17th DAY OF August, 2021, A.D., IN THE PLAT RECORDS OF SAID COUNTY AND STATE IN DOCUMENT NO. 21044619. WITNESS MY HAND AND SEAL OF OFFICE OF SAID COUNTY CLERK OF SAID COUNTY ON THIS THE 17th DAY OF August, 2021, A.D.

FILED FOR RECORD AT 2:25 O'CLOCK P.M. THIS THE 17th DAY OF August, 2021, A.D.

BY: Boone Carson
CLAUDE CARSON
COUNTY CLERK
HAYS COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF HAYS

I, PHILIP C. PAYNE, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM AN ACTUAL, ON-THE-GROUND SURVEY MADE JANUARY 2021 - MARCH 2021, UNDER MY DIRECTION AND SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

BY: Philip C. Payne
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 1004 - STATE OF TEXAS
PAYNE INDUSTRIES, LLC
301 W. PINEAUX, 3RD. F.
SAN MARCOS, TEXAS 78666
(917) 543-4444
FORM NO. 10154453

BENCHMARK LIST:
ON #1: SQUARE OUT ON SOUTH EDGE OF SIDEWALK, NORTH SIDE OF ESPLANADE PARKY, 4' - 300' EAST OF THE CURRENT TERMINUS OF ESPLANADE PARKY.
ELEVATION = 865.72'

VERTICAL DATUM: NAVD 83, (GEOID 128)

UTILITY NOTE:
WASTEWATER: CITY OF SAN MARCOS
COOPERATIVE
GAS: SAN MARCOS UTILITY
SAN MARCOS, TEXAS 78666

RECORDING INFORMATION:
1015 100 VLS
KPL, TEXAS 78666

PROJECT ADDRESS:
3414 S. OLD BRISTOL HWY.
SAN MARCOS, TEXAS 78666

ADDITIONAL INFORMATION:
ADDRESS: 3414 S. OLD BRISTOL HWY.
SAN MARCOS, TEXAS 78666
JOB NO.: 1004-001
DATE: 08/17/21
DRAWN BY: PHILIP C. PAYNE
CHECKED BY: PHILIP C. PAYNE
DATE: 08/17/21
DATE: 08/17/21
DATE: 08/17/21

SHHEET 1 OF 3
SAN MARCOS, HAYS COUNTY, TEXAS
PAYNE INDUSTRIES
301 W. PINEAUX, 3RD. F. SAN MARCOS, TX 78666
(917) 543-4444 - JEFFREY J. JONES

[illegible]

PLAT MAP

DUCK CREEK PARK

ESPLANADE PARKWAY

MIDWAY AVE

MIDWAY 115.00

0.00 AC

LOT 1

LOT 2

LOT 3

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SWR1	3000 RECORDS OF HAYS COMPANY, HAYS
SWR2	OFFICIAL POLICE RECORDS OF HAYS COMPANY, HAYS
M	1/2" PINK ROSE PAPER WITH A PLASTIC CO SHIMMED TOP OR SHIMMED PAPER
A	WAS BAIL WITH "BIO" AND OTHER PAGES
D	1/2" PINK ROSE PAPER WITH A PLASTIC CO SHIMMED TOP OR SHIMMED PAPER
D	CUSTOM ORDER WITH "HAYS" AND OTHER SET
A	SET OF WASH BAIL WITH "HAYS" AND OTHER SET
A	CALCULATED FROM
P/E	PURCHASE FROM COUNCIL
P/A	PURCHASE FROM COUNCIL
R/W	PRINT OF WASH
S/A	ONE SHIMMED
S/L	SHIMMED COUNCIL



PAYNE
INSURANCE

200 W. Highway 100, Ste. 100, San Antonio, TX 78205
210.225.2000 www.payneins.com

AMENDING PLAT OF LOTS 32, 33, 34, 35,
36, 37, 38, 39, 41 AND PLATTED ALLEY,
ALL IN BLOCK N,
TRACE SUBDIVISION,
PA 1A SECTION C

CURVE	DELTA	RADIUS	ARC	BEARING	CHORD
C1	28°23'05"	636.00	315.26	S27°00'33"E	311.87
C2	10°33'58"	852.00	157.13	S71°54'01"W	116.89
C3	86°57'58"	15.00	22.77	N69°54'11"W	20.64
C4	86°06'40"	15.00	22.54	N16°37'51"E	20.48
C5	84°34'00"	15.00	22.14	N78°01'55"W	20.18
C6	46°17'24"	412.00	332.86	N58°53'36"W	313.86
C7	17°22'50"	274.00	83.66	N69°26'03"E	83.32
C8	90°00'00"	15.00	15.31	S32°10'58"W	14.14
C9	76°23'56"	15.00	20.00	N64°32'14"W	18.55
C10	90°00'00"	15.00	15.31	N57°49'02"W	14.14
C11	103°36'24"	15.00	27.12	N22°22'46"E	23.58
C12	0°19'37"	852.00	4.85	S77°01'10"W	4.85
C13	2°23'14"	852.00	35.50	S79°36'45"W	35.49
C14	7°51'05"	852.00	118.29	S70°32'35"W	118.68
C15	9°09'31"	274.00	43.80	N64°15'54"E	43.75
C16	4°13'05"	274.00	20.17	N79°57'12"E	20.17
C17	4°07'14"	274.00	19.31	N79°07'21"E	19.30
C18	90°00'00"	15.00	23.56	N57°49'02"W	21.21
C19	28°23'03"	328.00	260.56	N27°00'33"E	257.93
C20	90°00'00"	15.00	23.56	N37°41'55"E	21.21
C21	2°02'11"	636.00	22.60	S59°57'50"E	22.60
C22	3°55'10"	636.00	43.51	S38°45'18"E	43.50
C23	3°55'10"	636.00	43.51	S32°50'09"E	43.50
C24	3°36'05"	636.00	38.68	S27°04'52"E	38.67
C25	3°36'05"	636.00	38.68	S23°28'26"E	38.67
C26	3°39'12"	636.00	40.55	S41°50'48"E	40.55
C27	3°36'05"	636.00	38.68	S18°13'05"E	38.67
C28	3°36'05"	636.00	38.68	S14°37'04"E	38.67
C29	3°36'05"	636.00	38.68	N14°37'05"W	38.68
C30	3°36'05"	636.00	38.68	N19°13'10"W	38.68
C31	3°39'12"	636.00	38.68	N21°50'48"W	38.68
C32	3°36'05"	636.00	38.68	N29°28'26"W	38.68
C33	3°36'05"	636.00	38.68	N27°04'52"W	38.68
C34	3°55'10"	636.00	38.68	N32°50'09"W	38.67
C35	3°55'10"	636.00	38.68	N39°45'18"W	38.67
C36	2°29'11"	528.00	22.83	N39°57'29"W	22.83
C37	88°16'47"	15.00	23.11	S56°46'38"E	23.89
C38	33°38'07"	328.00	191.89	N31°20'18"W	188.48
C39	82°50'53"	20.00	32.44	S01°40'28"E	21.00
C40	4°00'34"	774.00	54.12	S48°47'44"W	54.11
C41	90°00'00"	15.00	23.56	S66°12'05"E	21.21
C42	28°23'03"	474.00	234.82	S27°00'33"E	232.42
C43	90°00'00"	15.00	23.56	S32°10'58"W	21.21
C44	33°18'15"	461.00	287.20	N28°51'55"W	283.95
C45	33°17'52"	441.00	296.29	N28°51'09"W	292.70
C46	9°46'48"	461.00	46.77	N15°08'11"W	46.75
C47	4°46'07"	461.00	36.97	N27°25'38"W	36.35
C48	4°44'20"	461.00	36.13	N25°10'53"W	36.12
C49	4°43'28"	461.00	36.01	N22°54'47"W	35.00
C50	4°43'29"	461.00	36.00	N34°38'15"W	35.00

