

NEW ISSUE

NOT RATED

**THE BONDS ARE INITIALLY OFFERED ONLY TO PERSONS WHO (1) MEET THE DEFINITION OF “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933), OR (2) MEET THE DEFINITION OF “QUALIFIED INSTITUTIONAL BUYER” (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933). SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS”.**

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

**\$7,859,000\***

**TRAVIS COUNTY DEVELOPMENT AUTHORITY**  
**(a public nonprofit local government corporation acting on behalf of Travis County, Texas)**  
**CONTRACT ASSESSMENT REVENUE BONDS, SERIES 2024**  
**(BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT)**

**Dated Date: April 17, 2024****Due: September 1, as shown on the inside cover****Interest to accrue from Closing Date (as defined below)**

The Travis County Development Authority, a public nonprofit local government corporation (the “TCDA”), was established by Travis County, Texas (the “County”) to aid, assist, and act on behalf of the County in the performance of the County’s governmental functions to promote the economic development of the County, including the management of public improvement districts. TCDA is issuing its Contract Assessment Revenue Bonds, Series 2024 (Bella Fortuna Public Improvement District) (the “Bonds”), which will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on each March 1 and September 1, commencing September 1, 2024, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the Beneficial Owners (defined herein) thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by Wilmington Trust, National Association, as trustee (the “Trustee”), to DTC as the registered owner thereof. See “BOOK-ENTRY ONLY SYSTEM.”

The Bonds are being issued by TCDA pursuant to the Constitution and general laws of the State of Texas (the “State”), including particularly Chapter 431, as amended, Texas Transportation Code (the “LGC Act”), Chapter 372, as amended, Texas Local Government Code (the “PID Act”), a bond resolution (the “Bond Resolution”) to be adopted by the Board of Directors of TCDA (the “Board”) on March 19, 2024, and an Indenture of Trust, dated as of April 1, 2024 (the “Indenture”), entered into by and between TCDA and the Trustee. The issuance of the Bonds will also be approved by the Commissioners Court of the County (the “Commissioners Court”).

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Actual Costs of the Public Improvements, (ii) funding a reserve fund for the payment of principal of and interest on the Bonds, and (iii) paying the costs of issuance of the Bonds. See “THE AUTHORIZED IMPROVEMENTS” and “APPENDIX A — Form of Indenture.” Capitalized terms not otherwise defined shall have the meanings assigned in the Indenture.

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of TCDA payable solely from and secured by the Trust Estate, consisting primarily of the Pledged Contract Revenues, which consist primarily of the Contract Assessment Revenues. See “SECURITY FOR THE BONDS.” **The Bonds are not obligations of the County. The Bonds are not payable from funds raised or to be raised from taxation, or any other revenue or funds of TCDA or the County.** The 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 BONDS — Redemption Provisions.”

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

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF TCDA PAYABLE SOLELY FROM THE PLEDGED CONTRACT REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE COUNTY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF TCDA OR THE COUNTY OTHER THAN THE PLEDGED CONTRACT REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE COUNTY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. TCDA HAS NO TAXING POWER. NEITHER TCDA NOR THE COUNTY SHALL HAVE ANY LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE COUNTY OR TCDA OTHER THAN THE PLEDGED CONTRACT REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS.” THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE BONDS. INVESTORS MUST READ THIS ENTIRE LIMITED OFFERING MEMORANDUM TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds are offered for delivery when, as, and if issued by TCDA and accepted by the Underwriter (identified below), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX C — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for TCDA by its counsel, Naman, Howell, Smith & Lee, PLLC, Austin, Texas. Certain legal matters will be passed upon for the County by the Travis County Attorney’s Office. Certain legal matters will be passed upon for the Underwriter by its counsel, Norton Rose Fulbright US LLP, Austin and Dallas, Texas, and for the Landowner by its counsel, Metcalfe Wolff Stuart & Williams, LLP, Austin, Texas. It is expected that the Bonds will be delivered in book entry form through the facilities of DTC on or about April 17, 2024 (the “Closing Date”).

**FMSbonds, Inc.**

\* Preliminary; subject to change.

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

\$7,859,000\*  
TRAVIS COUNTY DEVELOPMENT AUTHORITY  
(a public nonprofit local government corporation acting on behalf of Travis County, Texas)  
CONTRACT ASSESSMENT REVENUE BONDS, SERIES 2024  
(BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT)

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

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

(Interest to accrue from the Closing Date)

---

\* *Preliminary; subject to change.*

(a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by 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 TCDA, TCDA's Financial Advisor, the County, or the Underwriter takes any responsibility for the accuracy of such numbers.

(b) The Bonds are subject to redemption, with the prior written consent of the Commissioners Court, in whole or in part, prior to their Stated Maturity, at the option of TCDA, on any date on or after September 1, 20 \_\_, at the redemption price of 100% of the principal amount plus accrued interest to the date of redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

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

**TRAVIS COUNTY DEVELOPMENT AUTHORITY - BOARD OF DIRECTORS  
TRAVIS COUNTY – COMMISSIONERS COURT**

<u>Name</u>	<u>TCDA Position</u>	<u>County Position</u>	<u>Term Expires (December 31)</u>
Andy Brown	President	County Judge	2026
Margaret Gómez	Vice President	Commissioner, Precinct 4	2026
Ann Howard	Secretary	Commissioner, Precinct 3	2024
Jeffrey W. Travillion, Sr.	Treasurer	Commissioner, Precinct 1	2024
Brigid Shea	Assistant Secretary	Commissioner, Precinct 2	2026

**TCDA ADMINISTRATION**

<u>Name</u>	<u>Position</u>
Christy Moffett	Assistant Secretary

**COUNTY OFFICIALS**

<u>Name</u>	<u>Position</u>
Patti Smith	County Auditor
Dolores Ortega Carter	County Treasurer
Dyana Limon-Mercado	County Clerk
Bruce Elfant	County Tax Assessor- Collector

**DISTRICT ADMINISTRATOR**

P3Works, LLC, Austin and North Richland Hills, Texas

**FINANCIAL ADVISOR TO TCDA**

PFM Financial Advisors LLC, Austin, Texas

**BOND COUNSEL TO TCDA**

Orrick, Herrington & Sutcliffe LLP, Austin, Texas

**UNDERWRITER'S COUNSEL**

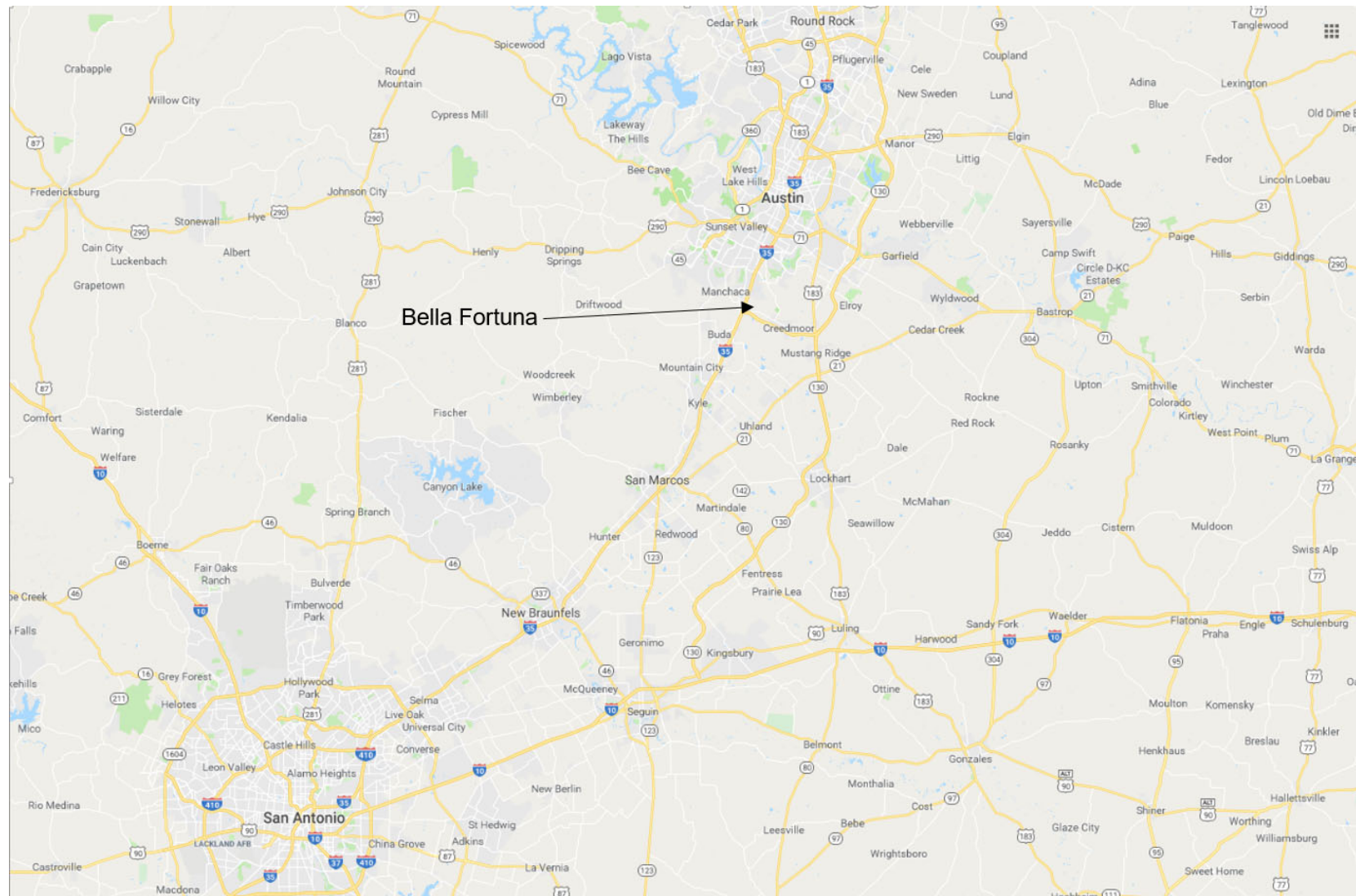
Norton Rose Fulbright US LLP, Austin and Dallas, Texas

For additional information regarding TCDA, please contact:

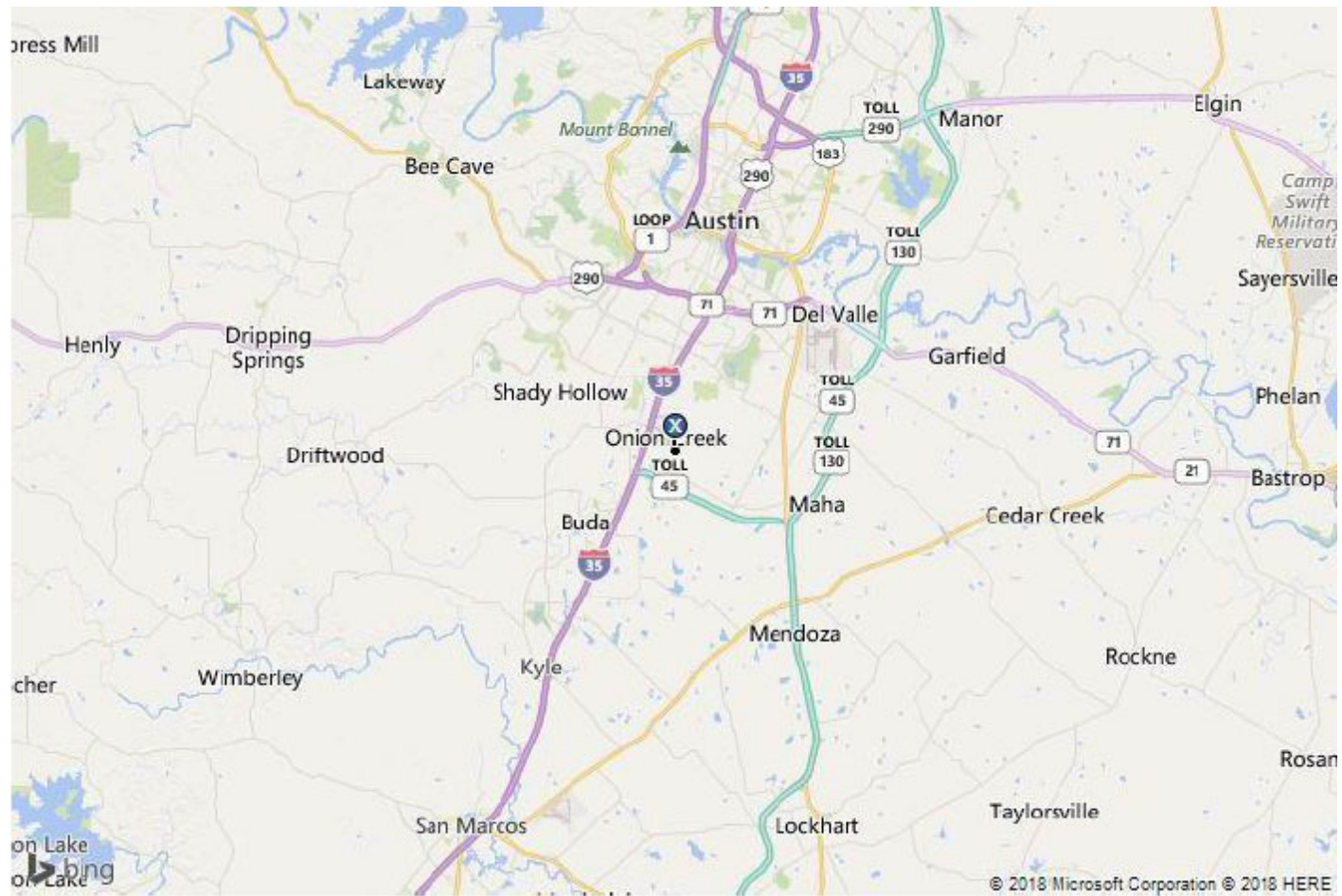
Christy Moffett  
Assistant Secretary  
Travis County Development Authority  
700 Lavaca Street, Suite 1560  
Austin, Texas 78701  
(512) 854-1161  
Christy.Moffett@traviscountytexas.gov

Blake Roberts  
Managing Director  
PFM Financial Advisors LLC  
111 Congress Ave., Suite 2150  
Austin, Texas 78701  
(512) 614-5324  
robertsb@pfm.com

### REGIONAL LOCATION MAP OF THE DISTRICT



## AREA LOCATION MAP OF THE DISTRICT



[illegible]

*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, THIS DOCUMENT CONSTITUTES AN "OFFICIAL STATEMENT" OF TCDA WITH RESPECT TO THE BONDS THAT HAS BEEN "DEEMED FINAL" BY TCDA AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.*

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

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

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY TCDA AND OBTAINED FROM SOURCES, INCLUDING THE COUNTY, AND THE LANDOWNER, WHICH ARE BELIEVED BY TCDA 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 TCDA OR THE LANDOWNER SINCE THE DATE HEREOF.

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. TCDA 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 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.

(THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.)

## TABLE OF CONTENTS

INTRODUCTION .....	1	TCDA .....	31
PLAN OF FINANCE .....	2	THE COUNTY .....	31
The District .....	2	Background .....	31
TCDA .....	2	County Government .....	32
Development Plan and Plan of Finance .....	2	Major Employers .....	32
The Bonds .....	4	Historical Employment in the County <sup>(1)</sup> .....	32
DESCRIPTION OF THE BONDS .....	4	THE DISTRICT .....	32
General Description .....	4	General .....	32
Redemption Provisions .....	4	Powers and Authority of the County and TCDA .....	32
BOOK-ENTRY ONLY SYSTEM .....	6	ASSESSMENT DATA .....	33
LIMITATIONS APPLICABLE TO INITIAL PURCHASERS .....	8	District Collection and Delinquency History of Assessments .....	33
SECURITY FOR THE BONDS .....	10	THE AUTHORIZED IMPROVEMENTS .....	34
Special Obligations .....	10	General .....	34
Pledge of Trust Estate .....	10	Authorized Improvements .....	34
Definitions .....	11	The Financing Agreement .....	35
Collection and Deposit of Assessments .....	12	Ownership and Maintenance of Public Improvements .....	35
Unconditional Levy of Assessments .....	13	THE DEVELOPMENT .....	36
Perfected Security Interest .....	14	Overview .....	36
Pledged Revenue Fund .....	14	Development Plan .....	36
Bond Fund .....	15	Expected Build-Out of the District .....	37
Project Fund .....	15	Commercial Lot Development .....	38
Reserve Fund .....	15	Photographs of the Development .....	38
Rebate Fund .....	16	City/County Subdivision Regulations .....	40
Administrative Fund .....	17	Amenities .....	40
Records and Accounts .....	17	Education .....	40
Defeasance .....	17	Environmental .....	41
Events of Default .....	18	Floodplain .....	41
Remedies in Event of Default .....	18	Utilities .....	41
Restriction on Owner's Action .....	19	THE LANDOWNER .....	42
Application of Revenues and Other Moneys After Default .....	20	History and Financing of the District .....	42
Investment of Funds .....	20	Description of the Landowner .....	42
Against Encumbrances .....	21	THE ADMINISTRATOR .....	44
Additional Obligations; or Other Liens .....	21	BONDHOLDERS' RISKS .....	44
SOURCES AND USES OF FUNDS .....	22	Dependence on Contract Payments .....	45
DEBT SERVICE REQUIREMENTS* .....	23	Assessment Limitations .....	46
OVERLAPPING TAXES AND DEBT .....	24	Competition; Real Estate Market .....	47
Overlapping Taxes and Debt .....	24	Loss of Tax Exemption .....	47
Homeowners' Association .....	25	Bankruptcy .....	48
ASSESSMENT PROCEDURES .....	25	Direct and Overlapping Indebtedness, Assessments and Taxes .....	48
General .....	25	Depletion of Reserve Account of the Reserve Fund and Funding of Additional Interest Reserve Account .....	48
Assessment Methodology .....	26	Hazardous Substance .....	48
Collection and Enforcement of Assessment Amounts .....	28	Regulation .....	49
Assessment Amounts .....	29		
Prepayment of Assessments .....	30		
Priority of Lien .....	30		
Foreclosure Proceedings .....	31		

Bondholders' Remedies and	
Bankruptcy .....	49
Judicial Foreclosures .....	49
No Acceleration.....	49
Limited Secondary Market for the	
Bonds.....	49
Risk from Weather Events.....	50
100 Year Floodplain .....	50
Management and Ownership .....	50
General Risks of Real Estate Investment	
and Development.....	50
Dependence Upon Landowner .....	51
Exercise of Mineral Rights .....	51
Recent Changes in State Law Regarding	
Public Improvement Districts.....	51
Potential Future Changes in State Law	
Regarding Public Improvement	
Districts .....	51
TAX MATTERS .....	52
LEGAL MATTERS .....	53
Legal Proceedings .....	53
Legal Opinions .....	54
Litigation — TCDA .....	54
Litigation — The Landowner .....	55
SUITABILITY FOR INVESTMENT .....	55
ENFORCEABILITY OF REMEDIES .....	55
NO RATING .....	55
CONTINUING DISCLOSURE.....	55
TCDA .....	55
TCDA's Compliance with Prior	
Undertakings .....	56
The Landowner.....	56
Landowner's Compliance with Prior	
Undertakings .....	56
UNDERWRITING .....	56
REGISTRATION AND QUALIFICATION OF	
BONDS FOR SALE .....	56
LEGAL INVESTMENT AND ELIGIBILITY TO	
SECURE PUBLIC FUNDS IN TEXAS.....	57
INVESTMENTS .....	57
INFORMATION RELATING TO THE	
TRUSTEE.....	59
SOURCES OF INFORMATION .....	60
General .....	60
Source of Certain Information .....	60
Experts.....	60
Updating of Limited Offering	
Memorandum .....	61

FORWARD-LOOKING STATEMENTS .....	61
AUTHORIZATION AND APPROVAL .....	61
APPENDIX A	Form of Indenture
APPENDIX B	Form of Service and Assessment Plan
APPENDIX C	Form of Opinion of Bond Counsel
APPENDIX D-1	Form of TCDA Disclosure Agreement
APPENDIX D-2	Form of Landowner Disclosure Agreement
APPENDIX E	Financing Agreement

## PRELIMINARY LIMITED OFFERING MEMORANDUM

**\$7,859,000\***

### **TRAVIS COUNTY DEVELOPMENT AUTHORITY**

*(a public nonprofit local government corporation acting on behalf of Travis County, Texas)*

### **CONTRACT ASSESSMENT REVENUE BONDS, SERIES 2024**

**(BELLA FORTUNA 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 Travis County Development Authority (the “TCDA”), of its \$7,859,000\* aggregate principal amount of Contract Assessment Revenue Bonds, Series 2024 (Bella Fortuna Public Improvement District) (the “Bonds”).

PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. See “SUITABILITY FOR INVESTMENT”, “BONDHOLDERS’ RISKS”, and “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS”.