LINE	BEARING	DISTANCE
L1	S12°49'02"E	30.56
L2	S77°12'56"W	17.80
L3	S77°10'58"W	16.99
L4	N30°24'09"W	52.00
L5	N69°41'08"E	52.39
L6	S28°28'26"E	10.05
L7	N63°54'54"E	50.00
L8	N12°49'02"E	24.58
L9	S12°49'02"E	24.58
L10	S77°10'58"W	47.29
L11	S56°41'08"E	53.47
L12	N52°20'49"W	38.50
L13	N47°51'45"W	45.72
L14	N48°33'42"W	55.00
L15	N48°33'42"W	52.41
L16	N56°56'18"W	67.84
L17	N56°56'18"W	96.28
L18	S72°50'23"E	63.36
L19	S72°50'23"E	63.88
L20	S56°56'18"E	
L21	S56°56'18"E	
L22	S56°56'18"E	
L23	S48°33'42"E	
L24	S48°33'42"E	
L25	S43°52'48"E	
L26	S43°52'48"E	
L27	S22°30'49"E	

CURVE	DELTA	RADIUS	ARC	BEARING	CHORD
C51	4°55'56"	461.00	39.68	N39°27'58"W	39.67
C52	3°54'09"	461.00	38.71	N43°42'56"W	38.71
C53	18°43'58"	80.00	14.89	S26°19'53"W	14.84
C54	55°30'44"	50.00	48.44	S51°12'37"W	48.57
C55	63°43'34"	50.00	55.61	S08°24'33"E	52.79
C56	0°27'11"	774.00	6.12	S45°01'07"W	5.12
C57	3°53'13"	774.00	48.01	S47°01'19"W	48.00
C58	2°45'56"	474.00	22.88	N39°48'07"W	22.88
C59	6°07'14"	474.00	50.63	N35°22'32"W	50.61
C60	6°07'14"	474.00	50.63	N29°15'19"W	50.61
C61	6°07'14"	474.00	50.63	N23°08'05"W	50.61
C62	6°07'14"	474.00	50.63	N17°00'52"W	50.61
C63	1°08'13"	474.00	9.41	N13°23'08"W	8.41
C64	6°59'45"	328.00	39.80	N18°02'07"W	39.78
C65	7°35'38"	328.00	43.21	N25°19'49"W	43.18
C66	7°35'38"	328.00	43.21	N32°55'27"W	43.18
C67	7°35'38"	328.00	43.21	N40°31'04"W	43.18
C68	3°49'29"	328.00	21.76	N46°13'36"W	21.76
C69	1°10'50"	441.00	9.09	N44°54'40"W	9.09
C70	7°35'38"	441.00	58.45	N40°31'28"W	58.41
C71	7°35'38"	441.00	58.45	N32°00'48"W	58.41
C72	7°35'38"	441.00	58.45	N25°20'09"W	58.41
C73	7°20'07"	441.00	71.85	N16°52'16"W	71.77
C74	5°42'58"	438.00	43.49	S30°59'01"E	43.47
C75	5°22'43"	438.00	40.93	S25°08'12"E	40.91
C76	5°45'37"	50.00	51.28	S69°39'08"E	49.08
C77	28°15'19"	15.00	7.40	S64°54'21"E	7.32
C78	4°00'34"	826.00	57.78	S46°47'44"W	57.75
C79	50°53'35"	15.00	13.32	N20°14'19"E	12.89
C80	184°36'15"	50.00	69.85	S01°40'28"E	99.19
C81	50°53'35"	15.00	13.32	N72°35'09"W	12.89
C82	33°03'55"	274.00	198.09	N31°56'56"W	195.80
C83	62°15'55"	15.00	24.15	S31°03'01"E	21.83
C84	17°29'50"	328.00	99.55	S08°26'03"W	99.17
C85	2°56'09"	826.00	42.32	S41°19'51"W	42.32
C86	1°04'15"	826.00	15.44	S49°19'39"W	15.44
C87	22°38'13"	15.00	5.93	S59°27'33"E	5.89
C88	165°00'50"	50.00	144.00	S16°31'32"E	99.15
C89	17°04'13"	274.00	81.62	S39°56'20"E	81.32
C90	19°59'19"	274.00	76.47	S23°04'38"E	76.22
C91	9°49'19"	274.00	27.84	N17°56'36"W	27.83
C92	9°41'47"	328.00	55.17	S72°20'05"W	55.10
C93	7°48'03"	328.00	44.39	S67°35'10"W	44.35
C94	8°19'25"	412.00	45.47	N38°54'38"W	45.45
C95	6°43'01"	412.00	46.30	N48°25'52"W	46.27
C96	6°36'39"	412.00	47.89	N52°02'12"W	47.87
C97	6°40'57"	412.00	48.05	N58°47'30"W	48.02
C98	6°58'07"	412.00	47.71	N65°27'02"W	47.69
C99	6°38'10"	412.00	47.72	N72°05'10"W	47.69
C100	6°38'05"	412.00	47.71	N78°43'17"W	47.68

C101	10°12'34"	274.00	48.82	N54°47'25"E	48.78
C102	4°13'44"	274.00	20.22	N72°00'54"E	20.22
C103	3°03'52"	274.00	14.63	N79°39'12"E	14.63
C104	2°34'03"	852.14	36.18	S79°34'19"W	36.18
C105	2°40'13"	852.01	114.06	S70°27'10"W	113.88
C106	76°23'56"	15.00	20.00	S64°57'14"E	18.55
C107	103°36'24"	15.00	27.12	S22°22'46"W	23.58

APPROVED: 2018 J. G.D.
CARTER, JAMES
BY: 2018 J. G.D.
CARTER, JAMES
DATE: 6/15/2018
FILE: 2018 J. G.D.
2018 J. G.D.

SHEET 3 OF 3

SAN MARCOS,
HAYS COUNTY, TEXAS

PAYNE
SURVEYING

201 N. Highway 101, San Marcos, TX 78666
800.555.1000 Fax: 817.425.8100

TRACE SUBDIVISION,
PA 2B SECTION C
FINAL PLAT

Appendix C – Page 100

**TRACE SUBDIVISION,
PA 2B SECTION C
FINAL PLAT**

LINE TABLE		
LINE #	BEARING	DISTANCE
1.1	N 89°47'00" W	13.36
1.2	N 47°30'30" E	32.00
1.3	N 47°30'30" E	38.00
1.4	N 47°17'30" W	8.00
1.5	N 09°50'45" E	44.27
1.6	N 30°00'15" E	38.17
1.7	N 47°17'30" E	32.00
1.8	N 47°17'00" E	18.00
1.9	N 40°00'30" W	25.00
1.10	N 30°54'00" E	53.10
1.11	S 45°00'30" E	24.22
1.12	N 40°15'30" E	32.00
1.13	S 39°30'00" E	31.10
1.14	S 30°54'00" W	38.62
1.15	N 47°17'00" W	80.00
1.16	S 40°17'30" E	12.10
1.17	S 40°17'30" E	32.00
1.18	N 47°30'30" E	32.62
1.19	S 89°17'00" W	41.00
1.20	N 30°40'30" W	29.00