The Bonds are being issued by TCDA pursuant to the Constitution and general laws of the State of Texas (the “State”), including particularly Chapter 431, as amended, Texas Transportation Code (the “LGC Act”), Chapter 372, as amended, Texas Local Government Code (the “PID Act”), a bond resolution (the “Bond Resolution”) to be adopted by the Board of Directors of TCDA (the “Board”) on March 19, 2024, and an Indenture of Trust, dated as of April 1, 2024 (the “Indenture”), entered into by and between TCDA and Wilmington Trust, National Association, as trustee (the “Trustee”). The issuance of the Bonds will also be approved by the Commissioners Court (the “Commissioners Court”) of Travis County, Texas (the “County”). The Bonds, when issued and delivered, will constitute valid and binding special and limited obligations of TCDA payable solely from and secured by the Trust Estate (as defined in the Indenture), consisting primarily of the Pledged Contract Revenues (defined herein). On December 1, 2020, pursuant to an order adopted by the Commissioners Court (the “Assessment Order”), the County levied assessments (“Assessments”) against assessable properties (the “Assessed Property”) in the Bella Fortuna Public Improvement District (the “District”) (the revenues from such collections, the “Assessment Revenues”) in accordance with a service and assessment plan approved by the Commissioners Court (the “Original Service and Assessment Plan”), which is expected to be amended and restated on March 19, 2024 to reflect the final terms of the Bonds (as updated and amended, the “Service and Assessment Plan”). Pursuant to the Amended and Restated Bella Fortuna Public Improvement District Funding Agreement expected to be entered into on March 19, 2024, between TCDA and the County (the “Funding Agreement”), which will amend and restate the Bella Fortuna Public Improvement District Funding Agreement between the County and the TCDA effective December 1, 2020 (the “Original Funding Agreement”), the County shall transfer to TCDA the Assessment Revenues less certain fees of the County Tax Assessor-Collector for costs of collection (the “Contract Assessment Revenues”). Pursuant to the Indenture, TCDA has pledged the Contract Assessment Revenues on deposit in the Pledged Funds and any earnings thereon and investments thereof (the “Pledged Contract Revenues”) to the payment of the Bonds and has covenanted to transfer to the Trustee all of the Pledged Contract Revenues. See “SECURITY FOR THE BONDS.” **The Bonds are not obligations of the County. The Bonds are not payable from funds raised or to be raised from taxation, or any other revenue or funds of TCDA or the County. The TCDA has no taxing power.**

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

Set forth herein are brief descriptions of TCDA, the County, the District, the Administrator (as defined herein), Clayton Properties Group, Inc. d/b/a Brohn Homes (the “Landowner”), and Development Planning & Financing Group, Inc.

---

\* Preliminary, subject to change.

(the “Landowner’s Consultant”), the Assessment Order, the Bond Resolution, the Service and Assessment Plan, the Authorization Resolution (as defined herein), the Funding Agreement, the Reimbursement Agreement (as defined herein), the Financing Agreement (as defined herein), the Development Services Agreement (as defined herein), the Management Contract (as defined herein), the Billing and Collections Services Agreement (as defined herein), and the Agreement of Sale (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents, the LGC Act, and the PID Act are qualified in their entirety by reference to such documents or such LGC Act or PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas, 75034, Phone: (214) 302-2246. The Form of Indenture appears in APPENDIX A and the Form of Service and Assessment Plan appears in APPENDIX B. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

## **PLAN OF FINANCE**

### **The District**

The PID Act authorizes counties, such as the County, to create public improvement districts within their boundaries, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by the County through a resolution adopted on October 31, 2017 (the “Authorization Resolution”) for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Authorized Improvements (as defined herein), authorized by the PID Act and approved by the Commissioners Court that confer a special benefit on property within the District.

### **TCDA**

The LGC Act authorizes a county, including the County, to create a local government corporation to aid and act on behalf of the county. TCDA was created by the Commissioners Court on December 17, 1999 to aid, assist, and act on behalf of the County by entering into contracts that aid and promote the economic development of the County, including the management of public improvement districts created by the County under the PID Act and financing a portion of District costs through the issuance of bonds.

Pursuant to the PID Act, the Commissioners Court may enter into an agreement with a corporation created by the County that provides for payment of amounts pledged under the PID Act to the corporation to secure indebtedness issued by the corporation to finance an improvement project, including indebtedness to pay capitalized interest and to fund a reserve fund, each as permitted by the PID Act for revenue or general obligation bonds issued under the LGC Act and indebtedness issued to pay the corporation’s costs of issuance. In addition, the agreement may provide that (1) the corporation is responsible for managing the public improvement district; or (2) title to one or more improvements will be held by the corporation.

The County and TCDA have executed the Management Contract (as defined herein), pursuant to which TCDA has agreed to provide management and administrative services for all public improvement districts created by the County, including the District. See “THE DISTRICT.” Additionally, the County and TCDA have executed the Original Funding Agreement, pursuant to which the County has agreed to take and pursue all actions directed by TCDA or the Trustee, as applicable, that are permissible under the PID Act to cause the Annual Installments (as defined below) to be collected and liens securing the Annual Installments to be enforced, and to deposit the Contract Assessment Revenues or cause the Contract Assessment Revenues to be deposited into a segregated account and made available for payment on the Bonds.

### **Development Plan and Plan of Finance**

The District consists of approximately 158.17 acres located within the County and entirely within the corporate limits of the City of Austin, Texas (the “City”). The District is expected to be developed as a master-planned mixed-use development in multiple phases, including residential, retail, and commercial uses, and will be known as “Views at

Onion Creek” consisting of 529 residential lots in 5 phases (phase 1 containing 130 lots, phase 2 containing 64 lots, phase 3 containing 105 lots, phase 4 containing 102 lots, and phase 5 containing 128 lots) and 26,136 square feet of commercial space in phase 1. See “THE DEVELOPMENT — Development Plan”. The boundaries of the District are shown in the “MAP SHOWING BOUNDARIES OF THE DISTRICT” on page v.

On June 11, 2019, Views at Onion Creek, LP, a Texas limited partnership (the “Original Landowner”) sold the land within the District to the Landowner pursuant to that certain Agreement of Sale, as amended, dated July 30, 2018 by and between the Original Landowner and the Landowner (the “Agreement of Sale”). The acquisition was financed with cash-on-hand by the Landowner. See “THE LANDOWNER” herein. The Landowner commenced development of the property within the District in the third quarter of 2019. To date, 160 homes have been sold to end-users and 130 homes are currently under construction by the Landowner. The Landowner expects to complete construction of the Public Improvements by the first quarter of 2026 and to sell all homes to end-users by the third quarter of 2027.

The Landowner has constructed and is in the process of constructing improvements consisting of certain roadway improvements, water distribution system improvements, wastewater system improvements, water quality and drainage ponds, and parks and trails that will benefit the District (collectively, the “Public Improvements”). To date, the Landowner has expended \$16,760,657.18 in its own funds to construct the Public Improvements and private improvements that will not be reimbursed through the issuance of the Bonds (the “Private Improvements”). The Private Improvements include roads, drainage, water, wastewater, and lot grading for phases 1, 2 and 3 of the District, totaling \$8,787,728.18 in funds expended to date by the Landowner, which will not be reimbursed through the issuance of the Bonds.

Proceeds of the Bonds will be used, in part, to finance a portion of the Public Improvements, which will be secured by the Pledged Contract Revenues, consisting primarily of Contract Assessment Revenues paid by the County to TCDA from the collection of Assessment Revenues levied and collected on property within the District. The Landowner will submit payment requests on a monthly basis for costs actually incurred by Landowner in developing and constructing the Public Improvements and be paid in accordance with the Indenture and that certain Bella Fortuna Public Improvement District Financing Agreement, dated May 28, 2019, by and between the County, TCDA, and the Landowner as the successor in interest to the Original Landowner, as amended by that certain First Amendment to Bella Fortuna Public Improvement District Financing Agreement, dated August 26, 2020, by and between the County, TCDA and the Landowner (collectively, the “Financing Agreement”). See “THE AUTHORIZED IMPROVEMENTS – General,” “THE DEVELOPMENT – Development Plan” and “APPENDIX E - Financing Agreement.”

The Original Landowner, TCDA and the County entered into that certain Bella Fortuna Public Improvement District Improvement Acquisition and Reimbursement Agreement (the “Reimbursement Agreement”), dated as of May 28, 2019, whereby TCDA agreed to reimburse the Original Landowner for the costs of certain Public Improvements in the District, which Public Improvements would be acquired by the County or the City from the Original Landowner or dedicated to the County or the City by the Original Landowner, in an amount equal to the “Reimbursement Agreement Balance” as set forth in the Reimbursement Agreement. Pursuant to that certain Agreement of Assignment of Reimbursement Rights – Bella Fortuna Public Improvement District, dated as of June 11, 2019, the Original Landowner has assigned all of its reimbursement rights, including its right, title and interest in and to the Reimbursement Agreement Balance, to the Landowner. The Bonds are being issued in satisfaction of the Reimbursement Agreement Balance. Following the issuance of the Bonds, there will be no outstanding Reimbursement Agreement Balance. The Landowner has been reimbursed approximately \$335,000 of the Reimbursement Agreement Balance and will be reimbursed an additional approximately \$134,371.50 from collections of Assessments paid January 31, 2024, pursuant to the Reimbursement Agreement. The costs of the Public Improvements in the amount of \$6,567,630\* are expected to be paid with proceeds of the Bonds. The balance of the costs of the Public Improvements not reimbursed with Assessments or Bond proceeds will be financed by the Landowner without reimbursement.

---

\* Preliminary, subject to change.

## **The Bonds**

Proceeds of the Bonds will be used primarily to finance (i) paying a portion of the Actual Costs of the Public Improvements, (ii) funding a reserve fund for the payment of principal of and interest on the Bonds, and (iii) paying the costs of issuance of the Bonds. See “APPENDIX A – Form of Indenture.”

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of the Pledged Contract Revenues.

**The Bonds are not payable from funds raised or to be raised from taxation. The Bonds shall never constitute an indebtedness or general obligation of the County, the State or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of TCDA payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the County, the State or any other political subdivision of the State is pledged to the payment of the Bonds. TCDA has no taxing authority.**

## **DESCRIPTION OF THE BONDS**

### **General Description**

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery (anticipated to be on or about April 17, 2024, the “Closing Date”) to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 1 and September 1, commencing September 1, 2024 (each an “Interest Payment Date”), until maturity or prior redemption. Wilmington Trust, National Association is the initial Trustee and the Paying Agent/Registrar for the Bonds.

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

### **Redemption Provisions**

*Optional Redemption.* TCDA reserves the right and option to redeem the Bonds, with the prior written consent of the Commissioners Court, before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 20\_\_ at the redemption price of par plus accrued interest to the date of redemption.

*Extraordinary Optional Redemption.* Notwithstanding any provision in the Indenture to the contrary, TCDA 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 of 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture. Notwithstanding the foregoing, the Trustee will not be required to make an extraordinary optional redemption unless it has at least \$1,000 available in the Redemption Fund with which to redeem the Bonds. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments and “APPENDIX A — Form of Indenture.”

*Mandatory Sinking Fund Redemption.* The Bonds maturing on September 1 in the years 20\_\_, 20\_\_ and 20\_\_ are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by TCDA in part at

a price of par plus accrued and unpaid interest to the redemption date, from monies available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedules:

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

<b><u>Mandatory Sinking</u></b>	<b><u>Sinking Fund Installment</u></b>
<b><u>Fund Redemption Date</u></b>	
September 1, 20__	
September 1, 20__†	

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

<b><u>Mandatory Sinking</u></b>	<b><u>Sinking Fund Installment</u></b>
<b><u>Fund Redemption Date</u></b>	
September 1, 20__	
September 1, 20__†	

---

† Stated Maturity.

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

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

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

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture and not previously credited to a mandatory sinking fund redemption.

*Notice of Redemption.* Upon delivery of a TCDA Certificate directing redemption of the Bonds received at least 45 days prior to the date fixed for redemption, the Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed

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

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 that TCDA may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, TCDA 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.

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

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

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

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

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

## **BOOK-ENTRY ONLY SYSTEM**

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

*TCDA cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited*

*Offering Memorandum. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.*

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

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

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

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

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

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

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

Principal, interest and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from TCDA 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 TCDA, 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 TCDA, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to TCDA 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.

TCDA 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 TCDA believes to be reliable, but none of TCDA, TCDA's Financial Advisor or the Underwriter take any responsibility for the accuracy thereof.

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

#### **LIMITATIONS APPLICABLE TO INITIAL PURCHASERS**

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

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute any instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.
2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.
3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the investor may sell the Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.
4. The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.
5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the TCDA, the County, the Public Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the TCDA in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the TCDA, its directors, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that underwriter is not deemed an officer or employee of the TCDA.
6. The Investor acknowledges that the obligations of the TCDA under the Indenture are special, limited obligations payable solely from amounts paid to the TCDA pursuant to the terms of the Funding Agreement and the Indenture and the TCDA shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the TCDA for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the TCDA (which has no taxing power), the County, the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of TCDA (which has no taxing authority), the County, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the TCDA, the County, and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.
7. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.
8. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

## SECURITY FOR THE BONDS

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

### Special Obligations

The Bonds are special and limited obligations of TCDA payable solely from and secured solely by the Trust Estate in accordance with the Indenture or any Supplemental Indenture. See "SECURITY FOR THE BONDS - Pledge of Trust Estate" below.

NOTWITHSTANDING ANY PROVISION OR INFERENCE CONTAINED IN THE INDENTURE OR IN THE FUNDING AGREEMENT, NEITHER THE BONDS NOR ANY OTHER AMOUNTS SECURED BY THE TRUST ESTATE WILL EVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION OR CORPORATION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISIONS OR STATUTORY LIMITATION WHATSOEVER, BUT THE BONDS AND ANY OTHER AMOUNTS SECURED BY THE TRUST ESTATE WILL BE SPECIAL, LIMITED OBLIGATIONS OF TCDA PAYABLE SOLELY FROM THE FUNDS AVAILABLE THEREFOR AS PROVIDED IN THE INDENTURE. WITHOUT LIMITING AND IN ADDITION TO THE FOREGOING, THE TRUSTEE AND OWNERS UNDERSTAND THAT TCDA IS AN ENTITY ENTIRELY SEPARATE AND APART FROM THE COUNTY, AND THAT NO FUNDS OR OTHER ASSETS OR RESOURCES OF THE COUNTY (OTHER THAN CONTRACT ASSESSMENT REVENUES WHICH THE COUNTY IS OBLIGATED TO TRANSFER TO TCDA PURSUANT TO THE FUNDING AGREEMENT) ARE SUBJECT TO THE INDENTURE OR ANY OF ITS OBLIGATIONS OR PROVISIONS. THE COUNTY IS DISTINCT FROM TCDA AND SHALL HAVE ABSOLUTELY NO LIABILITY, OBLIGATION, OR RESPONSIBILITY UNDER THE INDENTURE. FURTHER, THE TRUSTEE AND OWNERS UNDERSTAND THAT NO FUNDS OR OTHER ASSETS OR RESOURCES OF TCDA, OTHER THAN THOSE CONSTITUTING THE TRUST ESTATE, ARE SUBJECT TO THE INDENTURE OR ANY OF ITS OBLIGATIONS OR PROVISIONS. NONE OF THE STATE, THE COUNTY, TCDA, NOR ANY POLITICAL SUBDIVISION OR CORPORATION OF THE STATE SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS, OR ANY OTHER AMOUNTS SECURED BY THE TRUST ESTATE, OTHER THAN TCDA, BUT SOLELY IN ACCORDANCE WITH THE INDENTURE AND ANY APPLICABLE SUPPLEMENTAL INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE COUNTY, NOR ANY OTHER POLITICAL SUBDIVISION OR CORPORATION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR THE INTEREST ON SUCH BONDS OR ANY OTHER AMOUNTS SECURED BY THE TRUST ESTATE. TCDA HAS NO TAXING AUTHORITY.

### Pledge of Trust Estate

Pursuant to the Indenture, TCDA will grant to the Trustee a security interest in, mortgage, create a first lien on, and pledge to the Trustee, all of its right, title, and interest, whether now owned or hereafter acquired, in, to, and under the Trust Estate. The collateral and the covenants and agreements contained in the Indenture to be performed by TCDA are for the benefit, protection, and security of the Trustee for the benefit of the Owners of the Bonds.

The Trust Estate, as described in the Indenture, consists primarily of the rights, title, and interest of TCDA (including, but not limited to, the right to enforce any of the terms thereof) in the following:

**First**, the Funding Agreement, including but not limited to the security interest granted by the County to TCDA therein. See "SECURITY FOR THE BONDS – Funding Agreement";

**Second**, all Pledged Contract Revenues and all investments thereof, all Pledged Funds and all moneys, instruments, securities, investment property, and other property from time to time on deposit in or credited to the Pledged Funds;

**Third**, all of TCDA's right to bring actions and proceedings under the Funding Agreement for the enforcement thereof, and to do all things that TCDA is entitled to do under the Funding Agreement;

**Fourth**, any and all property (other than amounts in, or required to be deposited in, the Rebate Fund) of every kind or description now or hereafter owned by TCDA which may now or hereafter be deposited, pledged, mortgaged, granted or delivered to, or deposited with the Trustee by or on behalf of TCDA as additional security under the Indenture, or which pursuant to any of the provisions of the Indenture or Funding Agreement may come into the possession or control of the Trustee, or of a receiver lawfully appointed pursuant to the Indenture, as such additional security; and

**Fifth**, all proceeds of the foregoing.

The Trustee is authorized to receive any and all such property or money at any and all times as additional security for the payment of the Bonds, and to hold and apply all such property subject to the terms of the Indenture and the Funding Agreement.

The Trustee shall have and hold the Trust Estate, whether now owned or hereafter acquired or received, in trust upon the terms and trusts in the Indenture set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by the Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of the Indenture.

## **Definitions**

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

"Additional Interest" means the amount collected by the County by application of the 0.5% additional interest permitted to be charged by the County on the Assessments pursuant to Section 372.018 of the PID Act (the "Additional Interest Rate").

"Additional Obligations" mean any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary note, or time warrant secured in whole or in part by an assessment, other than the Assessments, levied against property within the District in accordance with the PID Act.

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to creation and operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) County staff; (3) TCDA staff; (4) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the County or TCDA; (5) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (6) preparing and maintaining records with respect to the Assessment Roll and Annual Service Plan Updates; (7) paying, or redeeming Bonds; (8) investing or depositing Assessments and Annual Installments; (9) complying with the Service and Assessment Plan and the PID Act with respect to the issuance and sale of Bonds, including continuing disclosure requirements; (10) the TCDA Depository Bank, the Paying Agent/Registrar and Trustee in connection with the Bonds, including their respective legal counsel; and (11) administering the construction of the Public Improvements. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

"Annual Installment" means the annual payment on the Assessment, as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Assessment Revenue” means monies received by or on behalf of the County from the collection of Assessments levied against an Assessed Property, including: (i) Annual Installments; (ii) Prepayments; (iii) Delinquent Collection Costs; and (iv) Foreclosure Proceeds.

“Pledged Contract Revenues” mean the sum of (i) Contract Assessment Revenue less (a) the Annual Collection Costs and (b) Delinquent Collection Costs, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that TCDA may pledge to the payment of the Bonds.

“Pledged Funds” mean the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund, and each Account established in any of the foregoing.

### **Collection and Deposit of Assessments**

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

In accordance with the PID Act, the County has adopted the Original Service and Assessment Plan and expects to amend and restate the Original Service and Assessment Plan in connection with the issuance of the Bonds. The Service and Assessment Plan describes the special benefit received by the property within the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the Assessments and provides for the allocation of Pledged Contract Revenues for payment of principal of, premium, if any, and interest on the Bonds. See “ASSESSMENT PROCEDURES.” The Service and Assessment Plan will be reviewed and updated at least 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 County of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the Commissioners Court of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX B — Form of Service and Assessment Plan.”

The Assessments on each parcel, tract, or lot which are to be collected in each year during the term of the Bonds are shown on the Assessment Roll. The Assessments assessed to pay debt service on the Bonds together with interest thereon, are payable in Annual Installments established by the Assessment Order and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Annual Installment of an Assessment has been made payable in the Assessment Order in each County fiscal year preceding the date of final maturity of the Bonds which, if collected, will be sufficient to pay debt service requirements attributable to the Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Order.

Pursuant to a resolution adopted by the Commissioners Court on February 27, 2024, the County authorized TCDA to issue the Bonds to be payable from the funds, including Contract Assessment Revenues, deposited into the Pledged Revenue Fund, as described herein and in the Indenture. Pursuant to the Funding Agreement, the County, having levied the Assessments, will take and pursue all actions directed by TCDA or the Trustee, as applicable, that are permissible under the PID Act to cause the Annual Installments to be collected and the liens securing the Annual Installments to be enforced in the manner and to the maximum extent permitted by the PID Act.

In accordance with the Funding Agreement, the County will deposit or cause to be deposited the Contract Assessment Revenues due to TCDA for the payment of Actual Costs of the Public Improvements into the Public Improvements Subaccount of the Bella Fortuna PID Operating Account (the “Public Improvements Subaccount” and the “Operating Account,” respectively) to be maintained with the TCDA Depository Bank, and TCDA shall keep such account and subaccount separate from all other funds of TCDA. The County has granted to TCDA a security interest in and create a first lien on and pledge to the TCDA all of its right, title, and interest, whether now owned or hereafter acquired, in and to all Contract Assessment Revenues to be collected by the County and deposited in the Public Improvements Subaccount of the Operating Account (together with any income, investments and proceeds thereof) to the full extent that the subaccount and the Contract Assessment Revenues collected and on deposit therein or later required to be

collected and transferred to such subaccount (together with any income, investments and proceeds thereof) may be subject to Chapter 9 of the Texas Business and Commerce Code.

Pursuant to the Funding Agreement and the Indenture, on or before the fifteenth day of each month while the Bonds are Outstanding, TCDA will transfer all Pledged Contract Revenues received from the County and on deposit in the Public Improvements Subaccount of the Operating Account to the Trustee for immediate deposit into the Pledged Revenue Fund to be transferred and applied in accordance with the Indenture. Under the Funding Agreement, the County has consented to the assignment and pledge by TCDA of the Pledged Contract Revenues.

The portions of the Contract Assessment Revenues on deposit in the Annual Collection Costs Subaccount of the Operating Account collected to pay Annual Collection Costs and Delinquent Collection Costs will be transferred to the Trustee for deposit in the Administrative Fund and shall not constitute Pledged Contract Revenues.