CURVE TABLE				
CURVE #	RADIUS	ARC DISTANCE	CHORD BEARING	CHORD DISTANCE
C1	15.00	12.50	N 80°33' E	21.27
C2	15.00	12.50	N 02°17' W	21.27
C3	274.00	49.57	N 38°40' W	48.24
C4	15.00	12.50	S 02°31' E	21.27
C5	15.00	12.50	N 80°33' E	21.27
C6	15.00	25.00	N 87°22' E	21.28
C7	229.00	93.00	S 37°13' E	90.40
C8	224.00	33.00	S 47°45' E	32.00
C9	229.00	41.10	S 38°12' E	40.17
C10	229.00	21.00	S 30°00' E	21.00
C11	15.00	14.00	S 38°40' E	14.20
C12	40.00	20.50	S 67°05' W	40.00
C13	40.00	146.84	S 14°02' E	110.01
C14	40.00	41.00	S 78°00' W	40.82
C15	40.00	36.26	N 50°17' W	34.40
C16	40.00	40.62	N 82°40' W	37.00
C17	15.00	14.00	N 00°11' E	14.20
C18	274.00	40.00	N 37°13' W	40.22
C19	274.00	15.00	N 28°52' W	15.04
C20	15.00	14.00	S 70°17' E	14.20
C21	40.00	30.50	S 47°00' W	30.00
C22	40.00	37.00	S 47°33' E	37.07
C23	40.00	36.26	S 47°00' E	34.20
C24	40.00	41.04	S 34°22' W	41.00
C25	40.00	37.00	S 42°50' W	36.40
C26	40.00	36.26	S 78°40' W	36.10
C27	40.00	36.42	N 52°12' W	34.27
C28	40.00	38.32	N 80°14' W	37.00
C29	15.00	14.00	N 28°00' W	14.20
C30	15.00	20.00	S 02°17' E	20.00
C31	224.00	146.84	S 22°00' E	145.30
C32	224.00	18.00	S 44°10' E	18.00
C33	224.00	127.00	S 37°00' E	126.74
C34	274.00	122.22	N 20°00' W	120.00
C35	274.00	40.70	N 27°40' W	40.00
C36	274.00	32.20	N 40°00' W	32.07
C37	15.00	22.00	S 02°17' E	22.00
C38	15.00	24.00	N 87°00' E	24.38
C39	274.00	22.17	N 07°10' W	21.10

FILE: P:\20201 - New\2020-11-09 [20] - Trace Subdivision\Survey\2020-11-09
 Plot Section 2 (C101)-B-464, Trace Subdivision, PA 2B Section C, Final Plat
 DATE: 11-14-2020 DRAWN BY: S.S. CHECKED BY: S.S. SCALE: 1"=100' CURVED BY: T.W. PLOT # 015551 EXAMINE: PLAT PLANS # 11552
 1. LOCATIONS, DIMENSIONS 2.7.5 01-11-20
 3. RECORDS COMMENTS 3.1.7 06-11-20

DWG. REVISION BY DATE

Bowman
CONSULTING

Bowman Consulting Group, LLC
 1100 South Capital of Texas Freeway, Suite 500, Austin, Texas 78746
 Phone: (512) 327-1100 Fax: (512) 327-0000
 www.bowmanconsulting.com © Bowman Consulting Group, LLC
 WFL Plan No. 0-14300 | WFL Plan No. 0-14300-01

FINAL PLAT
 TRACE SUBDIVISION,
 PA 2B SECTION C
 WILLIAM H. VAN HORN SURVEY NO. :B.
 ABSTRACT NO. 464
 HAYS COUNTY, TEXAS

SHEET 3 OF 3

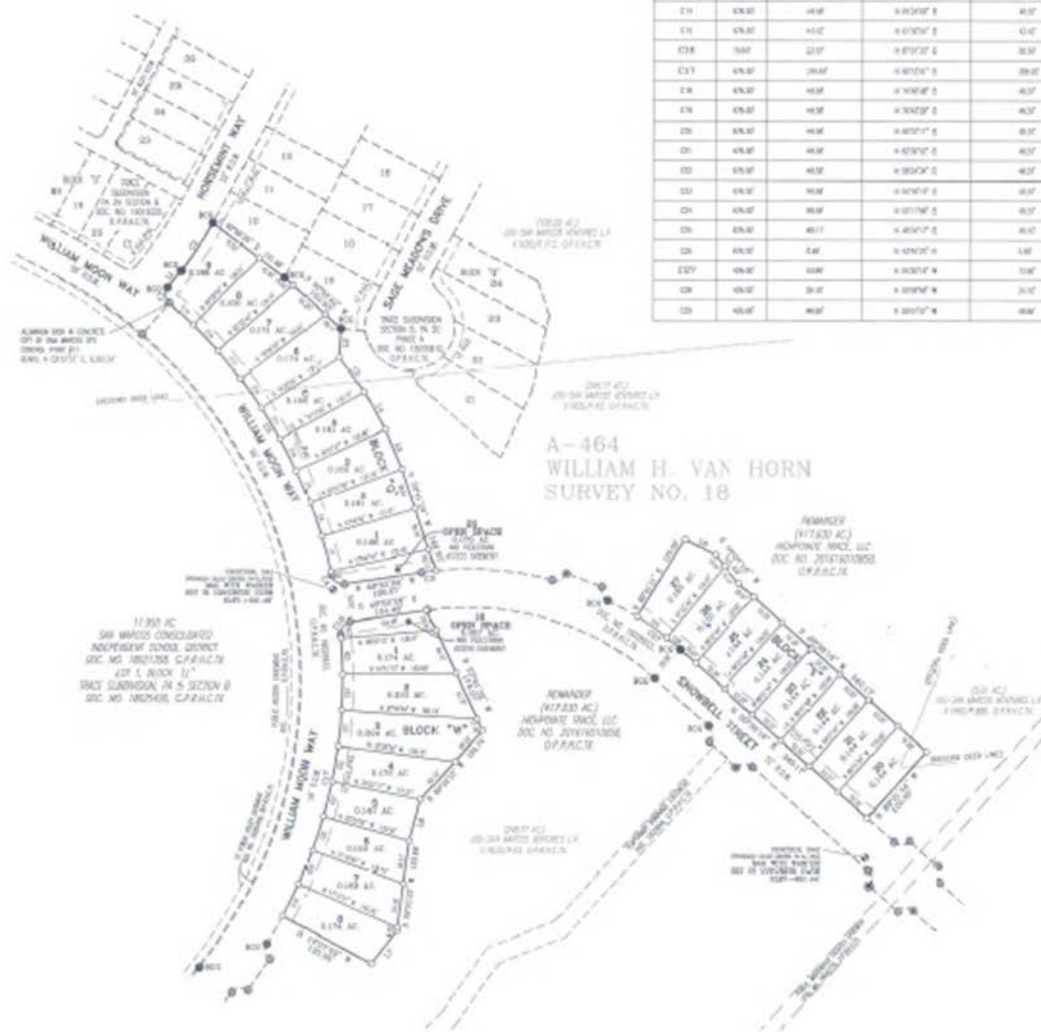
PLAN #: 1230

Trace Subdivision, PA 6A Section D Final Plat

PLAN #: 1244

LINE TABLE		
LINE #	BEARING	DISTANCE
L1	N 89°15' E	26.26'
L2	E 87°35' W	35.67'
L3	E 121°35' W	180.0'
L4	S 1°05'42" W	68.05'
L5	E 280°10' W	94.07'
L6	E 85°05' W	52.07'
L7	S 82°30' W	94.07'
L8	S 145°45' E	94.34'

CURVE #	RADIUS	ARC DISTANCE	CHORD BEARING	CHORD DISTANCE
C1	30.00'	15.00'	S 45°00' E	20.00'
C2	50.00'	75.00'	S 30°00' E	75.00'
C3	60.00'	30.00'	S 40°00' W	50.00'
C4	30.00'	22.50'	S 30°00' W	20.00'
C5	60.00'	50.00'	S 10°00' E	50.00'
C6	60.00'	50.00'	S 30°00' E	50.00'
C7	60.00'	40.00'	S 40°00' E	40.00'
C8	60.00'	40.00'	S 30°00' E	40.00'
C9	60.00'	40.00'	S 10°00' E	40.00'
C10	60.00'	40.00'	S 40°00' E	40.00'
C11	60.00'	40.00'	S 30°00' E	40.00'
C12	60.00'	40.00'	S 10°00' E	40.00'
C13	60.00'	40.00'	S 40°00' E	40.00'
C14	60.00'	40.00'	S 30°00' E	40.00'
C15	60.00'	40.00'	S 10°00' E	40.00'
C16	60.00'	40.00'	S 40°00' E	40.00'
C17	30.00'	22.50'	S 30°00' E	20.00'
C18	60.00'	100.00'	S 10°00' E	100.00'
C19	60.00'	40.00'	S 30°00' E	40.00'
C20	60.00'	40.00'	S 40°00' E	40.00'
C21	60.00'	40.00'	S 30°00' E	40.00'
C22	60.00'	40.00'	S 10°00' E	40.00'
C23	60.00'	40.00'	S 40°00' E	40.00'
C24	60.00'	40.00'	S 30°00' E	40.00'
C25	60.00'	40.00'	S 10°00' E	40.00'
C26	60.00'	40.00'	S 40°00' E	40.00'
C27	60.00'	40.00'	S 30°00' E	40.00'
C28	60.00'	40.00'	S 10°00' E	40.00'
C29	60.00'	40.00'	S 40°00' E	40.00'
C30	60.00'	40.00'	S 30°00' E	40.00'

[illegible]

Bowman
CONSULTING

Stearns-Consulting Group, LLC
1100 South Capital of Texas Pkwy.
P.O. Box 427319
Austin, Texas 78746
Phone: (512) 357-1155
www.stearnsconsulting.com

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STP, Rev. No. 1-1328 STP, Rev. No. 37228-02

FINAL PLAT
TRACE SUBDIVISION,
PA 6A SECTION D
WILLIAM H. VAN HORN SURVEY NO. 18,
ABSTRACT NO. 464
HAYS COUNTY, TEXAS

PLAN #: 1244

Final Plat Trace Subdivision Planning Area 6C, Section D

[illegible]

Trace Subdivision, PA 2B Section D Final Plat

[illegible]

TRACE SUBDIVISION, PA 2B SECTION D FINAL PLAT

CURVE TABLE				
CURVE #	RADIUS	ARC DISTANCE	CHORD BEARING	CHORD DISTANCE
C1	60.00	211.08	N 74°58'30" E	117.88
C2	15.00	39.88	N 43°38'16" E	21.23
C3	15.00	39.88	N 44°11'44" E	21.23
C4	15.00	39.88	N 17°49'30" E	21.23
C5	15.00	39.88	N 32°10'50" E	21.23
C6	15.00	39.88	N 82°54'10" E	30.14
C7	80.00	54.38	N 42°38'16" E	56.10
C8	400.00	73.48	N 27°45'14" E	75.40
C9	400.00	73.48	N 14°56'45" E	75.40
C10	400.00	73.48	N 10°57'27" E	75.40
C11	15.00	39.88	N 12°57'34" E	21.23
C12	15.00	39.88	N 15°42'13" E	21.23
C13	400.00	73.48	N 28°04'50" E	75.40
C14	400.00	73.48	N 38°13'42" E	75.40
C15	400.00	73.48	N 42°38'16" E	75.40
C16	400.00	73.48	N 48°10'15" E	75.40
C17	15.00	39.88	N 14°14'34" E	21.23
C18	400.00	73.48	N 04°51'49" E	75.40
C19	400.00	73.48	N 12°11'32" E	75.40
C20	400.00	73.48	N 33°04'50" E	75.40
C21	400.00	73.48	N 37°44'10" E	75.40
C22	400.00	73.48	N 42°38'16" E	75.40
C23	14.00	12.54	N 74°58'30" E	12.13
C24	14.00	12.54	N 74°58'30" E	12.13
C25	14.00	12.54	N 74°58'30" E	12.13
C26	14.00	12.54	N 74°58'30" E	12.13
C27	14.00	12.54	N 74°58'30" E	12.13
C28	14.00	12.54	N 74°58'30" E	12.13
C29	14.00	12.54	N 74°58'30" E	12.13
C30	14.00	12.54	N 74°58'30" E	12.13
C31	14.00	12.54	N 74°58'30" E	12.13
C32	14.00	12.54	N 74°58'30" E	12.13
C33	14.00	12.54	N 74°58'30" E	12.13
C34	14.00	12.54	N 74°58'30" E	12.13
C35	14.00	12.54	N 74°58'30" E	12.13
C36	14.00	12.54	N 74°58'30" E	12.13
C37	14.00	12.54	N 74°58'30" E	12.13
C38	14.00	12.54	N 74°58'30" E	12.13
C39	14.00	12.54	N 74°58'30" E	12.13
C40	14.00	12.54	N 74°58'30" E	12.13
C41	14.00	12.54	N 74°58'30" E	12.13
C42	14.00	12.54	N 74°58'30" E	12.13
C43	14.00	12.54	N 74°58'30" E	12.13
C44	14.00	12.54	N 74°58'30" E	12.13
C45	14.00	12.54	N 74°58'30" E	12.13
C46	14.00	12.54	N 74°58'30" E	12.13
C47	14.00	12.54	N 74°58'30" E	12.13
C48	14.00	12.54	N 74°58'30" E	12.13
C49	14.00	12.54	N 74°58'30" E	12.13
C50	14.00	12.54	N 74°58'30" E	12.13
C51	14.00	12.54	N 74°58'30" E	12.13
C52	14.00	12.54	N 74°58'30" E	12.13
C53	14.00	12.54	N 74°58'30" E	12.13
C54	14.00	12.54	N 74°58'30" E	12.13
C55	14.00	12.54	N 74°58'30" E	12.13
C56	14.00	12.54	N 74°58'30" E	12.13
C57	14.00	12.54	N 74°58'30" E	12.13
C58	14.00	12.54	N 74°58'30" E	12.13
C59	14.00	12.54	N 74°58'30" E	12.13
C60	14.00	12.54	N 74°58'30" E	12.13

CURVE TABLE				
CURVE #	RADIUS	ARC DISTANCE	CHORD BEARING	CHORD DISTANCE
C56	14.00	12.54	N 74°58'30" E	12.13
C57	14.00	12.54	N 74°58'30" E	12.13
C58	14.00	12.54	N 74°58'30" E	12.13
C59	14.00	12.54	N 74°58'30" E	12.13
C60	14.00	12.54	N 74°58'30" E	

Final Plat Trace Subdivision Planning Area 6B, Section D

[illegible]

Trace Subdivision, PA 6D Section E Final Plat

[illegible]

[illegible]

Appendix A – Buyer Disclosures

Exhibits

Exhibit A – Lot Type 1 Homebuyer Disclosure

Exhibit B – Lot Type 2 Homebuyer Disclosure

Exhibit C – Lot Type 3 Homebuyer Disclosure

Exhibit D – Multi-Family Phase 2B (R173949) Buyer Disclosure

Exhibit E - Multi-Family R189756 Buyer Disclosure

Exhibit F – Amenity Center Buyer Disclosure

Exhibit G – Business Park Phase A (R173953) Buyer Disclosure

Exhibit H – Unplatted Parcel Buyer Disclosure

EXHIBIT A - LOT TYPE 1 HOMEBUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$6,258.24

As the purchaser of the real property described above, you are obligated to pay assessments to the City of San Marcos, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Trace Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of San Marcos. The exact amount of each annual installment will be approved each year by the San Marcos City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of San Marcos.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