### **Unconditional Levy of Assessments**

The County has imposed the Assessments on the Assessed Property within the District to pay the principal of and interest on the Bonds scheduled for payment from Pledged Contract Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Assessments became effective on the date of, and strictly in accordance with the terms of, the Assessment Order. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Assessment Order, interest on the Assessments will be calculated at the rate of interest on the Bonds plus the Additional Interest Rate, calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, will be calculated annually during the Annual Service Plan Update, will be due on or about October 1 of each year and will 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 County will calculate and collect each year while the Bonds are Outstanding and unpaid an assessment to pay the annual costs incurred by the County and TCDA in the administration and operation of the District, such assessment being the Annual Collection Costs. The portion of each Annual Installment used to pay the Annual Collection Costs shall remain in effect from year to year until all Bonds are finally paid or until the County 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 billed in the manner set forth in the Assessment Order on or about October 1 of each year and shall be delinquent if not paid by February 1 of the following year. **Amounts collected for Annual Collection Costs do not secure repayment of the Bonds.**

There 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 Order until the Assessments are paid (or otherwise discharged) and is enforceable by the Commissioners Court in the same manner that an ad valorem property tax levied against real property may be enforced by the Commissioners Court. See "ASSESSMENT PROCEDURES" herein. The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Order. 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 Order ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS' RISKS — Assessment Limitations."

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

## Perfected Security Interest

Any security interest created by the Indenture is valid and binding and automatically and fully perfected from and after the Closing Date and shall remain perfected continuously through the termination of the Indenture in accordance with the terms set forth in the Indenture, without physical delivery or transfer of control of the Trust Estate, the filing of the Indenture or any document, or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the security interests created by the Indenture. If the security interests created by the Indenture ever are subject to the filing requirements of Texas Business and Commerce Code Chapter 9, as amended, then in order to preserve to the Owners of the Bonds the perfection of the security interests created by the Indenture, TCDA shall take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and make all filings necessary or advisable to perfect the security interests created by the Indenture. See “APPENDIX A — Form of Indenture.”

## Pledged Revenue Fund

TCDA has created under the Indenture a Pledged Revenue Fund to be held by the Trustee. On or before the fifteenth day of each month while the Bonds are Outstanding, TCDA shall deposit or cause to be deposited the Pledged Contract Revenues into the Pledged Revenue Fund. As soon as practicable following deposit to the Pledged Revenue Fund, the Trustee shall deposit or cause to be deposited Pledged Contract Revenues, from amounts deposited to the Pledged Revenue Fund, in the following order of priority:

- (i) first, to the Bond Pledged Revenue Account in an amount sufficient to pay debt service on the Bonds next coming due,
- (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement,
- (iii) third, to the Additional Interest Reserve Account in an amount equal to the Additional Interest collected, up to the Additional Interest Reserve Requirement, and
- (iv) fourth, for any lawful purpose for which Assessments may be used under the PID Act.

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

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

Notwithstanding the deposits described in (i) through (iv) above, the Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund.

Notwithstanding the deposits described in (i) through (iv) above, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Accounts of the Reserve Fund made with respect to the Assessed Property or Assessed Properties to which the Foreclosure Proceeds relate (*first*, to replenish the Reserve Account Requirement and *second*, to replenish the Additional Interest Reserve Requirement), and second, to the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Accounts of the Reserve Fund, TCDA may direct the Trustee by TCDA Certificate

to apply Contract Assessment Revenues for any lawful purposes permitted by the PID Act for which Assessments may be paid, including transfers to the Redemption Fund.

### **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/or interest then due and payable on the Bonds. If amounts in the Principal and Interest Account are insufficient for the purposes set forth in the preceding sentence, the Trustee shall withdraw *first*, from the Additional Interest Reserve Account and *second*, from the Reserve Account of the Reserve Fund amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the paying agent/registrar.

### **Project Fund**

Money on deposit in the Project Fund shall be used for the following purposes as specified in the Indenture: (i) paying a portion of the Actual Costs of the Public Improvements and (ii) paying the costs of issuance of the Bonds. Funds shall be disbursed from the Project Fund pursuant to the Indenture and the Financing Agreement. See “APPENDIX A – Form of Indenture” and “APPENDIX E – Financing Agreement”.

### **Reserve Fund**

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund for the benefit of the Bonds 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” for the Bonds shall be an amount equal to the least of, as of the Closing Date (i) Maximum Annual Debt Service on the Bonds, (ii) 125% of average Annual Debt Service on the Bonds, or (iii) 10% of the proceeds of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made to the Redemption Fund as a result of Prepayments and surplus Bond proceeds; and provided further that as a result of an optional redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the Closing Date, the Reserve Account Requirement is \$ \_\_\_\_\_ which is an amount equal to the Maximum Annual Debt Service on the Bonds as of the Closing Date. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in the Indenture.

Pursuant to the Indenture, an Additional Interest Reserve Account will be created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. The Trustee will transfer funds from the Pledged Revenue Fund to the Additional Interest Reserve Account, to the extent that the Reserve Account contains the Reserve Account Requirement and funds are available after application of the deposit priority in the Indenture, an amount equal to the Additional Interest until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that at any time the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account. The Additional Interest Reserve Requirement is an amount equal to 5.5% of the principal amount of the Outstanding Bonds. TCDA has allocated the Additional Interest, authorized by the PID Act, to the Additional Interest Reserve Account for such purpose.

Whenever, on any Interest Payment Date, or on any other date at the written request of the TCDA Representative, the amounts on deposit in the Additional Interest Reserve Account exceed the Additional Interest Reserve Requirement, the Trustee shall provide written notice to TCDA of the amount of the excess (the “Excess Additional Interest Reserve Amount”). The Excess Additional Interest Reserve Amount shall be transferred, at the direction of TCDA pursuant to a TCDA Certificate, to the Administrative Fund for the payment of Annual Collection Costs. In the event that the Trustee does not receive a TCDA Certificate directing the transfer of the Excess Additional Interest Reserve Amount to the Administrative Fund within 45 days of providing notice to TCDA of such Excess Additional Interest Reserve

Amount, the Trustee shall transfer the Excess Additional Interest Reserve Amount to the Redemption Fund to redeem Bonds.

Whenever a transfer is made from the Accounts of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to TCDA, specifying the amount withdrawn and the source of said funds.

Whenever Bonds are to be redeemed with the proceeds of Prepayments, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to a percentage of the amount of the Bonds redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption; provided, however, no such transfer from the Reserve Account shall cause the amount on deposit therein to be less than the Reserve Account Requirement to be in effect after such redemption. If after such transfer, and after applying investment earnings on the 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 to permit the redemption of Bonds to be redeemed in minimum principal amounts of \$1,000 from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

Whenever, on any Interest Payment Date, or on any other date at the written request of a TCDA Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to TCDA Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date, unless within 45 days of such notice to TCDA Representative, the Trustee receives a TCDA Certificate instructing the Trustee to apply such excess: (i) to pay amounts due to the Rebate Fund, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, or (iii) to the Improvement Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof.

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

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

If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency.

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

### **Rebate Fund**

TCDA shall create under the Indenture a Rebate Fund held by the Trustee. 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 (as defined herein).

## **Administrative Fund**

TCDA shall create under the Indenture an Administrative Fund held by the Trustee. On or before the fifteenth day of each month while the Bonds are Outstanding, TCDA shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay the Annual Collection Costs and Delinquent Collection Costs. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Accounts and Funds created and administered under the Indenture and used as directed by a TCDA Certificate solely for the purposes set forth in the Service and Assessment Plan.

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

## **Records and Accounts**

Pursuant to the Indenture, TCDA is required to maintain books of records and accounts so long as any of the Bonds and any interest thereon remain Outstanding. TCDA shall provide the Trustee or duly authorized representative an opportunity to inspect such books and records relating to the Bonds during TCDA's regular business hours and on a mutually agreeable date not later than 30 days after TCDA receives such a request.

## **Defeasance**

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

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

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

### **Events of Default**

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

1. The failure of TCDA to deposit the Pledged Contract Revenues to the Pledged Revenue Fund;
2. The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within 30 days (provided that the payments are to be made only from Pledged Contract Revenues and the Pledged Contract Revenues must be available to TCDA to make any such payments);
3. Default in the performance or observance of any covenant, agreement, or obligation of TCDA under the Indenture, any Supplemental Indenture, the Funding Agreement or the Bonds, and the continuation thereof for a period of 90 days after written notice to TCDA by the Trustee, or by the Owners of at least 25% of the aggregate Outstanding principal of the Bonds with a copy to the Trustee, specifying such default and requesting that the failure be remedied;
4. The occurrence of a payment default by the County under the Funding Agreement as described in Section 4.0 of the Funding Agreement;
5. The entry of a decree or order by a court having jurisdiction in the premises for relief in respect of TCDA, or adjudging TCDA as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of TCDA under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for TCDA or any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; and
6. The commencement by TCDA of a voluntary case under the United States Bankruptcy Code, or the filing by it of a petition or answer or consent seeking reorganization, arrangement or relief under the United States Bankruptcy Code or any other applicable federal or state law, or the consent or acquiescence by it to the filing of any such petition or the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of TCDA or any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability or its failure to pay its debts generally as they become due, or the taking of corporate action by TCDA in furtherance of any such action.

Notwithstanding the foregoing, nothing in the Indenture will be viewed to be an Event of Default if it is in violation of any applicable state or federal law or court order.

### **Remedies in Event of Default**

Upon the happening and continuance of any Event of Default, the Owners of at least 25% of the Bonds then Outstanding, may proceed against TCDA for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by taking any of all of any combination of the following actions: (i) seeking mandamus or 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 therein, or injunction; provided, however, that no action for money damages against TCDA may be sought or shall be permitted; (ii) requesting that a court of competent jurisdiction appoint, to the extent permitted by law, a receiver or receivers of the Trust Estate, and the income, revenues, profits and use thereof, it being the intent thereof that to the extent permitted by law, the Trustee shall be entitled to appoint such a receiver as a matter of right; (iii) taking such actions, including the filing and prosecution of lawsuits as may be required to enforce to the benefit of the

Owners the terms of the Bond Documents which the Trustee may be entitled to enforce, including without limitation the Funding Agreement; (iv) exercising any right of TCDA to give any consent or notice, to take any act or refrain from taking any act, and otherwise act in the full place and stead of TCDA in the Funding Agreement; and (v) taking such other steps to protect and enforce its rights and the rights of the Owners, whether by action suit or proceeding in aid of the execution of any power in the Indenture granted or for the enforcement of any other appropriate legal or equitable remedy, including, but not limited to, proceedings by suit or suits, at or in equity or by any other appropriate legal or equitable remedy, to enforce payment of the interest on and the principal of the Bonds.

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

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds, TCDA shall determine, in its absolute discretion, and shall instruct the Trustee by TCDA Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that TCDA shall fail to deliver to the Trustee such TCDA Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or TCDA by reason of such selection, liquidation or sale.

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of the Indenture. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against TCDA, 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, TCDA 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 Action**

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture, for the appointment of a receiver or for the execution of any trust thereof or any other remedy under the Indenture, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of at least 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers granted under the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding or request for the appointment of a receiver is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner provided therein, 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 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 the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

Pursuant to the Indenture, nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of

TCDA to pay each Bond issued under the Indenture to the respective Owners thereof at the time and place, from the source and in the manner expressed in the Indenture and in the Bonds.

In case the Trustee or any Owners shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case TCDA, the Trustee and the Owners shall be restored to their former positions and rights under the Indenture, 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 Default**

All assets of the Trust Estate received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall, after payment of the cost 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 the Indenture, during the continuance of an Event of Default, the Trustee, on behalf of TCDA, be applied by the Trustee, to the payment of interest and principal or redemption price then due on Bonds, as follows:

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

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

Within ten 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.

The Trustee is entitled to full recovery of all principal, interest and any other amounts due and owing under the Indenture; provided, however, in the event funds are not adequate to cure any of the Events of Default described in the Indenture, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of the Indenture.

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

### **Investment of Funds**

Money in any Fund established pursuant to the Indenture shall be invested by the Trustee as directed by TCDA pursuant to a TCDA Certificate filed with the Trustee at least two days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended (the "PFIA"), or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times; provided, further however, that absent written direction, the Trustee shall invest funds into the GS Financial Square Government Fund (38141W265) as standing instructions. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account of the Reserve Fund may not be invested above the yield on the Bonds, unless and until the TCDA receives a written opinion of counsel nationally recognized in the field of municipal bond law to

the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on the Bonds. Such investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold to prevent any default.

Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Indenture, except as otherwise provided by the Indenture or a Supplemental 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 TCDA to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities as directed in a TCDA Certificate.

The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions of the TCDA Certificate or to ensure the investment directed is a permitted investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to the Indenture. The Trustee shall not be required to determine the suitability or legality of any investments.

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

The Trustee will furnish TCDA monthly cash transaction statements which include detail for all investment transactions made by the Trustee in the Indenture; and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.

### **Against Encumbrances**

Other than bonds issued to refund all or a portion of the Bonds ("Refunding Bonds"), TCDA shall not create and, to the extent Pledged Contract Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, other than that specified in the Indenture, or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

So long as Bonds are Outstanding under the Indenture, TCDA 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 the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

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

TCDA reserves the right, subject to the provisions contained below, to issue Additional Obligations under other indentures, assessment orders, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from any portion of the Trust Estate.

Other than Refunding Bonds, TCDA will not create or voluntarily permit to be created any debt, lien or charge on any portion of the Trust Estate, and will not do or omit to do or suffer to be or omitted 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 TCDA to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds.

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

Notwithstanding anything to the contrary in the Indenture, no Refunding Bonds or subordinate obligations described above may be issued by TCDA 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 on September 1 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 of the years in which interest is scheduled to be paid.

## SOURCES AND USES OF FUNDS

The table that follows (preliminary; subject to change) summarizes the expected sources and uses of proceeds of the Bonds and other available funds of TCDA:

### Sources of Funds:

Principal Amount  
TCDA Contribution<sup>(1)</sup>  
Total Sources

### Uses of Funds:

Deposit to Improvement Account of Project Fund<sup>(2)</sup>  
Deposit to Reserve Account of Reserve Fund  
Deposit to Administrative Fund<sup>(3)</sup>  
Deposit to the Costs of Issuance Account of Project Fund  
Underwriter's Discount<sup>(4)</sup>  
Total Uses

---

(1) Represents Annual Installments due January 31, 2024.

(2) Includes \$\_\_\_\_\_ of proceeds of the Bonds and \$\_\_\_\_\_ Assessments due January 31, 2024.

(3) Includes \$\_\_\_\_\_ of Annual Collection Costs due January 31, 2024.

(4) Includes Underwriter's Counsel's fee of \$\_\_\_\_\_.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

### DEBT SERVICE REQUIREMENTS\*

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

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

\*Preliminary, subject to change.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

## 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 County. Such taxes are payable in addition to the Assessments levied by the County.

In addition to the County, the Travis County Healthcare District dba Central Health, the Austin Independent School District, Austin Community College, Travis County Emergency Services District # 11, and Travis County Emergency Services District # 15 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. Neither the County nor TCDA has any control over the level of ad valorem taxes levied by such other taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in the District. The District is located within the boundaries of the County, the Travis County Healthcare District dba Central Health, the Austin Independent School District, Austin Community College, Travis County Emergency Services District # 11, and Travis County Emergency Services District # 15 and within the extraterritorial jurisdiction of the City of Austin, Texas (the "City").

<u>Taxing Entity</u>	<u>Tax Year 2023 Ad Valorem Tax Rate<sup>(1)</sup></u>
The County	\$0.3046
Travis County Healthcare District dba Central Health	0.1007
Austin Independent School District	0.8595
Austin Community College	0.0986
Travis County Emergency Services District #11	0.0100
Travis County Emergency Services District #15	<u>0.1000</u>
Total Existing Tax Rate	<u>\$1.4734</u>
Estimated Average Annual Installment in the District as tax rate equivalent per Lot <sup>(2)</sup>	<u>\$0.4984</u>
<b>Estimated Total Tax Rate and Average Annual Installment in the District as tax rate equivalent per Lot</b>	<b><u>\$1.9718</u></b>

---

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

<sup>(2)</sup> Derived from information presented in Exhibit M of the Service and Assessment Plan, based on the Estimated Buildout Values (as defined in the Service and Assessment Plan) as of the date of adoption of the Assessment Order. See "ASSESSMENT PROCEDURES — Assessment Amounts." Preliminary, subject to change.

Source: Travis Central Appraisal District and the County.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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 or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within the District, as of February 1, 2024, and TCDA debt secured by the Assessments:

Taxing or Assessing Entity	Gross Outstanding Debt as of 2/1/2024	Estimated Percentage Applicable <sup>(1)</sup>	Direct and Estimated Overlapping Debt <sup>(1)</sup>
The County (Assessments - The Bonds)	\$7,859,000 <sup>(2)</sup>	100.000%	\$7,859,000
The County (Ad Valorem Taxes)	900,550,000	0.012%	111,532
Travis County Healthcare District dba Central Health	173,145,000	0.012%	21,450
Austin Independent School District	1,918,460,633	0.022%	419,862
Austin Community College	562,445,000	0.010%	57,367
Travis County Emergency Services District No. 11	0	0.947%	0
Travis County Emergency Services District No. 15	0	0.946%	0
<b>Total</b>	<b><u>\$3,554,600,633</u></b>		<b><u>8,469,211</u></b>

<sup>(1)</sup> Based on the Tax Year 2023 Net Taxable Assessed Valuations for the taxing entities. The estimated appraised value of the District is \$40,141,731, based on data from Travis Central Appraisal District.

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

Sources: Travis Central Appraisal District and Municipal Advisory Council of Texas

## Homeowners' Association

Cloverleaf Residential Community, Inc., a Texas non-profit corporation, which is the property owner's association ("HOA") formed by the Landowner, will maintain certain of the Public Improvements. In addition to the Assessments, each lot owner in the District pays a property owner's association fee to a HOA. The amount of the HOA fee for 2024 is \$400.

## ASSESSMENT PROCEDURES

### General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the County determines to defray a portion of the costs of the Authorized Improvements through assessments, it must adopt a resolution generally describing the Authorized Improvements and the land within the District to be subject to assessments to pay the cost therefor. The County has caused an assessment roll to be prepared for the District (the "Assessment Roll"), which Assessment Roll shows the land within the District to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll was filed with the County Tax Assessor Collector and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Authorized Improvements and funding a portion of the same with Assessments. The County levied the Assessments and adopted the Assessment Order on December 1, 2020. After such adoption, the Assessments became legal, valid and binding liens upon the property against which the Assessments are made.

Under the PID Act, the Actual Costs of Authorized Improvements may be assessed by the County against the assessable property in the District so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The Actual Costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Property similarly benefited. The allocation of benefits and Assessments to the benefitted land within the District is set forth in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX B — 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 Authorized 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 County allocates the special benefit of the Authorized Improvements to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Authorized Improvements are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Contract Revenues, which consist primarily of the Contract Assessment Revenues. As set forth in the Service and Assessment Plan, the Commissioners Court determined that the Authorized Improvements were initially allocated to each parcel within the District based on Estimated Buildout Value (as defined in the Service and Assessment Plan). As the Assessed Property was subsequently divided, the benefits received by the Authorized Improvements and the related Assessments were apportioned pro rata according to the Estimated Buildout Value of the newly created parcels as set forth in the Service and Assessment Plan. See “— Assessment Amounts” below.

For further explanation of the assessment methodology, see “APPENDIX B – Form of Service and Assessment Plan.”

The County has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels similarly situated within the District. The Assessment and interest thereon are expected to be paid in Annual Installments as described above. The determination made by the County of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the Commissioners Court of its legislative authority and governmental powers and is conclusive and binding on the Landowner and all future owners and developers within the District. See “APPENDIX B – Form of Service and Assessment Plan.”

The following table provides additional analysis with respect to Assessment methodology, including the value to Assessment burden ratio per Lot, total outstanding Assessment per lot, equivalent tax rate per Lot, and leverage per Lot. The Assessment for any resulting Lot may not exceed the “Maximum Assessment” for such Lot Type, which means, for each Lot Type, the amounts shown under the “Maximum Assessment per unit/sf” in the chart below. The information in the tables was obtained from and calculated using information provided in the Service and Assessment Plan. See “APPENDIX B — Form of Service and Assessment Plan.”

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

**LIEN TO VALUE ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE AND LEVERAGE PER LOT**

<b>Lot Type</b>	<b>Planned No. of Units/sf</b>	<b>Average Finished Lot Value per unit/sf<sup>(1)</sup></b>	<b>Assessed Value per unit/sf<sup>(2)</sup></b>	<b>Maximum Assessment per unit/sf</b>	<b>Total Outstanding Assessment as of 01/31/24</b>	<b>Average Annual Installment per unit/sf<sup>(3)</sup></b>	<b>Tax Rate Equivalent (per \$100 Lot Value)</b>	<b>Tax Rate Equivalent (per \$100 Home Value)</b>	<b>Leverage (Lot Value)</b>	<b>Leverage (Assessed Value)</b>
40'	367	\$52,000	\$236,029	\$13,779.06	\$5,056,916.33	\$1,176.33	\$2.2622	\$0.4984	3.7738	17.1295
50'	130	\$65,000	\$262,254	\$15,310.07	1,985,309.18 <sup>(4)</sup>	\$1,307.03	\$2.0108	\$0.4984	4.2456	17.1295
60'	32	\$78,000	\$314,705	\$18,372.08	587,906.71	\$1,568.44	\$2.0108	\$0.4984	4.2456	17.1295
Commercial	26,136 sf	\$6.00	\$150	\$8.76	<u>228,867.78</u>	\$0.75	\$12.4596	\$0.4984	0.6852	17.1295
<b>Total<sup>(5)</sup></b>					<b>\$7,859,000.00</b>					

Source: P3Works, LLC.

<sup>(1)</sup> Derived from information provided in the Service and Assessment Plan. See "APPENDIX B – Form of Service and Assessment Plan."

<sup>(2)</sup> Derived from information provided in the Service and Assessment Plan, based on the Estimated Buildout Values as of the date the Assessment Order was adopted. See "APPENDIX B – Form of Service and Assessment Plan."

<sup>(3)</sup> Based on Annual Installments due from 2025 to 2051.

<sup>(4)</sup> Includes a partial Prepayment made on August 14, 2023 in the amount of \$5,000,000.

<sup>(5)</sup> Total Assessments may not add due to rounding.

See "THE DEVELOPMENT — Development Plan" for further information regarding the expected completion of the development within the District.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

## **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 County. The Assessments may be enforced by the County 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.

Pursuant to a Contract for Management and Administrative Services entered into between TCDA and the County on April 24, 2018 (the "Management Contract"), TCDA, on behalf of the County, will provide management and administrative services for the District. Pursuant to a billing and collections service agreement (the "Billing and Collections Services Agreement") between TCDA and the County, the Assessments levied by the County against the Assessed Property will be collected by the County, acting through the County Tax Assessor-Collector, on behalf of TCDA. The County will covenant to collect, or cause to be collected, the Assessments as provided in the Funding Agreement. No less frequently than annually, County staff or a designee of the County shall prepare, and the Commissioners Court 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 or lot or Assessed Property. Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

Pursuant to the Management Contract, TCDA will also assist the County in performing its obligations under the Service and Assessment Plan and under any other agreement to which the County is a party or by which it is bound and which are related to the management and administration of the District, as requested by the County. As requested by the County, TCDA will: (i) assist in the preparation of updates, amendments or supplements to the Service and Assessment Plan; and (ii) will issue the bonds secured by special assessments levied in the District, including the Bonds.

In the Funding Agreement, the County covenants, agrees and warrants that, for so long as any Bonds are Outstanding, that it will take and pursue all actions as directed by the TCDA or the Trustee, as applicable, that are 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.

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

The County 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 County 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 County shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property.

The County expects to implement the basic timeline and procedures for Assessment collections and pursuit of delinquencies set forth in Exhibit B of Funding Agreement and to comply therewith to the extent that the County reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Assessments.

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

Annual Installments payable to the County will be paid by the County Tax Assessor-Collector to TCDA. Annual Installments are due upon receipt, on or about October 1 of each year, and become delinquent on February 1 of the following year. In the event Assessments are not timely paid, there are penalties and interest as set forth below:

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

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

#### **Assessment Amounts**

Assessment Amounts. The maximum 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 Assessed Property consisting of (i) the annual principal and interest payments of the Assessments, (ii) Additional Interest, and (iii) Annual Collection Costs. The Annual Installments for the Assessments may not exceed the amounts shown on the Assessment Roll. The Assessments have been levied against the parcels comprising the Assessed Property as indicated on the Assessment Roll. See "APPENDIX B — 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, 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.

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the Commissioners Court has determined that the Assessments were initially allocated to each Parcel within the District based on Estimated Buildout Value. Upon the subdivision of the Assessed Property based on a recorded subdivision plat, the Administrator reallocates the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

A = the 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

## **Prepayment of Assessments**

*Voluntary Prepayments.* Pursuant to the PID Act and the Service and Assessment Plan, the owner of any Assessed Property may voluntarily prepay (a “Prepayment”) all or part of any Assessment levied against any Lot or Parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Assessments.

*Mandatory Prepayments.* If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the Administrator the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefitted Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the Maximum Assessment, the owner of the Assessed Property must partially prepay the Assessment for each Assessed Property that exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

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

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

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

Notwithstanding the preceding paragraphs under this subcaption, the Assessment shall not, however, be reduced to an amount less than the Outstanding Bonds. See “APPENDIX B — Form of Service and Assessment Plan.”

*Reduction of Assessments.* If, as a result of cost savings or Public Improvements not being constructed, the Actual Costs of completed Public Improvements are less than the Assessments, upon receipt of a TCDA Certificate, the Trustee shall apply amounts on deposit in the Project Fund that are not expected to be used for purposes of the Project Fund to redeem Outstanding Bonds, in accordance with the Indenture. The Assessments shall not, however, be reduced to an amount less than the Outstanding Bonds. See “APPENDIX B — Form of Service and Assessment Plan.”

## **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 Order until the Assessment is paid, and may be enforced by the County in the same manner as an ad valorem tax levied against real property may be enforced by the County. The owner of any property assessed may pay the entire Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time.

### **Foreclosure Proceedings**

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

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

In the Funding Agreement, the County covenants to take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments, provided that the County 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 Contract Revenues to be deposited into the Pledged Revenue Fund upon receipt by the TCDA and distributed in accordance with the Indenture.

### **TCDA**

TCDA was created by the County on December 17, 1999, as a local government corporation pursuant to the provisions of the LGC Act and Chapter 394, Texas Local Government Code (“Chapter 394”). According to its Articles of Incorporation, TCDA is organized as a public nonprofit corporation for the purpose of aiding, assisting, and acting on behalf of the County in the performance of its governmental functions to promote the common good and general welfare of the County and to promote, develop, encourage, and maintain employment commerce, and economic development in the County, including the management of public improvement districts. The Articles of Incorporation provide that TCDA will be managed by a Board of Directors consisting of the current members of the Commissioners Court. TCDA commenced operations in 1999. Its operations are currently funded by funds transferred from the County, including proceeds of the Contract Assessment Revenues paid to it by the County pursuant to the Funding Agreement. For more information regarding the TCDA Board, see page ii.

### **THE COUNTY**

#### **Background**

The County is located in central Texas. The County is situated along Interstate Highway 35 and covers approximately 1,022.10 square miles. The County’s 2020 census population was 1,290,188 and the County’s population estimate as of September 14, 2023, according to the U.S. Census bureau, 2022 American Community Survey 1-year Estimates, is 1,326,436.

## County Government

The County is a political subdivision of the State of Texas and is governed by a Commissioners Court comprised of the County Judge and four County Commissioners. The County Judge is elected to a four-year term by the voters of the County. The County Commissioners are each elected to a four-year term by the voters within the Commissioners' respective precinct. Along with the Commissioners Court, the County Tax Assessor-Collector, County Treasurer, and County Auditor share in the financial administration of the County. For more information regarding the current members of the Commissioners Court and the principal County officials, see page ii.

## Major Employers

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

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
State of Texas	Government	58,614
University of Texas at Austin	Education and Research	29,270
HEB Grocery Co.	Grocery Stores	20,749
City of Austin	Government	16,621
Dell Inc.	Electronics	13,000
Federal Government	Government	12,278
Ascension Seton	Health Services	12,086
St. David's HealthCare Partnership	Healthcare	10,854
Austin Independent School District	Education	9,991
Amazon.com, LLC	Retail	7,608

Source: Travis County Consolidated Annual Financial Report.

## Historical Employment in the County<sup>(1)</sup>

	Average Annual				
	2023 <sup>(2)</sup>	2022	2021	2020	2019
Civilian Labor Force	866,915	822,494	778,563	735,013	731,331
Total Employed	841,003	799,306	747,009	688,176	712,144
Total Unemployed	25,912	23,188	31,554	46,837	19,187
Unemployment Rate	3.0%	2.8%	4.1%	6.4%	2.6%

<sup>(1)</sup> Source: Texas Workforce Commission

<sup>(2)</sup> Data as of November, 2023.

## THE DISTRICT

### General

The PID Act authorizes counties, such as the County, to create public improvement districts within their boundaries, and to impose assessments within the public improvement district to pay for certain public improvements. The District was created by the Authorization Resolution for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Public Improvements, authorized by the PID Act and approved by the Commissioners Court that confer a special benefit on the District property being developed. The District is not a separate political subdivision of the State. A map of the property within the District is included on page v hereof.

### Powers and Authority of the County and TCDA

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

Pursuant to the PID Act, the Commissioners Court may enter into an agreement with a corporation created by the County that provides for the payment of amounts pledged under the PID Act to the corporation to secure indebtedness issued by the corporation to finance an improvement project, including indebtedness to pay capitalized interest and to fund a reserve fund, each as permitted by the PID Act for revenue or general obligation bonds issued under the LGC Act and indebtedness issued to pay the corporation's costs of issuance. In addition, the agreement may provide that: (1) the corporation is responsible for managing the public improvement district; or (2) title to one or more improvements will be held by the corporation. Pursuant to Section 372.026(f) of the PID Act, the County and the TCDA have entered into the Management Contract pursuant to which the TCDA, on behalf of the County, will provide management and administrative services for the District. See "ASSESSMENT PROCEDURES – Collection and Enforcement of Assessment Amounts."

Pursuant to the PID Act and the Authorization Resolution, the County has the power to undertake, or reimburse a developer for the costs of the financing, acquisition, construction or improvement of the Authorized Improvements. See "THE AUTHORIZED IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Authorization Resolution, the County has agreed to reimburse the Landowner for the construction, acquisition or purchase of certain road, water, wastewater, park and open space, trails, and water quality and drainage pond improvements within the District and outside of the District comprising the Public Improvements and to contract with TCDA to finance a portion of the costs thereof through the issuance of the Bonds. TCDA has further determined to provide for the payment of debt service on the Bonds through Pledged Contract Revenues. See "ASSESSMENT PROCEDURES" herein and "APPENDIX B — Form of Service and Assessment Plan."

## ASSESSMENT DATA

### District Collection and Delinquency History of Assessments

Pursuant to the Assessment Order, the County levied the Assessments on assessable property within the District. The annual installments of the Assessments were billed beginning in October 2021. The following table shows the collection and delinquency history of the Assessments.

#### Collection and Delinquency of Assessments

<b>Fiscal Year Ending <u>9/30</u></b>	<b>Annual Installments <u>Levied</u></b>	<b>Parcels <u>Levied</u><sup>(1)</sup></b>	<b>Amounts Delinquent <u>as of 3/1</u></b>	<b>Delinquent Percentage <u>as of 3/1</u></b>	<b>Amounts Delinquent <u>as of 9/1</u></b>	<b>Delinquent Percentage <u>as of 9/1</u></b>	<b>Annual Installments <u>Collected</u></b>
<b>2022</b>	\$665,000.00	196	\$9,394.70	1.41%	\$0.00	0.00%	\$665,000.00
<b>2023</b>	\$664,237.04	196	\$5,639.12	0.85%	\$0.00	0.00%	\$664,237.04
<b>2024</b>	\$639,161.30	530	\$N/A	N/A%	N/A	N/A	\$N/A

(1) Pursuant to Section 310.031, Texas Tax Code, certain veterans, persons aged 65 and over, and the disabled, who qualify for an exemption under either Section 11.13(c) or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments (each an "Installment Payment" and, collectively, "Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

### Assessment Payer Concentration

The Landowner, as the developer of all of the parcels in the District, currently has the obligation for payment of approximately 69.75% of the Assessments.

## **District Foreclosure History**

As of March 1, 2024, there has never been a foreclosure sale of any assessed property within the District.

## **Prepayments of Assessments**

As of March 1, 2024, there has been one partial prepayment of Assessments in the amount of \$5,000.

## **THE AUTHORIZED IMPROVEMENTS**

### **General**

The Authorized Improvements consist of the Public Improvements and the Bond Issuance Costs (as defined herein) benefitting the District. The District will be completed in five phases. Proceeds of the Bonds will be used, in part, to finance a portion of the Authorized Improvements, which will be secured by the Pledged Contract Revenues, consisting primarily of Contract Assessment Revenues paid by the County to TCDA from the collection of Assessment Revenues levied and collected on property within the District. The Public Improvements have been or will be dedicated to the County or to the City. The Landowner is responsible for the completion of the construction, acquisition or purchase of the Public Improvements, and the Landowner has designated the Development Manager (as defined herein) to act as construction manager. If any of the Public Improvements have not been completed by the Landowner by the Closing Date, the Landowner may submit payment requests no more frequently than on a monthly basis for costs actually incurred in developing and constructing the Public Improvements and be paid in accordance with the Indenture and the Financing Agreement. See “THE DEVELOPMENT – Development Plan.”

### **Authorized Improvements**

*Public Improvements.* The Authorized Improvements consist of the following Public Improvements.

***Bella Fortuna Drive:*** Includes approximately 2,400 linear feet of collector road that runs east and west through the District. This collector road is accessible to all the District and creates ingress and egress to future Pleasant Valley Road as well as a future connection to the existing IH-35 access road.

***Bella Fortuna Drive Waterline:*** Includes an approximately 2,100 linear feet of 24-inch waterline located in Bella Fortuna Drive. This waterline connects to the City’s 42-inch waterline already in place and is the backbone of water service to the community. The future connection of this waterline to the City’s waterline adjacent to the IH-35 access road will create a secondary source of water for the District.

***Offsite Wastewater:*** Includes approximately 6,100 linear feet of wastewater main from the Rinard Creek 30-inch tunnel to the southernmost intersection of the Pleasant Valley Road project and Bradshaw Road. Wastewater service will be provided by Austin Water Utility. The main may be oversized to serve the City’s projects development of the entire sewer shed and will provide for connection of future development in the sewer shed to the wastewater main installed by the Landowner. Any oversizing requested by the City will be paid for by the Landowner. The District will not be responsible for any costs related to any oversizing, such as engineering, project management, and construction costs.

***Water quality and drainage ponds:*** The District is within the Onion Creek watershed. The storm water detention facilities for the District will be reviewed and approved by the Travis County Transportation and Natural Resources Department and/or the City. The City has committed to maintaining the ponds within the District.

***Parks and trails:*** Includes approximately 10,600 linear feet of 10-foot-wide concrete hike and bike trails and two neighborhood parks. All trails and parks to be constructed will be open to the public.

***Lift Station:*** Includes a lift station design based on the City of Austin’s Utility Criteria Manual for average daily flow of 245 gallons per day per LUE (Living Unit Equivalent). Based on this requirement, the lift station should have a minimum capacity of 245 gallons per minute (“gpm”) to handle peak wet weather flow

generated by the service area. A design flow of 290 gpm was used for the pump capacity. Approximately 1,370 linear feet 6” HDPE, DR 11 force main pipe is proposed to convey discharge to a manhole to be installed on an 8” stub off of the 8” gravity line to be installed within Comano Drive right of way. The entire length of the force main will be contained within the public right of way. The lift station along with an access roadway will be installed on a 0.42-acre lot platted with the West Bella Fortuna Phase 1 Final Plat. No additional easement will be required.

**Bond Issuance Costs.** The Authorized Improvements also include the “Bond Issuance Costs” which consist of costs associated with issuing the Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, printing costs, publication costs, County costs, capitalized interest, reserve fund requirements, underwriter discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of the Bonds.

The cost of the Authorized Improvements is expected to be approximately \$11,486,103\*. A portion of such costs in the amount of \$7,859,000\* are expected to be paid with proceeds of the Bonds.

The following table reflects the total expected costs of the Public Improvements.<sup>(1)</sup>

<u>Type of Improvement</u>	<u>Total Costs</u>	<u>Total Spent as of December 31, 2023</u>	<u>Percent Complete</u>
Water Quality and Detention Ponds	\$4,105,104	\$2,804,298	68.31%
Bella Fortuna Drive	1,039,575	461,133	44.36%
Bella Fortuna Drive Waterline	539,343	239,253	44.36%
Offsite Wastewater	1,169,286	1,048,850	89.70%
Parks & Trails	970,112	349,300	36.00%
Lift Station	1,044,942	1,044,942	100.00%
Soft Costs	1,000,000	900,000	90.00%
Construction Management	<u>326,370</u>	<u>0.00</u>	<u>0.00%</u>
Total Cost <sup>(2)</sup>	<u>\$10,194,733</u>	<u>6,847,776</u>	<u>67.17%</u>

(1) Costs shown above do not include approximately \$1,291,370† in estimated Bond Issuance Costs expected to be incurred in conjunction with the issuance of the Bonds.

(2) Totals may not sum, due to rounding.

## **The Financing Agreement**

The Financing Agreement established provisions for: (1) the apportionment, levying, and collection of Assessments on the assessable properties in the District; (2) the construction of Authorized Improvements to be acquired by the County or City; (3) payment for Authorized Improvements within the District; and (4) the issuance of the Bonds for the financing of the Authorized Improvements. On June 11, 2019, in conjunction with the sale of the property to the Landowner, the Financing Agreement was assigned by the Original Landowner to the Landowner and the Landowner assumed all rights and obligations of the Original Landowner under the Financing Agreement.

## **Ownership and Maintenance of Public Improvements**

Each Public Improvement has been or will be dedicated to and, if constructed in accordance with Title 30, has been or will be accepted by the County, or if appropriate, by the City, and each applicable Public Improvement will constitute a portion of the entity’s infrastructure improvements. Except for dedicated parkland and open space and the improvements thereto (together, the “Parks and Trails”), the City or County will provide for the ongoing operation, maintenance, and repair of Public Improvements that it accepts. All parks and trails will be dedicated to the City

\* Preliminary; subject to change.

† Preliminary; subject to change.

through a recreational easement and will be open to the public and will be operated, maintained, and repaired, in perpetuity and at no expense to the County, the City, or TCDA, by the HOA. The HOA will provide for the ongoing operation, maintenance, and repair of the Parks and Trails through the administration of a maintenance and operation fee and/or a property owner's association fee to be paid by each lot owner within the District.

## THE DEVELOPMENT

The following information has been provided by the Landowner. Certain of the following information is beyond the direct knowledge of TCDA, the County, the Financial Advisor and the Underwriter, and none of TCDA, the County, the Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Landowner has reviewed this Limited Offering Memorandum and warrants and represents that neither (i) the information under the caption "THE DEVELOPMENT" nor (ii) the information relating to the Landowner's plan for developing the land within the District (the "Development") under the subcaption "BONDHOLDERS' RISKS" (as such information pertains to the Landowner, the Authorized Improvements and the Development) contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Landowner will deliver a certificate to this effect to TCDA, the County, and the Underwriter.

### Overview

The Landowner, its affiliates, or subsequent owners and developers are planning the Development as a master-planned mixed-use community with residential, retail and commercial components as further described below. A boundary map of the Development is included on page v.

The Development is located on the east side of IH35, adjacent to Onion Creek, on the west side of Bradshaw Road, north of FM-1327. The Development was purchased by the Landowner from the Original Landowner with cash on June 11, 2019.

The Development includes approximately 76.42 acres subject to the Assessments, which is ultimately expected to consist of approximately 529 detached single family residential lots and approximately 26,136 square feet of retail and commercial space.

### Development Plan

Public Improvements. The Landowner commenced development of the Public Improvements in the third quarter of calendar year 2019. The Landowner expects to complete the Development in five phases, with construction of the Public Improvements currently expected to be completed by the first quarter of 2026. Construction of the Public Improvements in phases 1 through 2 has been completed. Construction of the Public Improvements in phase 3 is underway and expected to be completed by the end of the first quarter of 2024. The Public Improvements in phase 4 are expected to be started in the second quarter of 2024 and completed by the end of the first quarter of 2025. The timing of construction of the Public Improvements in phase 5 of the Development is still to be determined. See "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT — Development Plan — Concept Plan," and "APPENDIX B — Form of Service and Assessment Plan." Proceeds of the Bonds will pay for a portion of the costs of the Public Improvements.

Single Family Lot Development. The Development is planned to include the following three residential product types: 40' lots (367), 50' lots (130), and 60' lots (32). The Landowner has constructed or expects to construct all of the approximately 529 single-family homes planned within the District. As of January 1, 2024, the Landowner has 15 homes under construction in phase 2 and approximately 130 lots under construction in the District. The Landowner has completed and delivered 160 homes to end-users in phase 1 and phase 2 of the Development. All single-family homes are anticipated to be completed by the third quarter of 2027.

Based on information provided by the Landowner, current expectations regarding estimated home prices in the District are as follows:

### ESTIMATED HOME PRICES

<u>Phase</u>	<u>Lot Size (Width in Ft.)</u>	<u>Quantity</u>	<u>Base Lot Price</u>	Estimated/Actual Average <u>Base Home Price</u>
1	40	119	\$88,000	\$330,000
1	50	9	105,000	430,000
1	60	2	127,000	445,000
2	50	64	111,000	406,491
3	50	86	90,000	370,000
3	60	19	108,000	430,000
4	40	84	92,000	380,000
4	50	18	110,000	445,000
5	40	78	94,000	385,000
5	50	20	112,000	451,000
5	60	30	132,000	490,000

### Expected Build-Out of the District

The following tables provide the Landowner's expected build-out schedule of the District and absorption schedule of lots for the District. The Landowner has sold all of the lots located in phase 1 and 30 of the lots located in phase 2 to end-users. The remaining 369 lots are all under the ownership of the Landowner.

### EXPECTED BUILDOUT OF THE DISTRICT

<u>Phase</u>	<u>Single-Family Lots</u>	<u>Office/Retail</u>	Expected Infrastructure <u>Completion Date</u>	Expected Final <u>Home Closing Date</u>
1	130	26,136 square feet	Complete	Sold
2	64	N/A	Complete	Q1 2024
3	105	N/A	Q1 2024	Q1 2025
4	102	N/A	Q1 2025	Q3 2026
5	128	N/A	Q1 2026	Q3 2027

### ACTUAL AND EXPECTED ABSORPTION OF HOMES

Actual/Expected <u>Final Sale Date</u>	<u>Phase 1<sup>(1)</sup></u>	<u>Phase 2<sup>(2)</sup></u>	<u>Phase 3</u>	<u>Phase 4</u>	<u>Phase 5</u>	<u>Total Homes</u>
2023	N/A	26				26
2024		38	18			56
2025			85	7		92
2026			2	95	25	122
2027					<u>103</u>	<u>103</u>
Total	130	64	105	102	128	529

<sup>(1)</sup> All homes within phase 1 have been sold to end-users.