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

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

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

ANNUAL INSTALLMENTS - LOT TYPE 1

Annual Installment Due 1/31	Series 2019 Bonds			Series 2023 PID Bonds			Annual Collection	
	Principal	Interest [a]	Additional Interest [c]	Principal	Interest [b]	Additional Interest [c]	Costs	Total
2024	\$ 80.03	\$ 227.70	\$ 20.19	\$ 9.46	\$ 177.46	\$ -	\$ 14.39	\$ 529.21
2025	83.66	224.10	19.79	36.38	176.78	12.41	14.67	567.79
2026	87.30	219.91	19.37	40.01	174.19	12.22	14.97	567.98
2027	92.76	215.55	18.93	41.83	171.34	12.02	15.27	567.70
2028	96.39	210.91	18.47	46.20	168.36	11.81	15.57	567.72
2029	101.85	206.09	17.99	49.47	165.07	11.58	15.88	567.93
2030	105.49	201.00	17.48	54.93	161.54	11.34	16.20	567.97
2031	112.76	194.93	16.95	58.20	157.63	11.06	16.53	568.06
2032	118.22	188.45	16.39	64.02	153.48	10.77	16.86	568.19
2033	125.49	181.65	15.80	68.75	148.92	10.45	17.19	568.26
2034	132.77	174.44	15.17	74.21	144.02	10.11	17.54	568.25
2035	140.04	166.80	14.50	80.39	138.74	9.74	17.89	568.10
2036	149.14	158.75	13.80	85.85	133.01	9.33	18.25	568.12
2037	156.41	150.17	13.06	94.21	126.89	8.90	18.61	568.26
2038	165.51	141.18	12.28	101.49	120.18	8.43	18.98	568.05
2039	176.42	131.66	11.45	108.40	112.95	7.93	19.36	568.17
2040	185.51	121.52	10.57	118.22	105.22	7.38	19.75	568.18
2041	196.43	110.85	9.64	127.68	96.80	6.79	20.14	568.33
2042	207.34	99.56	8.66	138.23	87.70	6.15	20.55	568.19
2043	220.07	87.64	7.62	148.41	77.86	5.46	20.96	568.01
2044	232.80	74.98	6.52	160.41	67.28	4.72	21.38	568.10
2045	245.53	61.60	5.36	173.87	55.85	3.92	21.80	567.93
2046	260.08	47.48	4.13	187.70	43.46	3.05	22.24	568.14
2047	274.63	32.52	2.83	203.34	30.09	2.11	22.69	568.21
2048	291.00	16.73	1.46	218.98	15.60	1.09	23.14	566.91
Total	\$ 4,037.64	\$ 3,646.20	\$ 318.38	\$ 2,490.61	\$ 3,010.42	\$ 198.80	\$ 460.80	\$ 14,161.75

Notes:

[a] Interest is calculated at the actual rate of the Initial PID Bonds.

[b] Interest is calculated at a rate of 7.125% for illustrative purposes.

[c] Additional Interest is calculated at the Additional Interest Rate.

The figures shown above are estimates only and subject to change in Annual Service Plan Updates.

EXHIBIT B - LOT TYPE 2 HOMEBUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$7,998.44

As the purchaser of the real property described above, you are obligated to pay assessments to the City of San Marcos, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Trace Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of San Marcos. The exact amount of each annual installment will be approved each year by the San Marcos City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of San Marcos.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

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

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

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

ANNUAL INSTALLMENTS - LOT TYPE 2

Annual Installment Due 1/31	Series 2019 Bonds			Series 2023 PID Bonds			Annual Collection	
	Principal	Interest [a]	Additional Interest [c]	Principal	Interest [b]	Additional Interest [c]	Costs	Total
2024	\$ 98.05	\$ 278.98	\$ 24.73	\$ 11.59	\$ 217.42	\$ -	\$ 17.54	\$ 648.30
2025	102.50	274.57	24.24	44.57	216.59	15.20	17.89	695.56
2026	106.96	269.44	23.73	49.02	213.42	14.98	18.25	695.80
2027	113.65	264.09	23.20	51.25	209.93	14.73	18.61	695.46
2028	118.10	258.41	22.63	56.60	206.27	14.48	18.98	695.47
2029	124.79	252.51	22.04	60.61	202.24	14.19	19.36	695.74
2030	129.24	246.27	21.41	67.30	197.92	13.89	19.75	695.78
2031	138.16	238.83	20.77	71.31	193.13	13.55	20.14	695.89
2032	144.84	230.89	20.08	78.44	188.05	13.20	20.55	696.04
2033	153.76	222.56	19.35	84.23	182.46	12.80	20.96	696.12
2034	162.67	213.72	18.58	90.92	176.46	12.38	21.38	696.11
2035	171.58	204.37	17.77	98.49	169.98	11.93	21.81	695.93
2036	182.72	194.50	16.91	105.18	162.96	11.44	22.24	695.96
2037	191.64	183.99	16.00	115.43	155.47	10.91	22.69	696.13
2038	202.78	172.98	15.04	124.34	147.24	10.33	23.14	695.86
2039	216.15	161.32	14.03	132.81	138.38	9.71	23.60	696.00
2040	227.29	148.89	12.95	144.84	128.92	9.05	24.07	696.01
2041	240.66	135.82	11.81	156.43	118.60	8.32	24.56	696.20
2042	254.03	121.98	10.61	169.35	107.46	7.54	25.05	696.02
2043	269.63	107.37	9.34	181.83	95.39	6.69	25.55	695.81
2044	285.23	91.87	7.99	196.54	82.43	5.78	26.06	695.90
2045	300.83	75.47	6.56	213.03	68.43	4.80	26.58	695.70
2046	318.65	58.17	5.06	229.97	53.25	3.74	27.11	695.95
2047	336.48	39.85	3.47	249.13	36.87	2.59	27.65	696.03
2048	356.54	20.50	1.78	268.29	19.12	1.34	28.21	694.44
Total	\$ 4,946.94	\$ 4,467.34	\$ 390.08	\$ 3,051.50	\$ 3,688.39	\$ 243.58	\$ 561.72	\$ 17,348.21

Notes:

- [a] Interest is calculated at the actual rate of the Initial PID Bonds.
[b] Interest is calculated at a rate of 7.125% for illustrative purposes.
[c] Additional Interest is calculated at the Additional Interest Rate.

The figures shown above are estimates only and subject to change in Annual Service Plan Updates.

EXHIBIT C - LOT TYPE 3 HOMEBUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 3 PRINCIPAL ASSESSMENT: \$8,822.66

As the purchaser of the real property described above, you are obligated to pay assessments to the City of San Marcos, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Trace Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of San Marcos. The exact amount of each annual installment will be approved each year by the San Marcos City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of San Marcos.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