<sup>(2)</sup> 30 homes within phase 2 have been sold to end-users.

**Commercial Lot Development**

The Development includes an approximately 2.1 acre commercial tract, which is located in phase 1 of the District (the “Commercial Parcel”). The Landowner expects to sell the Commercial Parcel to a commercial developer for future development into office space, retail, or other commercial uses. Currently, no contracts or letters of interest have been signed with respect to the Commercial Parcel.

**Photographs of the Development**

The following photographs show the current development within the District.

[REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]





### **City/County Subdivision Regulations**

Because the District lies in the extraterritorial jurisdiction of the City, development in the District is governed by Title 30, a single set of regulations established jointly by the City and the County pursuant to an interlocal agreement the City and the County entered into under Chapter 242 of the Local Government Code. In general, under Title 30, the County has discretionary authority over issues relating to transportation, floodplain management, and stormwater conveyance; and the City has discretionary over issues relating to: (a) water, wastewater, electric, and telecommunication utilities; (b) the environment, including stormwater quality controls; or (c) Austin - Bergstrom International Airport.

### **Amenities**

The Landowner will not construct any additional improvements other than the Public Improvements funded with Bond proceeds.

### **Education**

The Austin Independent School District (“AISD”) serves the District encompasses 230 square miles and is located entirely within the County. AISD enrolls over 73,000 students and operates 116 schools. Blazier Elementary School, which is approximately 3.6 miles from the District, Paredes Middle School, which is approximately 6.7 miles from the District, and Akins High School, which is approximately 4.2 miles from the District, are expected to serve the District.

Greatschools.org rated Blazier Elementary School “above average” and Paredes Middle school and Akins High School as “below average.” According to the Texas Education Agency annual school report cards for the 2021-22\* school year, Blazier Elementary School was rated as “A,” Paredes Middle School was not rated, Akins High School was rated as “B,” and AISD was rated as “B.”

## **Environmental**

A Phase One Environmental Site Assessment (a “Phase One ESA”) of an assemblage, which includes the land within the District, was completed on December 31, 2015. 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.

According to the website for the United States Fish and Wildlife Service, the Barton Springs salamander, Austin blind salamander, Bee Creek Cave harvestman, Bone Cave harvestman, Tooth Cave pseudoscorpion, Tooth Cave spider, Whooping crane, Golden-cheeked warbler, Kretschmarr Cave mold beetle, and Tooth Cave ground beetle are each an endangered species in the County. The Landowner is not aware of any endangered species located on District property.

## **Floodplain**

Approximately 3.10 acres of the District is within the 100 year floodplain as determined by the Federal Emergency Management Agency (“FEMA”). All land within the District which is located within the 100 year floodplain will remain as undeveloped open space and/or will be developed as open space parks, recreational facilities, or hike and bike trails.

## **Utilities**

The City will provide both water and wastewater service to the District. In addition to having its own water rights granted by the Texas Commission on Environmental Quality, the City also purchases its water wholesale from the Lower Colorado River Authority, and the City maintains its own water distribution system and wastewater collection and treatment system. Both the City’s water distribution system and wastewater collection and treatment system currently have sufficient capacity to provide water and wastewater service to the District.

In connection with the development of the District, the Landowner constructed an off-site wastewater line in 2020 (the “Offsite Wastewater”), which was required to connect to the City’s wastewater collection system. The Offsite Wastewater was oversized pursuant to a service extension request submitted by the Landowner and approved by the City. As of December 31, 2023, the City has participated in the construction costs of the Offsite Wastewater in the amount of \$885,900.37 pursuant to that certain Wastewater Project Cost Reimbursement Agreement (Bella Fortuna Subdivision) between the City and a previous landowner, as amended and assigned to the Landowner.

The Landowner is also constructing approximately 2,100 linear feet of 24-inch waterline (the “Bella Fortuna Drive Waterline”) to provide water service to the District. The Bella Fortuna Drive Waterline was oversized and required to be constructed to connect to the City’s water system, all pursuant to a service extension request submitted by the Landowner and approved by the City. Pursuant to that certain Water Project Cost Reimbursement Agreement Bella Fortuna, between the City and the Landowner, the City has agreed to participate in up to 50% of the hard and soft costs, respectively, of the costs of construction of the Bella Fortuna Drive Waterline. As of December 31, 2023, the City has participated in the construction costs of the Bella Fortuna Drive Waterline in the amount of \$239,252.55. Until the Bella Fortuna Drive Waterline is completed, water service to the District is provided through connections to existing water lines within the District.

---

\* According to correspondence dated September 12, 2023, the release of the “District Accountability Ratings” for 2023 has been delayed, and was not available at the time of this limited offering memorandum.

Additionally, the Landowner has constructed a lift station (the “Lift Station”) to provide gravity sewer service to phases 1, 2 and 3 of the District. The lift station was completed on in early 2024 and awaits commissioning by the City. There was no oversizing or cost reimbursement agreement between the City and the Landowner pertaining to the Lift Station, and the Lift Station was constructed by the Landowner without reimbursement from the City.

The Landowner expects additional utilities to be provided by: (1) Phone/Data – AT&T; (2) Electric – Austin Energy; (3) Cable - Spectrum; and (4) Natural Gas – Centerpoint Energy.

## **THE LANDOWNER**

The following information has been provided by the Landowner. Certain of the following information is beyond the direct knowledge of TCDA, the County, the Financial Advisor and the Underwriter, and none of TCDA, the County, the Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Landowner has reviewed this Limited Offering Memorandum and warrants and represents that neither (i) the information herein under the caption “THE LANDOWNER” nor (ii) the information relating to the Landowner under the subcaption “BONDHOLDERS’ RISKS” contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.

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

The majority of the property in the District is currently owned by the Landowner (369 lots), other than the 160 homes which have been delivered to end-users. The Landowner purchased the property in the District from the Original Landowner for development on June 11, 2019, in a cash transaction in the amount of \$13,044,297.41. The Landowner has invested over \$16,760,657.18 in cash in the District to date in constructing the Public Improvements and Private Improvements that will not be reimbursed through the issuance of the Bonds. The Landowner has obtained approval for the Preliminary Plan through the County which vests development over build-out for the entire Development. Pursuant to Title 30, the Landowner has requested an extension of water and waste-water services from the City, as holder of a certificate of convenience and necessity, and the City has provided a letter to the Landowner stating that the City will provide water and waste-water services to the area within the District.

The Original Landowner and Natural Development Austin, LLC (the “Development Manager”) entered into that certain Development Services Agreement on January 1, 2018 (the “Development Services Agreement”) whereby the Development Manager oversees the development of the property in the District. The Landowner and the Original Landowner entered into the Agreement of Sale, in which the Original Landowner sold all of the property within the District to the Landowner. Pursuant to the Agreement of Sale, the Landowner assumed all of the previous landowner’s obligations pertaining to the District as of the date the Landowner closed on the acquisition of all the property within the District, including the engineering contract with Doucet & Associates, the Development Services Agreement. See “PLAN OF FINANCE – Development Plan and Plan of Finance.”

### **Description of the Landowner**

Since 2002, Brohn Homes has been building homes in Central Texas. In 2018, Brohn Homes joined Clayton Properties Group, a Berkshire Hathaway Company, and remains committed to the growth and development of the Central Texas region.

Mr. Adam Boenig, the co-president of the Brohn Homes, graduated from Texas Tech University with a BS in Landscape Architecture with an emphasis on land planning and development along with land use and regulatory control studies. Adam, through prior work history and ownership of Brohn homes has extensive knowledge in project due diligence, yield studies for specific uses of residential, commercial and multifamily projects and construction thereof. Adam has developed a wide array of projects, (Inclusive of Architectural Product) which projects include attached condos, detached condos, single family (40’s-60’s) and single family acre lots. Adam has been in the homebuilding and development business for 20 years and has developed over 6,000 lots in Central Texas.

Mr. Aaron Boenig, co-president of Brohn Homes, graduated from Texas Tech University with a BS in Landscape Architecture and is currently registered in Texas as a Landscape Architect. In addition to building over 1,800 homes

during his career, Aaron has assisted in the development or entitlement of over 4,000 lots. Additionally, he has acted as the prime Landscape Architect and Planner on: The Mission Trails Project in San Antonio, multiple multifamily projects throughout the US for Fairfield Residential, and multiple master planned communities for various developers throughout Texas. Aaron has a deep comprehensive knowledge in the planning, design, entitlement, construction, and sales of residential homes and communities.

Mr. Eric Willis, the President of Natural Development Austin, LLC, has been involved in all aspects of residential development for over 20 years, most recently serving as one of the developers for the La Cima Public Improvement District (“La Cima”) located in nearby Hays County, Texas, and the master developer for Farallon Capital Management in Central Texas and its Belterra master-planned community (“Belterra”), also located in Hays County. Mr. Willis manages all facets of the day-to-day construction, development, and operation of the residential portions of La Cima, which contains approximately 2,044 acres and 1,905 residential single-family lots. Mr. Willis also managed all facets of the day-to-day construction, development, and operation of the residential portions of Belterra, which contained approximately 1,600 acres and 2,000 residential homes, of which Mr. Willis oversaw the development of 1,495 lots and over 1,300 home closings. Mr. Willis was involved in every lot sale transaction for Belterra during this time which included working with multiple builders, title companies and lending institutions. Mr. Willis was also involved in arranging the development financing for the lots in Belterra in 2003 and maintaining relationships with multiple financial institutions through the sale of Belterra to Crescent. Mr. Willis was also president of the Belterra Community Association from 2003 through March 2014 and was responsible for marketing and advertising decisions for Belterra. Mr. Willis was part of the project team for multiple bond issues issued by the water control and improvement district in Belterra to reimburse the owner of Belterra for certain capital improvements.

Ms. Angelica Andersson serves as the Director of Entitlements and Development for Brohn Homes and has been entitling and developing single-family residential lots in central Texas for the last 10 years. She graduated with a BS in Civil Engineering with a Structural emphasis from San Francisco State University and has been in land development for the last 20 years domestically and internationally, in the form of large infrastructure and multi-use projects with both large and small companies.

The following provides a list of similar projects in the Austin, Texas area in which the Landowner is currently participating:

<u>Name/Location</u>	<u>Property Type</u>	<u>Starting Home Price</u>
Harvest Ridge, Elgin Texas	Single Family Master Development	\$259,990
Clear Creek, Round Rock Texas	Detached Condo	\$464,990
Casetta, Kyle Texas	Single Family Subdivision	\$279,990
Hymeadow, Hays County	Single Family Subdivision	\$279,990

#### **Landowner’s Consultant**

In its role as Special Assessment Consultant to the Developer, Development Planning & Financing Group, Inc. (“DPFG”) ([www.dpfg.com](http://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 ADMINISTRATOR**

The following information has been provided by P3Works, LLC, as the Administrator. Certain of the following information is beyond the direct knowledge of TCDA, the County, the Financial Advisor and the Underwriter, and none of TCDA, the County, the County's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Administrator has reviewed this Limited Offering Memorandum and warrant and represent that the information herein under the caption "THE ADMINISTRATOR" does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.

The County has selected P3Works, LLC as the initial administrator for the District (the "Administrator"). The Administrator will provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The Administrator is a consulting firm focused on providing services relating to the formation and administration of public improvement districts, and has offices in Austin, Houston and North Richland Hills, Texas.

The Administrator's duties will include:

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

### **BONDHOLDERS' RISKS**

***Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or***

*that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.*

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

The ability of TCDA to pay debt service on the Bonds as due is subject to various factors that are beyond TCDA's control. These factors include, among others, (a) the ability or willingness of property owners within the District to pay Assessments levied by the County, (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 lots within the District, it being understood that poor economic conditions within the County, State and region may slow the assumed pace of sales of such lots.

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 Landowner 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 Bonds, and such value can only be realized through the foreclosure or liquidation of the lands within the District. There is no assurance that the value of such lands will be sufficient for that purpose and the liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

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

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

### **Dependence on Contract Payments**

In order for Owners of the Bonds to receive payments of principal and interest when due, TCDA and the County must perform their obligations under the Funding Agreement. A party to the Funding Agreement could default in its obligations. In the case of a default, enforcement of the defaulting party's contractual obligations would be dependent upon judicial redress, which is subject to discretion and delay. Moreover, since TCDA's Board is the same as the Commissioners Court, TCDA may be reluctant or unable to pursue judicial redress against the County. Finally, enforcement of the Funding Agreement would be limited or prohibited if the defaulting party filed for bankruptcy under the United States Bankruptcy Code or similar state laws.

## **Assessment Limitations**

Annual Installments of Assessments are billed to property owners within 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 Bonds maturing in each year and the Annual Collection Costs for such year. See “ASSESSMENT PROCEDURES” herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

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

Upon an ad valorem tax lien foreclosure event of a property within the District, any Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the 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 Order. However, an Assessment Lien may not be foreclosed upon if any Pre-existing Homestead Rights were properly claimed prior to the adoption of the Assessment Order for as long as such Pre-existing Homestead 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.

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

Failure by owners of the parcels to pay Annual Installments when due, depletion of the accounts within the Reserve Fund, delay in foreclosure proceedings, or the inability of the County 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 TCDA to make full or punctual payments of debt service on the Bonds.

THE ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE ASSESSED PROPERTY, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE A PERSONAL

## OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN THE DISTRICT.

### Competition; Real Estate Market

The successful sale of residential units by the Landowner to end users once homes are built within the District, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Landowner. Neither the Landowner nor any other subsequent landowner in the District has any obligation to pay the Assessments. As described herein, the Assessments are an imposition against the land only. Neither the Landowner nor any other subsequent landowner is a guarantor of the Assessments and the recourse for the failure of the Landowner or any other landowner to pay the Assessments is limited to the collection proceedings against the land as described herein.

Competitive projects in the area include, but are not limited to, the following:

<u>Project Name</u>	<u>Identified Future Lots</u>	<u>Developer</u>	<u>Lot Size</u>	<u>Proximity to the District</u>
Turners Crossing	1,000+	Meritage Homes of Texas	NA	1.8 miles
Cascades at Onion Creek	500	MI Homes	NA	<1.0 miles

### Loss of Tax Exemption

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

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

As further described in “TAX MATTERS” below, failure of TCDA to comply with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”) and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. In the past, the IRS has announced audit efforts focused in part on “developer-driven bond transactions,” including certain tax increment financings and certain assessment bond transactions. It cannot be predicted if this IRS focus could lead to an audit of the Bonds or what the result would be of any such audit. If an audit of the Bonds is commenced, under current procedures parties other than TCDA 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 TCDA legitimately disagrees may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded

from the gross income of Owners for federal income tax purposes, TCDA may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

### **Bankruptcy**

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

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

The ability of an owner of property within the 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 landowners to pay the Assessments.

### **Depletion of Reserve Account of the Reserve Fund and Funding of Additional Interest Reserve Account**

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 if sufficient amounts are not available in the Reserve Account of the Reserve Fund. Additionally, the Additional Interest Reserve Account of the Reserve Fund is not funded from the proceeds of the Bonds. Instead, the Additional Interest Reserve Requirement of the Additional Interest Reserve Account is accumulated by the mechanism described in "SECURITY FOR THE BONDS – Reserve Fund." The Indenture provides that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount within such Account is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under "SECURITY FOR THE BONDS — Reserve 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 such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the District does not take into account the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. TCDA 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 TCDA 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. The

actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

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

### **Regulation**

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

### **Bondholders’ Remedies and Bankruptcy**

Bondholders’ remedies in the event of default by TCDA in one or more of its obligations under the Bonds, the Bond Resolution or the Indenture are limited. Although the Indenture provides that the Trustee may obtain a writ of mandamus requiring performance of such obligations, such remedy may prove time-consuming, costly, and difficult to enforce. Neither the Bond Resolution nor the Indenture provides for acceleration of maturity of the Bonds, or provides for the foreclosure of any property or assets other than applying the Pledged Contract Revenues to payment of the Bonds in the manner provided in the Indenture.

As is true with many entities which issue debt, there is a risk that TCDA may file for bankruptcy and afford itself the protection of the federal Bankruptcy Code. In that case, TCDA receives the benefit of the automatic stay and creditors, such as the Trustee on behalf of the owners of the Bonds, cannot pursue remedies against it without the permission of the Bankruptcy Court. TCDA has a right to reorganize and adjust its debts with the approval of the Bankruptcy Court. While the relevant law on this point is not clear, it may be possible for one or more creditors to force TCDA into bankruptcy involuntarily. A bankruptcy filing by or against TCDA could adversely affect the receipt of principal and interest on the Bonds.

### **Judicial Foreclosures**

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

### **No Acceleration**

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

### **Limited Secondary Market for the Bonds**

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

than that paid by the current Owners of the Bonds, depending on the progress of development in the District subject to the Assessments, existing real estate and financial market conditions and other factors.

### **Risk from Weather Events**

All of the State, including the area in which the Development is located, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, heavy rains, and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in the 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 Development.

### **100 Year Floodplain**

According to FEMA Flood Insurance Rate Maps No. 48453CO-595K, dated January 22, 2020, approximately 8.277 acres of land within the District are located in special flood hazard areas subject to inundation by a 100-year flood.

FEMA will from time to time revise its Flood Insurance Rate Maps. None of the County, TCDA, the Underwriter or the Landowner 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 floodplain from being included in the 100-year floodplain in the future, or whether extreme flooding events may occur more often than assumed in the 100-year floodplain.

### **Management and Ownership**

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

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

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, as well as the operating revenues of the Landowner, including those derived from the Development, are not within the control of the Landowner. 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 Landowner.

The Development cannot be completed without the Landowner obtaining a variety of governmental approvals and permits, some of which have already been obtained. 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 Landowner.

## **Dependence Upon Landowner**

The Landowner, as the developer of all of the parcels in the District, currently has the obligation for payment of approximately 69.75% of the Assessments. End-users in the District currently have the obligation for payment of approximately 30.25% of the Assessments. The ability of the Landowner to make full and timely payment of the Assessments will directly affect the ability of TCDA to meet its debt service obligations with respect to the Bonds. The source of funding for future land development activities and infrastructure construction to develop the remaining lots proposed for the District also consists of proceeds from the Bonds and proceeds of lot sales, as well as possible bank financing and equity contributions by the Landowner. There can be no assurances given as to the financial ability of the Landowner to advance any funds to TCDA to supplement revenues from the Assessments if necessary, or as to whether the Landowner will advance such funds.

Moreover, TCDA will pay to the Landowner or the Landowner's designee costs for the Public Improvements from proceeds of the Bonds. The Landowner will submit payment requests on a monthly basis for costs actually incurred in developing and constructing the Public Improvements, and be reimbursed in accordance with the Financing Agreement. See "THE AUTHORIZED IMPROVEMENTS – General" and "THE DEVELOPMENT – Development Plan". There can be no assurances given as to the financial ability of the Landowner to complete such improvements.

## **Exercise of Mineral Rights**

There may be mineral rights and related real property rights not owned by the Landowner reflected in the chain of title for the real property within the District recorded in the real property records of Travis County. However, the extent of such mineral rights, if any, are not known.

The Landowner 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 the landowners within the District to pay Assessments. However, none of TCDA, the County, TCDA's Financial Advisor, or the Underwriter provide any assurance as to such expectations.

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

The 87<sup>th</sup> Legislature passed House Bill 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 to purchase and sell is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract of purchase and sale. If the Landowner or any other homebuilder, if applicable, within the District does not provide the required notice and prospective purchasers of property within the District terminate the 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 Landowner or any other homebuilder, if applicable within the District does not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers are attached as Exhibits H-1 through H-5 to the Service and Assessment Plan. See "APPENDIX B — Form of Service and Assessment Plan."

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

During prior 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. Since the 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. 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.

## **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

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

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

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. TCDA and the County have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine

(or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

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

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

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

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

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

## **LEGAL MATTERS**

### **Legal Proceedings**

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

payable from the Trust Estate and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

Orrick, Herrington & Sutcliffe LLP serves as Bond Counsel to TCDA. Norton Rose Fulbright US LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

### **Legal Opinions**

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

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds", "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS", "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (first paragraph only), "LEGAL MATTERS — Legal Opinions" (except for the final paragraph thereof), "CONTINUING DISCLOSURE - TCDA", "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and "APPENDIX A," excluding any material that may be treated as included under such captions or subcaptions by cross references or reference to other documents or sources, and such firm is of the opinion that the statements relating to the Bonds and legal matters contained under such captions and subcaptions accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, insofar as such statements expressly summarize certain provisions of or refer to the Bonds, the Bond Resolution and the Indenture or set out content of such firm's bond counsel opinion, are accurate in all material respects.

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

### **Litigation — TCDA**

At the time of delivery and payment for the Bonds, TCDA 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 County affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Order, the Indenture, any action of TCDA contemplated by any of the said documents, or the collection or application of the Pledged Contract Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of TCDA or its authority with respect to the Bonds or any action of TCDA contemplated by any documents relating to the Bonds.

## **Litigation — The Landowner**

At the time of delivery and payment for the Bonds, the Landowner will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Landowner, threatened against or affecting the Landowner wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Landowner, respectively, or any of its general partners or affiliates or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Resolution, the Service and Assessment Plan, the Reimbursement Agreement, the Financing Agreement, the Development Services Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”).

## **SUITABILITY FOR INVESTMENT**

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS”. The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by TCDA 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 District and the opportunity to ask questions of the Landowner, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

## **ENFORCEABILITY OF REMEDIES**

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

## **NO RATING**

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

## **CONTINUING DISCLOSURE**

### **TCDA**

Pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”), TCDA, Wilmington Trust, National Association (in such capacity, the “Dissemination Agent”), and the Administrator will enter into a Continuing Disclosure Agreement (the “TCDA Disclosure Agreement”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in TCDA Disclosure Agreement, certain financial information and operating data relating to TCDA’s provision of management and administrative services for the District (collectively, the “TCDA Reports”). The specific nature of the information to be contained in TCDA Reports is set forth in “APPENDIX D-1 — Form of TCDA Disclosure Agreement.” Under certain circumstances, the failure of TCDA to comply with its obligations under the TCDA Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the TCDA Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

TCDA has agreed to update information and to provide notices of certain specified events only as provided in the TCDA Disclosure Agreement. TCDA 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 TCDA Disclosure Agreement. TCDA makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. TCDA disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of TCDA Disclosure Agreement or from any statement made pursuant to TCDA Disclosure Agreement.

### **TCDA's Compliance with Prior Undertakings**

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

### **The Landowner**

The Landowner, the Dissemination Agent, and the Administrator will enter into a Continuing Disclosure Agreement (the "Landowner Disclosure Agreement") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Landowner Disclosure Agreement, certain information regarding the Development and the Authorized Improvements (collectively, the "Landowner Reports"). The specific nature of the information to be contained in the Landowner Reports is set forth in "APPENDIX D-2 — Form of Landowner Disclosure Agreement." Under certain circumstances, the failure of the Landowner or the Trustee to comply with its obligations under the Landowner Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Landowner Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Landowner Disclosure Agreement is a voluntary agreement made for the benefit of the Owners of the Bonds and is not entered into pursuant to the Rule.

The Landowner has agreed to provide (i) certain updated information to the Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Landowner Disclosure Agreement. The Landowner 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 Landowner Disclosure Agreement. The Landowner makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Landowner disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Landowner Disclosure Agreement or from any statement made pursuant to the Landowner Disclosure Agreement.

### **Landowner's Compliance with Prior Undertakings**

The Landowner has not previously entered into a continuing disclosure undertaking.

## **UNDERWRITING**

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

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

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

of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. TCDA assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

## **LEGAL 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 Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "NO RATING" above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits to the extent of their market value. No review by TCDA has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

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

## **INVESTMENTS**

TCDA invests its funds in investments authorized by Texas law in accordance with investment policies approved by TCDA's Board. Both Texas law and TCDA's investment policies are subject to change.

Under State law, TCDA is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which 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 TCDA selects from a list the governing body or designated investment committee of TCDA 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 TCDA 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 TCDA'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) TCDA appoints as TCDA's custodian of the banking deposits issued for TCDA'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 County deposits, or (ii) certificates of deposits where (a) the funds are invested by TCDA through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by TCDA as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by TCDA, (b) the broker or the depository institution selected by TCDA 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 TCDA, (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) TCDA 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 TCDA 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 TCDA or cash held by TCDA to be pledged to TCDA, held in TCDA's name, and deposited at the time the investment is made with TCDA or with a third party selected and approved by TCDA, 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 TCDA 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.); (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; and (15) 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 TCDA, held in TCDA's name and deposited at the time the investment is made with TCDA or a third party designated by TCDA; (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. 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 TCDA and deposited with TCDA or a third party selected and approved by TCDA.

TCDA 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. TCDA 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 TCDA retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, TCDA must do so by order, ordinance, or resolution. TCDA 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.

Under Texas law, TCDA is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability

of investment management; and that includes a list of authorized investments for TCDA 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 TCDA funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, TCDA investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of TCDA shall submit an investment report detailing: (1) the investment position of TCDA, (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 by the type of asset and fund type invested, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest TCDA funds without express written authority from the Board.

Under Texas law TCDA 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 TCDA to disclose the relationship and file a statement with the Texas Ethics Commission and the Board; (4) require the qualified representative of firms offering to engage in an investment transaction with TCDA to: (a) receive and review TCDA's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between TCDA and the business organization that are not authorized by TCDA's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of TCDA's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to TCDA's investment policy; (6) provide specific investment training for the officers of TCDA; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with TCDA.

### **INFORMATION RELATING TO THE TRUSTEE**

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

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by TCDA of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by TCDA. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the

Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

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

## **SOURCES OF INFORMATION**

### **General**

The information contained in this Limited Offering Memorandum has been obtained primarily from TCDA's records, the County, the Landowner 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 TCDA, the County or the Landowner described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

### **Source of Certain Information**

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

References to web site 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 web sites 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 SEC Rule 15c2-12.

### **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 development planning and finance.

Development Planning and Financial Group assisted the Landowner in providing information regarding the District and the Public Improvements.

### **Updating of Limited Offering Memorandum**

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

### **FORWARD-LOOKING STATEMENTS**

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

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED HEREIN TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. TCDA 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 Board of TCDA has approved by resolution the form and content of this Preliminary Limited Offering Memorandum and has authorized this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

TRAVIS COUNTY DEVELOPMENT AUTHORITY

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

**APPENDIX A**  
**FORM OF INDENTURE**

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

INDENTURE OF TRUST

By and Between

TRAVIS COUNTY DEVELOPMENT AUTHORITY

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,  
as Trustee

DATED AS OF APRIL 1, 2024

SECURING

\$(PRINCIPAL)  
TRAVIS COUNTY DEVELOPMENT AUTHORITY,  
CONTRACT ASSESSMENT REVENUE BONDS, SERIES 2024  
(BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT)

---

## TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS, FINDINGS, AND INTERPRETATION.....	5
Section 1.1.    Definitions. ....	5
Section 1.2.    Findings. ....	16
Section 1.3.    Table of Contents, Titles, and Headings.....	16
Section 1.4.    Interpretation. ....	16
ARTICLE II GRANTING CLAUSES; SECURITY FOR THE BONDS .....	17
Section 2.1.    Granting Clauses .....	17
Section 2.2.    Security for the Bonds. ....	17
Section 2.3.    Limited Obligations.....	19
Section 2.4.    Authorization for Indenture.....	20
Section 2.5.    Contract with Owners and Trustee. ....	20
ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS .....	20
Section 3.1.    Authorization. ....	20
Section 3.2.    Date, Denomination, Maturities, Numbers, and Interest.....	21
Section 3.3.    Conditions Precedent to Delivery of Bonds. ....	22
Section 3.4.    Medium, Method, and Place of Payment. ....	22
Section 3.5.    Execution and Registration of Bonds. ....	24
Section 3.6.    Refunding Bonds. ....	25
Section 3.7.    Ownership.....	25
Section 3.8.    Registration, Transfer, and Exchange.....	25
Section 3.9.    Cancellation. ....	27
Section 3.10.   Temporary Bonds. ....	27
Section 3.11.   Replacement Bonds. ....	27
Section 3.12.   Book-Entry Only System. ....	28
Section 3.13.   Successor Securities Depository: Transfer Outside Book-Entry- Only System. ....	29
Section 3.14.   Payments to Cede & Co. ....	30
ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY .....	30
Section 4.1.    Limitation on Redemption.....	30
Section 4.2.    Mandatory Sinking Fund Redemption. ....	30

# TABLE OF CONTENTS

(continued)

	<b>Page</b>
Section 4.3. Optional Redemption.....	32
Section 4.4. Extraordinary Optional Redemption. ....	32
Section 4.5. Partial Redemption. ....	32
Section 4.6. Notice of Redemption to Owners. ....	33
Section 4.7. Payment Upon Redemption.....	34
Section 4.8. Effect of Redemption.....	34
ARTICLE V FORM OF THE BONDS.....	35
Section 5.1. Form Generally.....	35
Section 5.2. CUSIP Registration. ....	35
Section 5.3. Legal Opinion. ....	35
ARTICLE VI FUNDS AND ACCOUNTS.....	36
Section 6.1. Establishment of Funds and Accounts. ....	36
Section 6.2. Initial Deposits to Funds and Accounts.....	37
Section 6.3. Pledged Revenue Fund. ....	37
Section 6.4. Bond Fund. ....	39
Section 6.5. Project Fund.....	39
Section 6.6. Redemption Fund. ....	41
Section 6.7. Reserve Fund. ....	41
Section 6.8. Rebate Fund: Rebate Amount. ....	43
Section 6.9. Administrative Fund. ....	44
Section 6.10. Investment of Funds. ....	44
Section 6.11. Security of Funds.....	45
ARTICLE VII GENERAL COVENANTS AND REPRESENTATIONS OF TCDA .....	46
Section 7.1. Payment of Bonds; Limited Obligations. ....	46
Section 7.2. Further Covenants and Representations of TCDA. ....	46
Section 7.3. Power to Enter Into Indenture, Issue Bonds, and Pledge Trust Estate. ....	47
Section 7.4. Amend Articles and Bylaws. ....	47
Section 7.5. Maintenance of Corporate Existence of TCDA; Consolidation, Merger, Sale or Transfer of Assets Under Certain Conditions. ....	48
Section 7.6. Against Encumbrances. ....	48

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
Section 7.7. Records, Accounts, Accounting Reports.....	48
Section 7.8. Covenants to Maintain Tax-Exempt Status.....	48
ARTICLE VIII LIABILITY OF TCDA.....	51
ARTICLE IX THE TRUSTEE.....	53
Section 9.1. Trustee as Registrar and Paying Agent.....	53
Section 9.2. Trustee Entitled to Indemnity.....	54
Section 9.3. Responsibilities of the Trustee. ....	54
Section 9.4. Property Held in Trust. ....	55
Section 9.5. Trustee Protected in Relying on Certain Documents. ....	55
Section 9.6. Compensation. ....	56
Section 9.7. Permitted Acts. ....	57
Section 9.8. Resignation of Trustee.....	57
Section 9.9. Removal of Trustee. ....	57
Section 9.10. Successor Trustee. ....	57
Section 9.11. Transfer of Rights and Property to Successor Trustee. ....	58
Section 9.12. Merger, Conversion, or Consolidation of Trustee.....	59
Section 9.13. Trustee to File Continuation Statements. ....	59
Section 9.14. Construction of Indenture.....	59
ARTICLE X MODIFICATION OR AMENDMENT OF THIS INDENTURE AND THE FUNDING AGREEMENT.....	60
Section 10.1. Amendments Permitted. ....	60
Section 10.2. Owners' Meetings. ....	61
Section 10.3. Procedure for Amendment with Written Consent of Owners. ....	61
Section 10.4. Execution of Supplemental Indenture. ....	62
Section 10.5. Effect of Supplemental Indenture and Amendment. ....	63
Section 10.6. Endorsement or Replacement of Bonds Issued After Amendments. ....	63
Section 10.7. Amendatory Endorsement of Bonds. ....	63
Section 10.8. Waiver of Default. ....	63
ARTICLE XI DEFAULT AND REMEDIES .....	64
Section 11.1. Events of Default.....	64
Section 11.2. Immediate Remedies for Default.....	65

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
Section 11.3. Restriction on Owner's Action. ....	67
Section 11.4. Application of Revenues and Other Moneys After Default. ....	68
Section 11.5. Effect of Waiver. ....	69
Section 11.6. Evidence of Ownership of Bonds. ....	69
Section 11.7. No Acceleration. ....	70
Section 11.8. Mailing of Notice. ....	70
Section 11.9. Exclusion of Bonds. ....	70
ARTICLE XII SPECIAL COVENANTS .....	71
Section 12.1. Further Assurances; Due Performance. ....	71
Section 12.2. Additional Obligations; or Other Liens. ....	71
Section 12.3. Books of Record. ....	72
ARTICLE XIII PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE .....	72
Section 13.1. Trust Irrevocable. ....	72
Section 13.2. Satisfaction of Indenture. ....	72
Section 13.3. Bonds Deemed Paid. ....	73
ARTICLE XIV MISCELLANEOUS .....	73
Section 14.1. Benefits of Indenture Limited to Parties. ....	73
Section 14.2. Successor is Deemed Included in All References to Predecessor. ....	74
Section 14.3. Execution of Documents and Proof of Ownership by Owners. ....	74
Section 14.4. No Individual Liability. ....	74
Section 14.5. Notices to and Demands on TCDA and Trustee. ....	75
Section 14.6. Partial Invalidity. ....	76
Section 14.7. Applicable Laws. ....	76
Section 14.8. Payment on Business Day. ....	76
Section 14.9. Counterparts. ....	77

Exhibit A – Form of Bond

## INDENTURE OF TRUST

THIS INDENTURE, dated as of April 1, 2024, is by and between the TRAVIS COUNTY DEVELOPMENT AUTHORITY (the “TCDA”), a public nonprofit local government corporation incorporated under Subchapter D of Chapter 431, Texas Transportation Code, as amended (“Chapter 431”), and Chapter 394, Texas Local Government Code, as amended (“Chapter 394” and together with Chapter 431, the “LGC Act”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, as trustee (together with its successors, the “Trustee”). Capitalized terms used in the preamble and recitals and not otherwise defined shall have the meanings assigned thereto in Article I of this Indenture.

### RECITALS

- A. A petition (the “Petition”) was submitted and filed with the County Clerk (the “County Clerk”) of Travis County, Texas (the “County”) pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “PID Act”), requesting the creation of a public improvement district located in the County and in the extraterritorial jurisdiction of the City of Austin, Texas (the “City”) to be known as Bella Fortuna Public Improvement District (the “District”).
- B. On January 3, 2017, the Commissioners Court of the County (the “Commissioners Court”) approved: (1) setting a public hearing on January 24, 2017 to receive comments on the Petition, (2) publishing notice of the public hearing, and (3) mailing notice of the public hearing to affected parties.
- C. The Petition contained the signatures of the owners of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then-current ad valorem tax rolls of the Travis Central Appraisal District, and the signatures of the 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.
- D. On January 24, 2017, after due notice, the Commissioners Court opened 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.
- E. On October 31, 2017, the Commissioners Court closed the public hearing and made the findings required by Section 372.009(b) of the PID Act and, by a resolution adopted by a majority of the members of the Commissioners Court (the “Authorization Resolution”),

authorized the creation of the District in accordance with its finding as to the advisability of the improvement projects and services.

- F. On November 10, 2017, the County published notice of the Authorization Resolution in *The Austin Chronicle*, a newspaper of general circulation in the County and in the extraterritorial jurisdiction of the City.
- G. No written protests of the District from any owners of record of property within the District were filed with the County Clerk within 20 days after November 10, 2017.
- H. No objection was made by the City to the establishment of the District within 30 days of the County's action approving the Authorization Resolution.
- I. Pursuant to Section 431.101 of the LGC Act, a local government corporation may be created to aid and act on behalf of one or more local governments to accomplish any governmental purpose of those local governments.
- J. On December 17, 1999, and pursuant to the LGC Act, the County created TCDA to aid, assist and act on behalf of the County in the performance of the County's governmental functions, including but not limited to promote the common good and general welfare of the County; and to promote, develop, encourage, and maintain education facilities, employment, commerce, and economic development in the County. TCDA has all other powers of a like or different nature not prohibited by law which are available to nonprofit corporations in the State of Texas (the "State") and that are necessary or useful to enable TCDA to perform the purposes for which it was created, including the power to issue bonds, notes, or other obligations and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that TCDA may not issue bonds without the consent of the Commissioners Court.
- K. On September 25, 2018, the Commissioners Court and the Board of Directors of the TCDA (the "Board") approved amended articles of incorporation and bylaws for TCDA, authorizing TCDA to act pursuant to and to aid, assist, and act on behalf of the County in accordance with all applicable laws and amendments thereto, including the authority to manage defined areas such as public improvement districts created under the PID Act, including the District.
- L. Pursuant to Section 372.026(f) of the PID Act, the Commissioners Court may enter into an agreement with a corporation created by the County under the Texas Constitution or other law that provides for payment of amounts pledged under the PID Act to the corporation to secure indebtedness issued by the corporation to finance an improvement project, including

indebtedness to pay capitalized interest and to fund a reserve fund, each as permitted by the PID Act for revenue or general obligation bonds issued under the LGC Act and indebtedness issued to pay the corporation's costs of issuance. In addition, the agreement may provide that: (1) the corporation is responsible for managing the public improvement district; or (2) title to one or more improvements will be held by the corporation.

- M. The County and TCDA have entered into a Contract for Management and Administrative Services dated April 24, 2018 (the "Management Contract") pursuant to which TCDA agreed to provide management and administrative services for the public improvement districts created by the Commissioners Court as requested by the County, including billing and collecting of assessments and, when requested by the Commissioners Court, the issuance of bonds.
- N. On November 17, 2020, the Commissioners Court by a resolution made findings and determinations relating to the costs of certain Authorized Improvements (as defined herein), received and accepted a preliminary service and assessment plan and proposed assessment roll, called a public hearing for December 1, 2020, and directed County staff to (1) file said proposed assessment roll with the Tax Assessor-Collector of the County (the "County Tax Assessor-Collector") and to make it available for public inspection as required by Section 372.016(b) of the PID Act and (2) provide such notice as required by Section 372.016(b) and 372.016(c) of the PID Act relating to the December 1, 2020 hearing.
- O. On November 20, 2020, the Commissioners Court, pursuant to Section 372.016(b) of the PID Act, caused notice of a public hearing to be published in the *Austin American-Statesman*, a newspaper of general circulation in the County and in the extraterritorial jurisdiction of the City, to consider the proposed Assessment Roll (as defined herein), and the service and assessment plan (the "Original Service and Assessment Plan"), and the levy of the Assessments (as defined herein) on property in the District.
- P. The Commissioners Court, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Assessment Roll and the Original Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments.
- Q. The Commissioners Court convened the hearing on December 1, 2020, and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Assessment Roll and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessment, the allocation of Actual Costs (as defined herein), the purposes of the

Assessment, the special benefits of the Assessment, and the penalties and interest on annual installments and on delinquent annual installments of the Assessment, and there were no written objections or evidence submitted to the County Clerk or the County Tax Assessor-Collector in opposition to the Original Service and Assessment Plan, the allocation of Actual Costs, the Assessment Roll, and the levy of the Assessments.

- R. On December 1, 2020, the Commissioners Court closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the County, approved, and accepted the Original Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Order (as defined herein) and therein levied the Assessments.
- S. On December 1, 2020, the County and TCDA entered into the “Bella Fortuna Public Improvement District Funding Agreement” (the “Original Funding Agreement”), pursuant to which Contract Assessment Revenues (as defined herein) will be paid to TCDA, which will deposit such revenues in a segregated fund held by the Trustee under this Indenture.
- T. On March 5, 2024, the Commissioners Court, in accordance with the articles of incorporation and the bylaws of TCDA and as authorized by the LGC Act and the PID Act, approved a resolution (1) finding that the financing of public improvement projects through public improvement districts promotes the common good and general welfare of the County by promoting, developing, encouraging, and maintaining employment, commerce, and economic development in the County, (2) finding that TCDA is authorized to aid, assist and act on behalf of the County in managing the District and to issue bonds to accomplish such purpose, and (3) consenting to TCDA’s issuance of the Bonds (as defined herein).
- U. On March 19, 2024, the County and TCDA entered into the Funding Agreement (as defined herein), which amends and restates the Original Funding Agreement in its entirety.
- V. TCDA now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled “Travis County Development Authority Contract Assessment Revenue Bonds, Series 2024 (Bella Fortuna Public Improvement District)” (the “Bonds”), such Bonds being payable solely as provided in this Indenture.
- W. TCDA has determined to enter into this Indenture with the Trustee in connection with the issuance of the Bonds.
- X. NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the Owners thereof,

and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the TCDA and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit of the respective Owners from time to time of the Bonds, as follows:

## ARTICLE I

### DEFINITIONS, FINDINGS, AND INTERPRETATION

#### Section 1.1. Definitions.

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

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

“Actual Costs” means with respect to each Public Improvement, the Landowner’s demonstrated, reasonable, allocable, and allowable costs of constructing the Public Improvement, as specified in a payment request in a form that has been reviewed and approved by the County or the TCDA and:

(a) in an amount not to exceed the amount for the Public Improvement as set forth in the Service and Assessment Plan; and

(b) may include:

(1) 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;

(2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Public Improvements;

(3) a Construction Management Fee (as defined in the Financing Agreement);

(4) 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;

(5) 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; and

(6) all related permitting and public approval expenses, architectural, engineering, and consulting fees, taxes, governmental fees and charges and insurance premiums.

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

“Additional Interest Rate” means the 0.5% additional interest permitted to be charged by the County on the Assessments pursuant to Section 372.018 of the PID Act.

“Additional Interest Reserve Account” means the Account of such name established pursuant to Section 6.1(b) and administered in accordance with the provision of Section 6.7 of this Indenture.

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

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

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

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

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to creation and operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) County staff; (3) TCDA staff; (4) legal counsel, engineers, accountants,

financial advisors, and other consultants engaged by the County or TCDA; (5) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (6) preparing and maintaining records with respect to the Assessment Roll and Annual Service Plan Updates; (7) paying, and redeeming Bonds; (8) investing or depositing Assessments and Annual Installments; (9) complying with the Service and Assessment Plan and the PID Act with respect to the issuance and sale of Bonds, including continuing disclosure requirements; (10) the TCDA Depository Bank, the Paying Agent/Registrar and Trustee in connection with the Bonds, including their respective legal counsel; and (11) administering the construction of the Public Improvements. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

“Annual Installment” means the annual payment on the Assessment, as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Annual Service Plan Update” means an update of the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the Commissioners Court.

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

“Assessed Property” means each respective Parcel of land located within the District against which an Assessment is levied by the Assessment Order, in accordance with the Service and Assessment Plan.

“Assessment Order” means an Order adopted by the Commissioners Court on December 1, 2020, that levied the Assessments on the Assessed Property.