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

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

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

ANNUAL INSTALLMENTS - LOT TYPE 3

Annual Installment Due 1/31	Series 2019 Bonds			Series 2023 PID Bonds			Annual Collection	
	Principal	Interest [a]	Additional Interest [c]	Principal	Interest [b]	Additional Interest [c]	Costs	Total
2024	\$ 108.15	\$ 307.73	\$ 27.28	\$ 12.78	\$ 239.82	\$ -	\$ 19.57	\$ 715.33
2025	113.07	302.86	26.74	49.16	238.91	16.77	19.96	767.47
2026	117.98	297.21	26.18	54.08	235.41	16.52	20.36	767.73
2027	125.36	291.31	25.59	56.53	231.56	16.25	20.76	767.36
2028	130.27	285.04	24.96	62.43	227.53	15.97	21.18	767.38
2029	137.65	278.53	24.31	66.86	223.08	15.65	21.60	767.68
2030	142.56	271.64	23.62	74.23	218.32	15.32	22.03	767.73
2031	152.39	263.45	22.91	78.66	213.03	14.95	22.48	767.86
2032	159.77	254.68	22.15	86.52	207.42	14.56	22.92	768.02
2033	169.60	245.50	21.35	92.91	201.26	14.12	23.38	768.12
2034	179.43	235.74	20.50	100.29	194.64	13.66	23.85	768.11
2035	189.26	225.43	19.60	108.64	187.49	13.16	24.33	767.92
2036	201.55	214.54	18.66	116.02	179.75	12.61	24.81	767.95
2037	211.39	202.95	17.65	127.32	171.49	12.03	25.31	768.15
2038	223.68	190.80	16.59	137.16	162.42	11.40	25.82	767.85
2039	238.42	177.94	15.47	146.50	152.64	10.71	26.33	768.02
2040	250.71	164.23	14.28	159.77	142.21	9.98	26.86	768.04
2041	265.46	149.81	13.03	172.55	130.82	9.18	27.40	768.25
2042	280.21	134.55	11.70	186.81	118.53	8.32	27.95	768.06
2043	297.41	118.44	10.30	200.57	105.22	7.38	28.50	767.83
2044	314.62	101.34	8.81	216.79	90.93	6.38	29.07	767.95
2045	331.83	83.25	7.24	234.98	75.48	5.30	29.66	767.73
2046	351.49	64.17	5.58	253.66	58.74	4.12	30.25	768.01
2047	371.15	43.95	3.82	274.80	40.67	2.85	30.85	768.11
2048	393.28	22.61	1.97	295.94	21.09	1.48	31.47	766.35
Total	\$ 5,456.70	\$ 4,927.69	\$ 430.28	\$ 3,365.95	\$ 4,068.46	\$ 268.68	\$ 626.71	\$ 19,142.99

Notes:

- [a] Interest is calculated at the actual rate of the Initial PID Bonds.
[b] Interest is calculated at a rate of 7.125% for illustrative purposes.
[c] Additional Interest is calculated at the Additional Interest Rate.

The figures shown above are estimates only and subject to change in Annual Service Plan Updates.

EXHIBIT D - MULTI-FAMILY PHASE 2B (R173949) BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

MULTI-FAMILY PHASE 2B (R173949) PRINCIPAL ASSESSMENT: \$1,495,375.86

As the purchaser of the real property described above, you are obligated to pay assessments to the City of San Marcos, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Trace Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of San Marcos. The exact amount of each annual installment will be approved each year by the San Marcos City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of San Marcos.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

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

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

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

ANNUAL INSTALLMENTS - MULTI-FAMILY PHASE 2B (R173949)

Annual Installment Due 1/31	Series 2019 Bonds			Series 2023 PID Bonds			Annual Collection	
	Principal	Interest [a]	Additional Interest [c]	Principal	Interest [b]	Additional Interest [c]	Costs	Total
2024	\$ 18,330.79	\$ 52,157.35	\$ 4,624.36	\$ 2,166.37	\$ 40,648.42	\$ -	\$ 3,278.71	\$ 121,206.00
2025	19,164.01	51,332.46	4,532.70	8,332.18	40,494.07	2,841.69	3,344.29	130,041.40
2026	19,997.23	50,374.26	4,436.88	9,165.40	39,900.40	2,800.03	3,411.17	130,085.37
2027	21,247.05	49,374.40	4,336.90	9,582.00	39,247.37	2,754.20	3,479.40	130,021.32
2028	22,080.27	48,312.05	4,230.66	10,581.87	38,564.65	2,706.29	3,548.98	130,024.77
2029	23,330.10	47,208.03	4,120.26	11,331.76	37,810.69	2,653.38	3,619.96	130,074.19
2030	24,163.31	46,041.53	4,003.61	12,581.59	37,003.30	2,596.72	3,692.36	130,082.43
2031	25,829.75	44,652.14	3,882.79	13,331.48	36,106.87	2,533.82	3,766.21	130,103.06
2032	27,079.58	43,166.93	3,753.65	14,664.63	35,157.00	2,467.16	3,841.53	130,130.47
2033	28,746.01	41,609.85	3,618.25	15,747.82	34,112.14	2,393.83	3,918.36	130,146.27
2034	30,412.45	39,956.96	3,474.52	16,997.64	32,990.11	2,315.10	3,996.73	130,143.50
2035	32,078.88	38,208.24	3,322.46	18,414.11	31,779.03	2,230.11	4,076.67	130,109.49
2036	34,161.93	36,363.70	3,162.06	19,663.94	30,467.02	2,138.04	4,158.20	130,114.89
2037	35,828.36	34,399.39	2,991.25	21,580.34	29,065.97	2,039.72	4,241.36	130,146.40
2038	37,911.41	32,339.26	2,812.11	23,246.77	27,528.37	1,931.82	4,326.19	130,095.93
2039	40,411.06	30,159.36	2,622.55	24,829.89	25,872.04	1,815.58	4,412.71	130,123.19
2040	42,494.10	27,835.72	2,420.50	27,079.58	24,102.91	1,691.43	4,500.97	130,125.21
2041	44,993.76	25,392.31	2,208.03	29,245.94	22,173.49	1,556.03	4,590.99	130,160.55
2042	47,493.41	22,805.17	1,983.06	31,662.27	20,089.71	1,409.80	4,682.81	130,126.24
2043	50,409.67	20,074.30	1,745.59	33,995.28	17,833.78	1,251.49	4,776.46	130,086.58
2044	53,325.93	17,175.74	1,493.54	36,744.90	15,411.61	1,081.52	4,871.99	130,105.24
2045	56,242.20	14,109.50	1,226.91	39,827.81	12,793.54	897.79	4,969.43	130,067.18
2046	59,575.07	10,875.57	945.70	42,994.03	9,955.81	698.65	5,068.82	130,113.66
2047	62,907.94	7,450.01	647.83	46,576.87	6,892.48	483.68	5,170.20	130,129.01
2048	66,657.42	3,832.80	333.29	50,159.71	3,573.88	250.80	5,273.60	129,830.70
Total	\$ 924,871.68	\$ 835,207.04	\$ 72,929.47	\$ 570,504.18	\$ 689,574.64	\$ 45,538.68	\$ 105,018.12	\$ 3,243,393.01

Notes:

[a] Interest is calculated at the actual rate of the Initial PID Bonds.

[b] Interest is calculated at a rate of 7.125% for illustrative purposes.

[c] Additional Interest is calculated at the Additional Interest Rate.

The figures shown above are estimates only and subject to change in Annual Service Plan Updates.

EXHIBIT E - MULTI-FAMILY R189756 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

MULTI-FAMILY R189756 PRINCIPAL ASSESSMENT: \$1,830,229.97

As the purchaser of the real property described above, you are obligated to pay assessments to the City of San Marcos, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Trace Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of San Marcos. The exact amount of each annual installment will be approved each year by the San Marcos City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of San Marcos.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