“Assessment Revenue” means monies received by or on behalf of the County from the collection of Assessments levied against an Assessed Property, including: (1) Annual Installments; (2) Prepayments; (3) Delinquent Collection Costs; and (4) Foreclosure Proceeds.

“Assessment Roll” means the assessment roll attached as Exhibit F to the Service and Assessment Plan or any other Assessment Roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Assessment against each Assessed Property related to the Bonds and the Public Improvements, 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 on Assessed Property within the District pursuant to the Assessment Order, as shown on the Assessment Roll. The singular of such term means the assessment levied against an Assessed Property, as shown on the Assessment Roll, subject to reallocation upon the subdivision of an Assessed Property or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

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

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, whose estimated costs are shown in Exhibit C and described in Section III of the Service and Assessment Plan.

“Beneficial Owner” means any person for which a DTC Participant acquires an interest in the Bonds.

“Board” means the governing body of TCDA.

“Bond” means any of the Bonds.

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

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

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

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

“Bond Resolution” means a Resolution adopted by the Board on March 19, 2024, authorizing the issuance of the 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 TCDA’s bonds authorized to be issued by Section 3.1 of this Indenture entitled “Travis County Development Authority Contract Assessment Revenue Bonds, Series 2024 (Bella Fortuna Public Improvement District)”.

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

“Certification for Payment” means a certificate substantially in the form of Exhibit C attached to the Financing Agreement or otherwise approved by the Landowner and a TCDA Representative executed by an engineer, construction manager, or other person or entity acceptable to TCDA, as evidenced by the signature of a TCDA Representative, delivered to a TCDA Representative and the Trustee specifying the amount of work performed and the Actual Costs thereof (other than bond issuance costs), and requesting payment for such Actual Costs from money on deposit in the Improvement Account of the Project Fund as further described in the Financing Agreement and Section 6.5 herein.

“City” means the City of Austin, Texas.

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

“Closing Disbursement Request” means a certificate substantially in the form of Exhibit D attached to the Financing Agreement or otherwise approved by the Landowner and the TCDA Representative executed by the Landowner or other person or entity acceptable to TCDA, as evidenced by the signature of a TCDA Representative, delivered to the Trustee specifying the costs incurred by the Landowner as bond issuance costs, and requesting payment for such costs from money on deposit in the Costs of Issuance Account of the Project Fund as further described in the Financing Agreement and Section 6.5 herein.

“Code” has the meaning assigned to it in Section 7.8 hereof.

“Commissioners Court” means the governing body of the County.

“Contract Assessment Revenue” means the Assessment Revenues required to be paid by the County to TCDA pursuant to the provisions of the Funding Agreement for deposit into a segregated account held by the Trustee under the Indenture for the payment of the Bonds.

“Costs of Issuance Account” means the Account of such name established pursuant to Section 6.1(b).

“County” means Travis County, Texas, a political subdivision of the State of Texas.

“County Clerk” means the County Clerk of the County.

“County Consent Resolution” means the resolution of the Commissioners Court (1) finding that the financing of public improvement projects through public improvement districts promotes the common good and general welfare of the County by promoting, developing, encouraging, and maintaining employment, commerce, and economic development in the County, (2) finding that TCDA is authorized to aid, assist, and act on behalf of the County in managing the District and to issue bonds to accomplish such purpose, and (3) consenting to TCDA’s issuance of the Bonds.

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

“Delinquent Collection Costs” means the costs related to the foreclosure on an Assessed Property and the costs of collection of a delinquent Assessment, delinquent Annual Installment, or any other delinquent amounts due under the Service and Assessment Plan, including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

“Deposit Agreement” means the Bella Fortuna Public Improvement District Deposit Agreement, dated as of May 16, 2023 by and between TCDA and the TCDA Depository Bank.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office located in Wilmington, Delaware, or such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by TCDA and such successor.

“District” means the Bella Fortuna Public Improvement District.

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

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

“Event of Default” means any event of default described in Section 11.1 of this Indenture.

“Financing Agreement” means the “Bella Fortuna Public Improvement District Financing Agreement” dated as of May 28, 2019, between TCDA, the County and the Original Landowner, as amended by the First Amendment to the Financing Agreement between the TCDA, the County and the Landowner, as successor in interest to the Original Landowner, which relates to the construction of the Public Improvements, the maintenance of the Public Improvements, the payment of the Actual Costs of the Public Improvements, issuance of bonds, and other matters related thereto.

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

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

“Funding Agreement” means the “Amended and Restated Bella Fortuna Public Improvement District Funding Agreement” effective as of March 19, 2024, which amends and restates the Original Funding Agreement in its entirety, under which the County will make or cause to be made payments of Contract Assessment Revenues to TCDA for deposit in the Pledged Revenue Fund held by the Trustee under this Indenture for the payment of the Bonds.

“Improvement Account” means that Account of such name established by Section 6.1(b) and administered pursuant to Section 6.5 hereof.

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

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

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

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

“Initial Purchaser” means the initial purchaser of the Bonds.

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

“Investment Securities” means those authorized investments which TCDA is permitted to make under the laws of the State, including the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended; and provided further investments are, at the time made, included in and authorized by TCDA’s official investment policy as approved by the Board from time to time.

“Landowner” means Clayton Properties Group, Inc., a Tennessee corporation doing business in Texas as Brohn Homes (including its successors and assigns).

“LGC Act” means, collectively, Texas Transportation Code, Subchapter D of Chapter 431, as amended, and Texas Local Government Code, Chapter 394, as amended.

“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.

“Original Landowner” means Views at Onion Creek, LP, a Texas limited partnership.

“Original Service and Assessment Plan” means the service and assessment plan, including the Assessment Roll, as amended, including any updates thereto, which is attached to the Assessment Order.

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

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

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

“Participating Underwriter” has the meaning set forth in Rule 15c2-12 adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time and includes the Initial Purchaser of the Bonds.

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

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

“PID Act” means Texas Local Government Code, Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, as amended.

“Pledged Contract Revenues” means the sum of (i) Contract Assessment Revenue less (a) the Annual Collection Costs and (b) Delinquent Collection Costs, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that TCDA may pledge to the payment of the Bonds.

“Pledged Funds” means the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund, and each Account established in any of the foregoing.

“Pledged Revenue Fund” means that Fund established pursuant to Section 6.1(a) and administered pursuant to Section 6.3 herein.

“Prepayment” means the payment of all or a portion of an Assessment before the due date thereof.

“Principal and Interest Account” means the Account of such name established pursuant to Section 6.1(b) herein.

“Project Fund” means that Fund established pursuant to Section 6.1(a) and administered pursuant to Section 6.5 herein.

“Public Improvements” means the Authorized Improvements which benefit the Assessed property, and are described in Section III.A, and depicted in Exhibit I, to the Service and Assessment Plan.

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

“Rebate Fund” means that Fund established pursuant to Section 6.1(a) and administered pursuant to Section 6.8 herein.

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

“Redemption Fund” means that Fund established pursuant to Section 6.1(a) and administered pursuant to Section 6.6 herein.

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

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

“Regulations” has the meaning assigned to it in Section 7.8 hereof.

“Reserve Account” means that Account established pursuant to Section 6.1(b) and administered in Section 6.7 herein.

“Reserve Account Requirement” means the least of, as of the Closing Date: (i) Maximum Annual Debt Service on the Bonds, (ii) 125% of average Annual Debt Service on the Bonds, or (iii) 10% of the proceeds of the Bonds; provided, however, that the Reserve Account Requirement shall be reduced by the amount of any transfers made pursuant to subsections (d) and (e) of Section 6.7; and provided further that as a result of an optional redemption pursuant to Section 4.3, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the Closing Date, the Reserve Account Requirement is \$[ ] which is an amount equal to the Maximum Annual Debt Service on the Bonds as of the Closing Date.

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

“Reserve Fund Obligations” means cash or Investment Securities.

“Service and Assessment Plan” means the “Bella Fortuna Public Improvement District Amended and Restated Service and Assessment Plan”, as updated and amended from time to time, and which amends and restates the Original Service and Assessment Plan in its entirety.

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

“State” means the State of Texas.

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

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

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

“TCDA” means the Travis County Development Authority, a Texas public nonprofit local government corporation.

“TCDA Certificate” means written instructions by TCDA, signed by a TCDA Representative and delivered to the Trustee.

“TCDA Depository Bank” means the depository bank selected by TCDA, initially Wilmington Trust, National Association, a national banking association.

“TCDA Representative” means the President, Vice President, or Treasurer of TCDA and any other officers, employees, or agents of TCDA authorized by resolution of the Board of TCDA to act as a TCDA Representative under the Indenture or any Supplemental Indenture or otherwise

with respect to the Bonds, all of which Persons shall be acting solely in their representative capacity on behalf of TCDA and not individually.

“Trust Estate” means the Trust Estate described in the Granting Clauses in Section 2.1 of this Indenture.

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

#### Section 1.2. Findings.

The declarations, determinations and findings declared, made, and found in the preamble and recitals 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) 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

### GRANTING CLAUSES; SECURITY FOR THE BONDS

#### Section 2.1. Granting Clauses.

(a) In order to secure the payment of debt service on all Bonds equally and ratably, and the performance and observance by TCDA of all the covenants expressed or implied herein, TCDA does hereby grant to the Trustee a security interest in, mortgage, create a first lien on, and pledge to the Trustee, all of its right, title, and interest, whether now owned or hereafter acquired, in, to, and under the following (the “Trust Estate”):

(i) the Funding Agreement, including but not limited to the security interest granted by the County to TCDA therein;

(ii) all Pledged Contract Revenues and all investments thereof, all Pledged Funds and all moneys, instruments, securities, investment property, and other property from time to time on deposit in or credited to the Pledged Funds;

(iii) all right to bring actions and proceedings under the Funding Agreement for the enforcement thereof, and to do all things that TCDA is entitled to do under the Funding Agreement;

(iv) any and all property (other than amounts in, or required to be deposited in, the Rebate Fund) of every kind or description now or hereafter owned by TCDA which may now or hereafter be deposited, pledged, mortgaged, granted or delivered to, or deposited with the Trustee by or on behalf of TCDA as additional security hereunder, or which pursuant to any of the provisions of the Indenture or Funding Agreement may come into the possession or control of the Trustee, or of a receiver lawfully appointed pursuant to this Indenture, as such additional security; and

(v) all proceeds of the foregoing.

The Trustee is hereby authorized to receive any and all such property or money at any and all times as additional security for the payment of the Bonds, and to hold and apply all such property subject to the terms of this Indenture and the Funding Agreement.

(b) The Trustee shall have and hold the Trust Estate, whether now owned or hereafter acquired or received, in trust upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and

for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture.

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

Except as otherwise provided in the remaining provisions of this Indenture, nothing in the Granting Clauses of this Indenture shall prohibit the Trustee from bringing any actions or proceedings for the enforcement of the obligation of TCDA hereunder except that nothing in this provision shall prejudice the rights of the Trustee under Articles IX and XI hereof; provided further that the priority of payment and the source for the repayment of the debt service on the Bonds shall be subject to the terms as set forth herein, including without limitation Article VI herein; provided further that the right to direct remedies following an Event of Default shall be limited to the Owners of the Bonds to the extent provided and set forth in Articles XI and XIV herein.

(c) The Bonds are to be issued, registered, authenticated, and delivered, and that the Trust Estate is to be held, dealt with and disposed of by the Trustee, upon and subject to the terms, covenants, conditions, uses, agreements and trusts set forth in this Indenture.

#### Section 2.2. Security for the Bonds.

TCDA, pursuant to the Management Contract, entered into the Deposit Agreement with the TCDA Depository Bank. In accordance with Texas Business and Commerce Code, Chapter 9, as amended, TCDA has taken control of the Public Improvements Subaccount (as defined in the Funding Agreement) as a customer of the TCDA Depository Bank under the Deposit Agreement.

Any security interest created by this Indenture is valid and binding and automatically and fully perfected from and after the Closing Date and shall remain perfected continuously through the termination of this Indenture in accordance with the terms set forth herein, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any document, or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the security interests created by this Indenture. If the security interests created by this Indenture ever are subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the Owners of the Bonds the perfection of the security interests created by this Indenture, TCDA shall take such measures as it determines are reasonable and necessary under State law to comply with the

applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and make all filings necessary or advisable to perfect the security interests created by this Indenture.

Without limiting any of the foregoing, the TCDA agrees and accepts the appointment of the Trustee pursuant to the terms of this Indenture, and further agrees that, subject to the terms of this Indenture and the Funding Agreement, this Indenture shall constitute a security agreement and the Trustee, as secured party, shall be entitled to exercise any and all rights and remedies that the Trustee may have hereunder or under the Funding Agreement or applicable law with respect thereto.

### Section 2.3. Limited Obligations.

The Bonds are special and limited obligations of TCDA, payable solely from and secured solely by the Trust Estate, in accordance with this Indenture or any Supplemental Indenture.

NOTWITHSTANDING ANY PROVISION OR INFERENCE CONTAINED HEREIN, NEITHER THE BONDS NOR ANY OTHER AMOUNTS SECURED BY THE TRUST ESTATE WILL EVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION OR CORPORATION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISIONS OR STATUTORY LIMITATION WHATSOEVER, BUT THE BONDS AND ANY OTHER AMOUNTS SECURED BY THE TRUST ESTATE WILL BE SPECIAL OBLIGATIONS OF TCDA PAYABLE SOLELY FROM THE FUNDS AVAILABLE THEREFOR AS PROVIDED IN THIS INDENTURE. WITHOUT LIMITING AND IN ADDITION TO THE FOREGOING, THE TRUSTEE AND OWNERS UNDERSTAND THAT TCDA IS AN ENTITY SEPARATE AND APART FROM THE COUNTY, AND THAT NO FUNDS OR OTHER ASSETS OR RESOURCES OF THE COUNTY ARE SUBJECT TO THIS INDENTURE OR ANY OF ITS OBLIGATIONS OR PROVISIONS. THE COUNTY IS DISTINCT FROM TCDA AND SHALL HAVE ABSOLUTELY NO LIABILITY, OBLIGATION, OR RESPONSIBILITY HEREUNDER. FURTHER, THE TRUSTEE AND OWNERS UNDERSTAND THAT NO FUNDS OR OTHER ASSETS OR RESOURCES OF TCDA, OTHER THAN THOSE CONSTITUTING THE TRUST ESTATE, ARE SUBJECT TO THIS INDENTURE OR ANY OF ITS OBLIGATIONS OR PROVISIONS. NONE OF THE STATE, THE COUNTY, TCDA, NOR ANY POLITICAL SUBDIVISION OR CORPORATION OF THE STATE SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS, OR ANY OTHER AMOUNTS SECURED BY THE TRUST ESTATE, OTHER THAN TCDA, BUT SOLELY IN ACCORDANCE WITH THIS INDENTURE AND ANY APPLICABLE SUPPLEMENTAL INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE COUNTY, NOR

ANY OTHER POLITICAL SUBDIVISION OR CORPORATION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR THE INTEREST ON SUCH BONDS OR ANY OTHER AMOUNTS SECURED BY THE TRUST ESTATE. TCDA HAS NO TAXING AUTHORITY. THE OBLIGATIONS OF TCDA TO THE OWNERS ARE LIMITED SOLELY TO THE TRUST ESTATE AS DESCRIBED IN THIS INDENTURE.

Section 2.4. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by TCDA to the Trustee have been duly authorized by official action of the Board of TCDA. TCDA 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 preamble, recitals and granting clauses of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 2.5. Contract with Owners and Trustee.

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

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

### ARTICLE III

#### AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act and the LGC Act. The Bonds shall be issued in the aggregate principal amount of \$[PRINCIPAL] for the purpose of (i) paying a portion of the Actual Costs of the Public Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds, and (iii) paying the costs of issuance of the Bonds.

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

(a) The Bonds shall be dated April 17, 2024 (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 Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing September 1, 2024 computed on the basis of a 360-day year of twelve 30-day months.

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
-------------	-------------------------	----------------------

\$

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A to this Indenture.

### Section 3.3. Conditions Precedent to Delivery of Bonds.

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

- (a) a certified copy of the Assessment Order;
- (b) a certified copy of the County Consent Resolution;
- (c) a certified copy of the Bond Resolution;
- (d) a copy of the executed Financing Agreement;
- (e) a copy of the executed Funding Agreement;
- (f) a copy of this Indenture executed by the Trustee and TCDA;
- (g) copies of any executed continuing disclosure agreements related to the issuance of the Bonds, if any;
- (h) a copy of the executed opinion of Bond Counsel;
- (i) a copy of the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate; and
- (j) a TCDA Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds, and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to TCDA.

### Section 3.4. Medium, Method, and Place of Payment.

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

(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, 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 TCDA. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be fifteen 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.

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

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

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

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

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be signed in the name of TCDA by the President or by such other officer of TCDA authorized to do so by resolution of the Board by his or her manual or facsimile signature and attested by the Vice President, Secretary or Assistant Secretary of TCDA, as approved by the Board. In case any such officer of TCDA shall have signed any of the Bonds shall cease to hold such office before the Bonds so signed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed such Bonds had not ceased to hold such offices.

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

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

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

### Section 3.6. Refunding Bonds.

(a) Except in accordance with the provisions of this Indenture, including Section 12.2, TCDA shall not issue additional bonds, notes, or other obligations payable from any portion of the Trust Estate, other than Refunding Bonds. TCDA reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State.

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

### Section 3.7. Ownership.

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

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

### Section 3.8. Registration, Transfer, and Exchange.

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

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register. If any Bond is not presented for payment when the

principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of TCDA to the Owner thereof for the payment of such Bond shall forthwith cease and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part under this Indenture, or with respect to, said Bond.

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

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

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

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

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

Section 3.9. Cancellation.

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

Section 3.10. Temporary Bonds.

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

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

(c) TCDA, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and the Trustee shall authenticate and deliver in exchange therefor, a Bond or Bonds of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.11. Replacement Bonds.

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

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

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

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

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

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

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

#### Section 3.12. Book-Entry Only System.

The Bonds shall initially be issued in book-entry-only form and shall be deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the

letter of representations from TCDA to DTC. On the Closing Date the definitive Bonds shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede & Co., as nominee for DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, TCDA and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or Beneficial Owner. Without limiting the immediately preceding sentence, TCDA and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant, any Beneficial Owner, or any other Person, other than DTC, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant, any Beneficial Owner, or any other Person, other than DTC, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, TCDA and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge TCDA's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of TCDA to make payments of amounts due pursuant to this Indenture. To the extent that the Beneficial Owners are designated as the transferee by the Owners, in accordance with Section 3.08, the Bonds will be delivered to such Beneficial Owners. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

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

In the event that TCDA determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from TCDA to DTC, TCDA shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and

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

Section 3.14. Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, shall be made without presentment, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the blanket letter of representations from TCDA to DTC.

## ARTICLE IV

### REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds maturing on September 1 in the years 20\_\_, 20\_\_ and 20\_\_ are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by TCDA in part at the price of par plus accrued and unpaid interest to the date of redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of this Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

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

<u>\$ _____ Bonds Maturing September 1, 20</u>	
Mandatory Sinking Fund	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20*	
*Stated Maturity	

<u>\$ _____ Bonds Maturing September 1, 20</u>	
Mandatory Sinking Fund	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20	\$
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20*	
*Stated Maturity	

<u>\$ _____ Bonds Maturing September 1, 20</u>	
Mandatory Sinking Fund	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20	\$
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20*	
*Stated Maturity	

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

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

be reduced, at the option of TCDA, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by TCDA 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 mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

#### Section 4.3. Optional Redemption.

(a) TCDA reserves the right and option to redeem Bonds, with the prior written consent of the Commissioners Court, before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 20[\_\_\_], such redemption date or dates to be fixed by TCDA, at the price of par plus accrued interest to the date of redemption.

#### Section 4.4. Extraordinary Optional Redemption.

Notwithstanding any provision of this Indenture to the contrary, TCDA reserves the right and option to redeem Bonds before their scheduled maturity dates, in whole or in part, on any date, at 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of as a result of Prepayments or any other transfers to the Redemption Fund under the terms of this Indenture.

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

#### Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4 of this Indenture, Bonds shall be redeemed in minimum principal amounts of \$1,000 or any integral multiple thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$1,000. No redemption shall result in a Bond in a denomination of less than an Authorized Denomination in effect at that time; provided, however, if the amount of Outstanding Bonds is less than an Authorized Denomination after giving

effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

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

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

(d) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver and exchange the 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 delivery of a TCDA Certificate directing redemption of the Bond received at least 45 days prior to the date fixed for redemption, the Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, 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. So long as the Bonds are in book-entry-only form and held by the DTC as security depository, Owner means Cede & Co., as nominee for DTC.

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

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

(d) TCDA has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 of this Indenture by written notice to the Trustee on or

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

(e) With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the redemption price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state TCDA may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, TCDA 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 TCDA 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 Payment/Transfer Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the redemption price on such Bond to the date of redemption from the moneys set aside for such purpose.

#### Section 4.8. Effect of Redemption.

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

## ARTICLE V

### FORM OF THE BONDS

#### Section 5.1. Form Generally.

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

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

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

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

#### Section 5.2. CUSIP Registration.

TCDA may secure identification numbers through the CUSIP Global Services managed by FactSet Research Systems Inc. on behalf of The American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. 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 TCDA, the Trustee nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

#### Section 5.3. Legal Opinion.

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

## ARTICLE VI

### FUNDS AND ACCOUNTS

#### Section 6.1. Establishment of Funds and Accounts.

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

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

(b) Creation of Accounts.

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

- (A) Bond Pledged Revenue Account;

(ii) The following Account is hereby created and established under the Bond Fund:

- (A) Principal and Interest Account;

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

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

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

(A) Improvement Account; and

(B) Costs of Issuance Account.