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

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

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

ANNUAL INSTALLMENTS - MULTI-FAMILY R189756

Annual Installment Due 1/31	Series 2019 Bonds			Series 2023 PID Bonds			Annual Collection Costs	Total
	Principal	Interest [a]	Additional Interest [c]	Principal	Interest [b]	Additional Interest [c]		
2024	\$ 22,435.54	\$ 63,836.75	\$ 5,659.87	\$ 2,651.47	\$ 49,750.68	\$ -	\$ 4,012.90	\$ 148,347.22
2025	23,455.33	62,827.15	5,547.70	10,197.97	49,561.76	3,478.02	4,093.16	159,161.09
2026	24,475.13	61,654.39	5,430.42	11,217.77	48,835.15	3,427.03	4,175.02	159,214.91
2027	26,004.83	60,430.63	5,308.04	11,727.67	48,035.89	3,370.94	4,258.52	159,136.52
2028	27,024.62	59,130.39	5,178.02	12,951.42	47,200.29	3,312.30	4,343.69	159,140.74
2029	28,554.32	57,779.16	5,042.90	13,869.24	46,277.50	3,247.54	4,430.57	159,201.23
2030	29,574.12	56,351.44	4,900.13	15,398.94	45,289.32	3,178.20	4,519.18	159,211.32
2031	31,613.71	54,650.93	4,752.25	16,316.75	44,192.15	3,101.20	4,609.56	159,236.56
2032	33,143.41	52,833.14	4,594.19	17,948.43	43,029.58	3,019.62	4,701.75	159,270.12
2033	35,183.00	50,927.40	4,428.47	19,274.17	41,750.75	2,929.88	4,795.79	159,289.45
2034	37,222.60	48,904.37	4,252.55	20,803.86	40,377.47	2,833.51	4,891.70	159,286.06
2035	39,262.19	46,764.07	4,066.44	22,537.52	38,895.19	2,729.49	4,989.54	159,244.44
2036	41,811.68	44,506.50	3,870.13	24,067.21	37,289.39	2,616.80	5,089.33	159,251.05
2037	43,851.28	42,102.33	3,661.07	26,412.75	35,574.60	2,496.46	5,191.12	159,289.61
2038	46,400.77	39,580.88	3,441.82	28,452.34	33,692.70	2,364.40	5,294.94	159,227.84
2039	49,460.16	36,912.83	3,209.81	30,389.96	31,665.47	2,222.14	5,400.84	159,261.20
2040	52,009.66	34,068.87	2,962.51	33,143.41	29,500.18	2,070.19	5,508.85	159,263.67
2041	55,069.05	31,078.32	2,702.46	35,794.88	27,138.71	1,904.47	5,619.03	159,306.93
2042	58,128.44	27,911.85	2,427.12	38,752.29	24,588.33	1,725.50	5,731.41	159,264.93
2043	61,697.73	24,569.46	2,136.48	41,607.72	21,827.23	1,531.74	5,846.04	159,216.39
2044	65,267.02	21,021.84	1,827.99	44,973.05	18,862.68	1,323.70	5,962.96	159,239.24
2045	68,836.31	17,268.99	1,501.65	48,746.30	15,658.35	1,098.83	6,082.22	159,192.65
2046	72,915.50	13,310.90	1,157.47	52,621.53	12,185.17	855.10	6,203.86	159,249.54
2047	76,994.69	9,118.26	792.89	57,006.66	8,435.89	591.99	6,327.94	159,268.32
2048	81,583.77	4,691.07	407.92	61,391.79	4,374.16	306.96	6,454.50	158,903.21
Total	\$ 1,131,974.85	\$ 1,022,231.93	\$ 89,260.30	\$ 698,255.12	\$ 843,988.59	\$ 55,735.99	\$ 128,534.45	\$ 3,969,674.27

Notes:

- [a] Interest is calculated at the actual rate of the Initial PID Bonds.
[b] Interest is calculated at a rate of 7.125% for illustrative purposes.
[c] Additional Interest is calculated at the Additional Interest Rate.

The figures shown above are estimates only and subject to change in Annual Service Plan Updates.

EXHIBIT F - AMENITY CENTER BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

AMENITY CENTER PRINCIPAL ASSESSMENT: \$179,470.00

As the purchaser of the real property described above, you are obligated to pay assessments to the City of San Marcos, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Trace Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of San Marcos. The exact amount of each annual installment will be approved each year by the San Marcos City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of San Marcos.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

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

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

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COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

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

ANNUAL INSTALLMENTS - AMENITY CENTER

Annual Installment Due 1/31	Series 2019 Bonds			Series 2023 PID Bonds			Annual Collection	
	Principal	Interest [a]	Additional Interest [c]	Principal	Interest [b]	Additional Interest [c]	Costs	Total
2024	\$ 2,200.00	\$ 6,259.75	\$ 555.00	\$ 260.00	\$ 4,878.49	\$ -	\$ 393.50	\$ 14,546.74
2025	2,300.00	6,160.75	544.00	1,000.00	4,859.96	341.05	401.37	15,607.13
2026	2,400.00	6,045.75	532.50	1,100.00	4,788.71	336.05	409.40	15,612.41
2027	2,550.00	5,925.75	520.50	1,150.00	4,710.34	330.55	417.59	15,604.72
2028	2,650.00	5,798.25	507.75	1,270.00	4,628.40	324.80	425.94	15,605.14
2029	2,800.00	5,665.75	494.50	1,360.00	4,537.91	318.45	434.46	15,611.07
2030	2,900.00	5,525.75	480.50	1,510.00	4,441.01	311.65	443.14	15,612.06
2031	3,100.00	5,359.00	466.00	1,600.00	4,333.43	304.10	452.01	15,614.53
2032	3,250.00	5,180.75	450.50	1,760.00	4,219.43	296.10	461.05	15,617.82
2033	3,450.00	4,993.88	434.25	1,890.00	4,094.03	287.30	470.27	15,619.72
2034	3,650.00	4,795.50	417.00	2,040.00	3,959.36	277.85	479.67	15,619.39
2035	3,850.00	4,585.63	398.75	2,210.00	3,814.01	267.65	489.27	15,615.31
2036	4,100.00	4,364.25	379.50	2,360.00	3,656.55	256.60	499.05	15,615.95
2037	4,300.00	4,128.50	359.00	2,590.00	3,488.40	244.80	509.03	15,619.73
2038	4,550.00	3,881.25	337.50	2,790.00	3,303.86	231.85	519.21	15,613.68
2039	4,850.00	3,619.63	314.75	2,980.00	3,105.08	217.90	529.60	15,616.95
2040	5,100.00	3,340.75	290.50	3,250.00	2,892.75	203.00	540.19	15,617.19
2041	5,400.00	3,047.50	265.00	3,510.00	2,661.19	186.75	550.99	15,621.43
2042	5,700.00	2,737.00	238.00	3,800.00	2,411.10	169.20	562.01	15,617.31
2043	6,050.00	2,409.25	209.50	4,080.00	2,140.35	150.20	573.26	15,612.56
2044	6,400.00	2,061.38	179.25	4,410.00	1,849.65	129.80	584.72	15,614.80
2045	6,750.00	1,693.38	147.25	4,780.00	1,535.44	107.75	596.41	15,610.23
2046	7,150.00	1,305.25	113.50	5,160.00	1,194.86	83.85	608.34	15,615.81
2047	7,550.00	894.13	77.75	5,590.00	827.21	58.05	620.51	15,617.65
2048	8,000.00	460.00	40.00	6,020.00	428.93	30.10	632.92	15,581.85
Total	\$ 111,000.00	\$ 100,238.75	\$ 8,752.75	\$ 68,470.00	\$ 82,760.44	\$ 5,465.40	\$ 12,603.92	\$ 389,261.16

Notes:

- [a] Interest is calculated at the actual rate of the Initial PID Bonds.
[b] Interest is calculated at a rate of 7.125% for illustrative purposes.
[c] Additional Interest is calculated at the Additional Interest Rate.

The figures shown above are estimates only and subject to change in Annual Service Plan Updates.

EXHIBIT G - BUSINESS PARK PHASE A (R173953) BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

BUSINESS PARK PHASE A (R173953) PRINCIPAL ASSESSMENT: \$45,870.43

As the purchaser of the real property described above, you are obligated to pay assessments to the City of San Marcos, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Trace Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of San Marcos. The exact amount of each annual installment will be approved each year by the San Marcos City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of San Marcos.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

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

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

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§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

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

ANNUAL INSTALLMENTS - BUSINESS PARK PHASE A (R173953)

Annual Installment Due 1/31	Series 2019 Bonds			Series 2023 PID Bonds			Annual Collection	
	Principal	Interest [a]	Additional Interest [c]	Principal	Interest [b]	Additional Interest [c]	Costs	Total
2024	\$ 562.29	\$ 1,599.92	\$ 141.85	\$ 66.45	\$ 1,246.88	\$ -	\$ 100.57	\$ 3,717.98
2025	587.85	1,574.62	139.04	255.59	1,242.15	87.17	102.59	3,989.00
2026	613.41	1,545.22	136.10	281.15	1,223.94	85.89	104.64	3,990.35
2027	651.75	1,514.55	133.03	293.93	1,203.91	84.48	106.73	3,988.38
2028	677.31	1,481.96	129.77	324.60	1,182.96	83.02	108.86	3,988.49
2029	715.65	1,448.10	126.39	347.60	1,159.84	81.39	111.04	3,990.01
2030	741.21	1,412.32	122.81	385.94	1,135.07	79.65	113.26	3,990.26
2031	792.32	1,369.70	119.10	408.94	1,107.57	77.72	115.53	3,990.89
2032	830.66	1,324.14	115.14	449.84	1,078.44	75.68	117.84	3,991.73
2033	881.78	1,276.38	110.99	483.06	1,046.38	73.43	120.20	3,992.22
2034	932.90	1,225.67	106.58	521.40	1,011.97	71.02	122.60	3,992.13
2035	984.01	1,172.03	101.92	564.85	974.82	68.41	125.05	3,991.09
2036	1,047.91	1,115.45	97.00	603.19	934.57	65.58	127.55	3,991.25
2037	1,099.03	1,055.20	91.76	661.97	891.59	62.57	130.10	3,992.22
2038	1,162.93	992.00	86.26	713.09	844.43	59.26	132.71	3,990.67
2039	1,239.60	925.13	80.45	761.65	793.62	55.69	135.36	3,991.51
2040	1,303.50	853.86	74.25	830.66	739.35	51.88	138.07	3,991.57
2041	1,380.18	778.91	67.73	897.11	680.17	47.73	140.83	3,992.65
2042	1,456.85	699.55	60.83	971.24	616.25	43.25	143.64	3,991.60
2043	1,546.31	615.78	53.55	1,042.80	547.05	38.39	146.52	3,990.39
2044	1,635.76	526.86	45.81	1,127.14	472.75	33.18	149.45	3,990.96
2045	1,725.22	432.81	37.64	1,221.71	392.44	27.54	152.44	3,989.79
2046	1,827.46	333.61	29.01	1,318.84	305.39	21.43	155.49	3,991.22
2047	1,929.69	228.53	19.87	1,428.74	211.43	14.84	158.60	3,991.69
2048	2,044.71	117.57	10.22	1,538.64	109.63	7.69	161.77	3,982.54
Total	\$ 28,370.30	\$ 25,619.85	\$ 2,237.10	\$ 17,500.13	\$ 21,152.60	\$ 1,396.89	\$ 3,221.41	\$ 99,490.58

Notes:

[a] Interest is calculated at the actual rate of the Initial PID Bonds.

[b] Interest is calculated at a rate of 7.125% for illustrative purposes.

[c] Additional Interest is calculated at the Additional Interest Rate.

The figures shown above are estimates only and subject to change in Annual Service Plan Updates.

EXHIBIT H - UNPLATTED PARCEL BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

UNPLATTED PARCEL PRINCIPAL ASSESSMENT: \$7,772,405.81

As the purchaser of the real property described above, you are obligated to pay assessments to the City of San Marcos, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Trace Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of San Marcos. The exact amount of each annual installment will be approved each year by the San Marcos City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of San Marcos.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

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

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

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

ANNUAL INSTALLMENTS - UNPLATTED PARCEL

Annual Installment Due 1/31	Series 2019 Bonds			Series 2023 PID Bonds			Annual Collection Costs	Total
	Principal	Interest [a]	Additional Interest [c]	Principal	Interest [b]	Additional Interest [c]		
2024	\$ 95,276.61	\$ 271,094.43	\$ 24,035.69	\$ 11,259.96	\$ 211,275.34	\$ -	\$ 17,041.52	\$ 629,983.55
2025	99,607.36	266,806.98	23,559.31	43,307.55	210,473.06	14,770.04	17,382.35	675,906.66
2026	103,938.12	261,826.61	23,061.27	47,638.30	207,387.40	14,553.50	17,730.00	676,135.21
2027	110,434.25	256,629.71	22,541.58	49,803.68	203,993.17	14,315.31	18,084.60	675,802.30
2028	114,765.00	251,108.00	21,989.41	55,000.59	200,444.66	14,066.29	18,446.29	675,820.24
2029	121,261.14	245,369.75	21,415.58	58,898.27	196,525.87	13,791.29	18,815.22	676,077.10
2030	125,591.89	239,306.69	20,809.28	65,394.40	192,329.37	13,496.80	19,191.52	676,119.94
2031	134,253.40	232,085.15	20,181.32	69,292.08	187,670.02	13,169.83	19,575.35	676,227.14
2032	140,749.53	224,365.58	19,510.05	76,221.29	182,732.95	12,823.37	19,966.86	676,369.63
2033	149,411.04	216,272.49	18,806.30	81,851.27	177,302.19	12,442.26	20,366.19	676,451.74
2034	158,072.55	207,681.35	18,059.25	88,347.40	171,470.29	12,033.00	20,773.52	676,437.36
2035	166,734.06	198,592.18	17,268.89	95,709.68	165,175.53	11,591.27	21,188.99	676,260.60
2036	177,560.95	189,004.97	16,435.21	102,205.82	158,356.22	11,112.72	21,612.77	676,288.66
2037	186,222.46	178,795.22	15,547.41	112,166.55	151,074.05	10,601.69	22,045.02	676,452.40
2038	197,049.35	168,087.42	14,616.30	120,828.06	143,082.19	10,040.86	22,485.92	676,190.10
2039	210,041.61	156,757.09	13,631.05	129,056.50	134,473.19	9,436.71	22,935.64	676,331.79
2040	220,868.50	144,679.69	12,580.84	140,749.53	125,277.91	8,791.43	23,394.36	676,342.27
2041	233,860.76	131,979.76	11,476.50	152,009.50	115,249.51	8,087.68	23,862.24	676,525.95
2042	246,853.03	118,532.76	10,307.20	164,568.69	104,418.83	7,327.64	24,339.49	676,347.63
2043	262,010.67	104,338.71	9,072.93	176,694.80	92,693.31	6,504.79	24,826.28	676,141.50
2044	277,168.31	89,273.10	7,762.88	190,986.29	80,103.81	5,621.32	25,322.80	676,238.51
2045	292,325.96	73,335.92	6,377.04	207,010.08	66,496.03	4,666.39	25,829.26	676,040.68
2046	309,648.98	56,527.18	4,915.41	223,466.95	51,746.57	3,631.34	26,345.84	676,282.26
2047	326,971.99	38,722.36	3,367.16	242,089.20	35,824.55	2,514.00	26,872.76	676,362.03
2048	346,460.39	19,921.47	1,732.30	260,711.44	18,575.69	1,303.56	27,410.22	674,811.52
Total	\$ 4,807,137.94	\$ 4,341,094.57	\$ 379,060.15	\$ 2,965,267.88	\$ 3,584,151.70	\$ 236,693.08	\$ 545,845.01	\$ 16,857,946.77

Notes:

[a] Interest is calculated at the actual rate of the Initial PID Bonds.

[b] Interest is calculated at a rate of 7.125% for illustrative purposes.

[c] Additional Interest is calculated at the Additional Interest Rate.

The figures shown above are estimates only and subject to change in Annual Service Plan Updates.

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