(c) Each Fund and Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of TCDA. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee.

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

(e) The Trustee may, from time to time, upon written direction from TCDA pursuant to a TCDA Certificate, create additional Funds or Accounts hereunder as may be necessary for the receipt and application of the Contract Assessment Revenues, to account properly for the payment of the Actual Costs of the Public Improvements or to facilitate the payment or redemption of the Bonds.

#### Section 6.2. Initial Deposits to Funds and Accounts.

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

(i) to the Reserve Account of the Reserve Fund: \$\_\_\_\_\_;

(ii) to the Costs of Issuance Account of the Project Fund: \$\_\_\_\_\_; and

(iii) to the Improvement Account of the Project Fund: \$\_\_\_\_\_.

(b) Funds received from TCDA on the Closing Date in the amount of \$\_\_\_\_\_, shall be deposited into the Administrative Fund.

(c) Funds received from TCDA on the Closing Date in the amount of \$\_\_\_\_\_, shall be deposited into the Principal and Interest Account for payment of debt service due September 1, 2024.

#### Section 6.3. Pledged Revenue Fund.

(a) On or before the fifteenth day of each month while the Bonds are Outstanding, TCDA shall deposit or cause to be deposited the Pledged Contract Revenues into the Pledged Revenue Fund. As soon as practicable following deposit to the Pledged Revenue Fund, the Trustee

shall deposit or cause to be deposited Pledged Contract Revenues, from amounts deposited to the Pledged Revenue Fund, in the following order of priority:

- (i) first, to the Bond Pledged Revenue Account in an amount sufficient to pay Annual Debt Service on the Bonds;
- (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement,
- (iii) third, to the Additional Interest Reserve Account in an amount equal to the Additional Interest collected, up to the Additional Interest Reserve Requirement, and
- (iv) fourth for any lawful purpose for which Assessments may be used under the PID Act.

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

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

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

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

(e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Accounts of

the Reserve Fund made with respect to the Assessed Property or Assessed Properties to which the Foreclosure Proceeds relate (*first*, to replenish the Reserve Account Requirement and *second*, to replenish the Additional Interest Reserve Requirement), and second, to the Redemption Fund.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Accounts of the Reserve Fund, TCDA may direct the Trustee by TCDA Certificate to apply Contract Assessment Revenues for any lawful purposes permitted by the PID Act for which Assessments may be paid, including transfers to the Redemption Fund.

#### 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/or interest then due and payable on the Bonds.

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

#### Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1(i) and (iii) hereof, as set forth in this Section 6.5.

(b) Except for the payment of costs of issuance of the Bonds to be paid on the Closing Date in accordance with instructions contained in a closing memorandum provided by TCDA, or TCDA's financial advisor on behalf of TCDA, to the Trustee, disbursements to pay or reimburse the payment of the costs of issuance of the Bonds shall be made by the Trustee from the Costs of Issuance Account of the Project Fund only upon receipt by the Trustee of a Closing Disbursement Request, pursuant to and in accordance with the disbursement procedures described in the Financing Agreement. Such provisions and procedures related to such disbursement contained in the Financing Agreement are herein incorporated by reference and deemed set forth herein in full.

(c) Money on deposit in the Improvement Account shall be used to pay Actual Costs of the Public Improvements. Disbursements from the Improvement Account of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. The disbursement of funds from the Improvement Account of the Project Fund pursuant to a Certification for Payment shall be pursuant to and in

accordance with the disbursement procedures described in the Financing Agreement. Such provisions and procedures related to such disbursement contained in the Financing Agreement are herein incorporated by reference and deemed set forth herein in full.

(d) Upon receipt of a fully executed and approved Closing Disbursement Request or Certification for Payment and the required attachments, the Trustee may rely conclusively upon such Closing Disbursement Request or Certification for Payment. The Trustee shall have no liability on account of any disbursement from the Project Fund in accordance with such Closing Disbursement Request or Certification for Payment provided that it has complied with the procedures required in paragraphs (b) and (c) above with respect to such Closing Disbursement Request or Certification for Payment.

(e) If the TCDA 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, as the case may be, such that, in the opinion of the TCDA Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Improvement Account of the Project Fund, the TCDA Representative shall file a TCDA Certificate with the Trustee, and provide a copy of such TCDA Certificate to the Landowner at least thirty (30) 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 Improvement Account of the Project Fund. If such TCDA 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 and the Improvement Account shall be closed.

(f) In making any determination pursuant to this Section, the TCDA Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(g) Upon the filing of a TCDA Certificate stating that all Public Improvements have been completed and that all Actual Costs of the Public Improvements have been paid, or that any such Actual Costs are not required to be paid from the Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Account of the Project Fund to the Redemption Fund, and (ii) the Improvement Account of the Project Fund shall be closed.

(h) Not later than six months following the Closing Date, upon a determination by the TCDA 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 the Improvement Account of

the Project Fund and used to pay Actual Costs or, if the Improvement Account has been closed, to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by TCDA in a TCDA Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

(a) 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 of this Indenture on the dates specified for redemption as provided in Sections 4.3 and 4.4 of this Indenture. 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) TCDA agrees with the Owners of the Bonds to accumulate, and when accumulated maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

(b) The Trustee will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account, to the extent that the Reserve Account contains the Reserve Account Requirement and funds are available after application of the deposit priority in Section 6.3(a) hereof, an amount equal to the Additional Interest until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that at any time the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account. Whenever, on any Interest Payment Date, or on any other date at the written request of the TCDA Representative, the amounts on deposit in the Additional Interest Reserve Account exceed the Additional Interest Reserve Requirement, the Trustee shall provide written notice to TCDA of the amount of the excess (the "Excess Additional Interest Reserve Amount"). The Excess Additional Interest Reserve Amount shall be transferred, at the direction of TCDA pursuant to a TCDA Certificate, to the Administrative Fund for the payment of Annual Collection Costs. In the event that the Trustee does not receive a TCDA Certificate directing the transfer of the Excess Additional Interest Reserve Amount to the Administrative Fund within 45 days of providing notice to TCDA of such

Excess Additional Interest Reserve Amount, the Trustee shall transfer the Excess Additional Interest Reserve Amount to the Redemption Fund redeem Bonds pursuant to Section 4.4 hereof.

(c) Whenever a transfer is made from the Accounts of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to TCDA, specifying the amount withdrawn and the source of said funds.

(d) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4 of this Indenture, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to a percentage of the amount of the Bonds redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption; provided, however, no such transfer from the Reserve Account shall cause the amount on deposit therein to be less than the Reserve Account Requirement to be in effect after such redemption. If after such transfer, and after applying investment earnings on the 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 to permit the redemption of Bonds to be redeemed in minimum principal amounts of \$1,000 from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a TCDA Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the TCDA Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within 45 days of such notice to the TCDA Representative, the Trustee receives a TCDA 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, or (iii) to the Improvement Account of the Project Fund 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, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Additional Interest Reserve Account of the Reserve Fund to the Bond Fund and second

from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

(g) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account allocable to such Bonds shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds.

(h) If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with Section 6.3 of this Indenture.

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

Section 6.8. Rebate Fund: Rebate Amount.

(a) There is hereby established a special fund of TCDA to be designated “Travis County Development Authority Bella Fortuna Rebate Fund” (the “Rebate Fund”) to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code (as defined herein).

(b) In order to assure that Rebate Amount is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and Section 7.8(h) and shall not be liable or responsible if it follows the instructions of TCDA and shall not be required to take any action under this Section and Section 7.8(h) in the absence of written instructions from TCDA.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, TCDA may direct the Trustee, pursuant to a TCDA Certificate, to transfer the amount in excess of the Rebate Amount to the Bond Fund.

Section 6.9. Administrative Fund.

(a) On or before the fifteenth day of each month while the Bonds are Outstanding, TCDA shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay the Annual Collection Costs and Delinquent Collection Costs.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Accounts and Funds created and administered hereunder and used as directed by a TCDA Certificate solely for the purposes set forth in the Service and Assessment Plan.

(c) The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10. Investment of Funds.

(a) Money in any Fund established pursuant to this Indenture shall be invested by the Trustee as directed by TCDA pursuant to a TCDA Certificate filed with the Trustee at least two days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times; provided, further however, that absent written direction, the Trustee shall invest funds into the GS Financial Square Government Fund (38141W265). Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account of the Reserve Fund may not be invested above the yield on the Bonds, unless and until the TCDA receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on the Bonds. Such investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money

or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold to prevent any default.

(b) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture, except as otherwise provided in this Section or by a Supplemental 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 TCDA to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities as directed in a TCDA Certificate.

(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 shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions of the TCDA Certificate or to ensure the investment directed is a permitted investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments.

(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 TCDA monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder; and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.

#### Section 6.11. Security of Funds.

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

## ARTICLE VII

### GENERAL COVENANTS AND REPRESENTATIONS OF TCDA

#### Section 7.1. Payment of Bonds; Limited Obligations.

(a) TCDA shall promptly pay, or cause to be paid, the principal of (whether at maturity, by call for redemption or otherwise), premium, if any, and interest on the Bonds issued under this Indenture to the Trustee for payment to the Owners of the Bonds, on the dates and in the manner provided herein according to the true intent and meaning thereof. Notwithstanding anything contained in this Indenture to the contrary, the Bonds shall be limited and special obligations of TCDA payable solely from the assets contained in the Trust Estate. The Bonds shall not constitute a debt or obligation of the County, the City, or of the State or any other political subdivision of the State, and neither the County (other than to the extent the County is obligated to provide certain revenues to TCDA in accordance with the Funding Agreement), the State, nor any other political subdivision of the State shall be liable thereon. In no event shall the Bonds be payable out of any funds or properties other than assets held within the Trust Estate, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

(b) No recourse shall be had by any Owner of the Bonds for the payment of the principal of, redemption price, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture or the Funding Agreement against any past, present or future member, officer, agent, director, commissioner or employee of TCDA or the County, or any incorporator, member, officer, employee, director, commissioner, or trustee of any successor entity, as such, either directly or through TCDA, the County or any successor entity, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, officer, employee, director, agent, commissioner or trustee as such is hereby expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds.

#### Section 7.2. Further Covenants and Representations of TCDA.

(a) TCDA shall observe and perform all covenants, conditions and agreements required on its part in this Indenture, in each Bond executed, authenticated and delivered hereunder, in all other documents related hereto, and under any laws or regulations related to the issuance of the Bonds; provided, however, that the liability of TCDA for a breach of any such covenant, condition or agreement shall be limited solely to the assets on deposit in, or to be deposited in, the Trust Estate.

(b) TCDA shall observe and perform all covenants, conditions and agreements required on its part under the Funding Agreement and will cause the County, its officials, officers, and employees to comply with all of its obligations under the Funding Agreement by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction; and the Funding Agreement will not be rescinded, modified, or amended in any way except as permitted by Article X hereof.

Section 7.3. Power to Enter Into Indenture, Issue Bonds, and Pledge Trust Estate.

(a) TCDA is duly authorized under all Applicable Laws to issue the Bonds, to enter into this Indenture, and to pledge the Trust Estate pledged by this Indenture in the manner and to the extent provided in this Indenture and, except as otherwise provided herein, no other authorization or consent is required thereof. The Trust Estate so pledged is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto except the pledge granted by this Indenture to the extent provided in this Indenture and all action on the part of TCDA to that end has been and will be duly and validly taken.

(b) This Indenture has been duly and lawfully entered into by TCDA, is in full force and effect and is valid and binding upon TCDA and enforceable in accordance with its terms subject only to the laws relating to bankruptcy, creditors' rights and principles of governmental law and equity. The Bonds and the provisions of this Indenture are and will be the valid and legally enforceable obligations of TCDA in accordance with their terms and the terms of this Indenture subject only to the laws relating to bankruptcy, creditors' rights and principles of governmental law and equity.

(c) TCDA shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect its title to the Trust Estate, the pledge of the Trust Estate under this Indenture and all the rights of the Owners and the Trustee under this Indenture against all claims and demands of all Persons whomsoever.

Section 7.4. Amend Articles and Bylaws.

TCDA shall only amend TCDA's articles of incorporation or bylaws with the prior written consent of the County. Further, TCDA shall not amend TCDA's articles of incorporation or bylaws in any manner that would (a) result in inclusion of interest on the Bonds in gross income for federal income tax purposes, or (b) adversely affect the interest of the Owners of the Bonds or any other beneficiary of this Indenture. For the purposes of compliance with the preceding sentence, TCDA and the Trustee may rely on a written opinion of Bond Counsel.

Section 7.5. Maintenance of Corporate Existence of TCDA; Consolidation, Merger, Sale or Transfer of Assets Under Certain Conditions.

TCDA covenants and agrees that, so long as any Bonds are Outstanding, it will maintain its existence as a Texas public nonprofit local government corporation and will not dissolve, sell or otherwise dispose of all or substantially all of its assets (unless all Bonds then Outstanding are redeemed, paid or defeased from the proceeds of such sale) nor consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it.

Section 7.6. Against Encumbrances.

(a) Other than Refunding Bonds, TCDA shall not create and, to the extent Pledged Contract Revenues are received, shall not suffer to remain, any lien, encumbrance, or charge upon the Trust Estate, other than that as specified in Section 9.6 of this Indenture, or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

(b) So long as Bonds are Outstanding hereunder, TCDA 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.

Section 7.7. Records, Accounts, Accounting Reports.

TCDA hereby covenants and agrees that so long as any of the Outstanding Bonds or any interest thereon remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Contract Assessment Revenues. The Trustee and Owner or Owners of any Bonds or any duly authorized agent or agents of such Owners shall have the right at all reasonable times to inspect and make copies of all such records, accounts, and data relating thereto, upon written request to TCDA by the Trustee or duly authorized representative, as applicable. TCDA shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during TCDA's regular business hours and on a mutually agreeable date not later than 30 days after TCDA receives such request.

Section 7.8. Covenants to Maintain Tax-Exempt Status.

For any Bonds for which TCDA intends that the interest on the Bonds shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all

applicable temporary, proposed and final regulations (the “Regulations”) and procedures promulgated thereunder and applicable to the Bonds, TCDA covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Bonds (including all property the acquisition, construction or improvement of which is to be financed directly or indirectly with the proceeds of the Bonds) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Code and the Regulations to cause interest on the Bonds to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the owners of the Bonds for federal income tax purposes. Without limiting the generality of the foregoing, TCDA shall comply with each of the following covenants:

(a) TCDA will use all of the proceeds of the Bonds to provide funds for the purposes described in Section 3.1 hereof. TCDA will not use any portion of the proceeds of the Bonds to pay the principal of or interest or redemption premium on, any other obligation of TCDA or a related person.

(b) TCDA will not directly or indirectly take any action, or omit to take any action, which action or omission would cause the Bonds to constitute “private activity Bonds” within the meaning of Section 141(a) of the Code.

(c) Principal of and interest on the Bonds will be paid solely from the Assessments collected by TCDA and investment earnings on such collections.

(d) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Bonds are delivered, TCDA reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds or any portion thereof to be an “arbitrage bond” within the meaning of Section 148 of the Code.

(e) At all times while the Bonds are outstanding, TCDA will identify and properly account for all amounts constituting gross proceeds of the Bonds in accordance with the Regulations. TCDA will monitor the yield on the investments of the proceeds of the Bonds and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Bonds. To the extent necessary to prevent the Bonds from constituting “arbitrage bonds,” TCDA will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Bonds to be less than the yield that is materially higher than the yield on the Bonds.

(f) TCDA will not take any action or knowingly omit to take any action that, if taken or omitted, would cause the Bonds to be treated as “federally guaranteed” obligations for purposes of Section 149(b) of the Code.

(g) TCDA represents that not more than fifty percent (50%) of the proceeds of the Bonds will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and TCDA reasonably expects that at least eighty-five percent (85%) of the spendable proceeds of the Bonds will be used to carry out the governmental purpose of the Bonds within the three-year period beginning on the date of issue of the Bonds.

(h) TCDA will take all necessary steps to comply with the requirement that certain amounts earned by TCDA on the investment of the gross proceeds of the Bonds, if any, be rebated to the federal government. Specifically, TCDA will (i) maintain records regarding the receipt, investment, and expenditure of the gross proceeds of the Bonds as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of TCDA allocable to other obligations of TCDA or moneys which do not represent gross proceeds of any obligations of TCDA and retain such records for at least six years after the day on which the last outstanding Bond is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of any gross proceeds, (iii) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Bonds and (iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, TCDA will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, interest thereon and any penalty.

(i) TCDA will not directly or indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if such arrangement had been at arm's length and had the yield on the Bonds not been relevant to either party.

(j) TCDA will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Bonds on such form and in such place as the Secretary may prescribe.

(k) TCDA will not issue or use the Bonds as part of an “abusive arbitrage device” (as defined in Section 1.148-10(a) of the Regulations). Without limiting the foregoing, the Bonds are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling TCDA to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.

(l) Proper officers of TCDA charged with the responsibility for issuing the Bonds are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Bonds and stating whether there are facts, estimates or circumstances that would materially change TCDA’s expectations. On or after the date of issuance of the Bonds, TCDA will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.

(m) The covenants and representations made or required by this Section are for the benefit of the Owners and any subsequent Owner and may be relied upon by the Owners and any subsequent Owners and bond counsel to TCDA.

(n) In complying with the foregoing covenants, TCDA may rely upon an unqualified opinion issued to TCDA by nationally recognized bond counsel that any action by TCDA or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Bonds to be includable in gross income for federal income tax purposes under existing law.

(o) Notwithstanding any other provision of this Indenture, TCDA's representations and obligations under the covenants and provisions of this Section shall survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the exclusion of interest on the Bonds from the gross income of the owners for federal income tax purposes.

(p) Elections. TCDA hereby directs and authorizes the President, Vice President, or Secretary, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

## ARTICLE VIII

### LIABILITY OF TCDA

(a) TCDA and the County shall never be liable for any obligations relating to the Bonds or other obligations relating to the District, other than as specifically provided for in this Indenture.

Neither the full faith and credit nor the general taxing power of the County is pledged to the payment of the Bonds, and except for the Trust Estate, no County taxes, fees, or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds or any other obligations relating to the District.

(b) TCDA and the County shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. TCDA shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. TCDA shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or Event of Default thereunder.

(c) In the absence of bad faith, TCDA and the County may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to TCDA and conforming to the requirements of this Indenture. To the extent permitted by law, TCDA and the County shall not be liable for any error of judgment made in good faith unless it shall be proved that the respective party was grossly negligent in ascertaining the pertinent facts.

(d) No provision of this Indenture, the Funding Agreement, the Bonds, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (collectively, the “Bond Documents”), shall require TCDA or the County to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Annual Collection Costs) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of TCDA or the County 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 TCDA, the County or any of their officers, officials, agents, or employees for damages suffered as a result of TCDA or the County’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 TCDA or the County, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Trust Estate or the amounts collected to pay the Annual Collection Costs on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or

proceeding in any court or before any governmental body, agency, or instrumentality against TCDA, the County or any of their officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

(f) TCDA and the County 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. TCDA 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.

(g) Whenever in the administration of its duties under this Indenture, TCDA 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 TCDA, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or TCDA Representative or other person designated by the Board to so act on behalf of TCDA, and such certificate shall be full warrant to TCDA for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion TCDA may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

(h) In order to perform its duties and obligations hereunder, TCDA may employ such persons or entities as it deems necessary or advisable. TCDA and the County shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

## ARTICLE IX

### THE TRUSTEE

#### Section 9.1. Trustee as Registrar and Paying Agent.

The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and in respect to the Bonds.

### 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 the extent permitted by law, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that absent an Event of Default, the Trustee shall not request or require indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder.

### Section 9.3. Responsibilities of the Trustee.

The recitals contained in this Indenture and in the Bonds shall be taken as the statements of TCDA and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the offering documents, this Indenture, or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to TCDA or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; (v) any loss suffered in connection with any investment of funds in accordance with this Indenture; (vi) to undertake any other action unless specifically authorized pursuant to a written direction by TCDA or the County or pursuant to this Indenture; or (vii) determining compliance with the terms or conditions of any documents to which the Trustee is not a party.

The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

The Trustee 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, both before and after default by TCDA. 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.

The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and, with respect to such permissive rights, the Trustee shall not be answerable for other than its negligence or willful misconduct.

The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs.

The Trustee shall not be liable for any action taken, or error of judgment made, in good faith by a responsible officer or any of its employees or agents, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

In the event that any funds shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the funds, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

#### 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 expressed terms and conditions of this Indenture.

#### Section 9.5. Trustee Protected in Relying on Certain Documents.

The Trustee may conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or 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. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and

protection in respect of any action taken or suffered by it in good faith and in accordance therewith and may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care.

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 TCDA Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such TCDA 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 TCDA to the Trustee shall be sufficiently executed if executed in the name of TCDA by the TCDA Representative.

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

#### Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, 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, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by specific agreement, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Outstanding. 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 TCDA shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient then from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold, and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, TCDA or any committee formed to protect the rights of Owners of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the Owners of a majority in aggregate outstanding principal amount of the Bonds.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to TCDA and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 of this Indenture 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 aggregate outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to TCDA, or (ii) so long as TCDA is not in default under this Indenture, TCDA. Copies of each such instrument shall be delivered by TCDA 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 TCDA or the Owners of not less than 10% of the aggregate Outstanding principal of the Bonds.

Section 9.10. Successor Trustee.

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

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 25% of the aggregate outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and TCDA.

Until such successor Trustee shall have been appointed by the Owners of the Bonds, TCDA shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of TCDA providing for any such appointment shall be delivered by TCDA to the Trustee so appointed. TCDA shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by TCDA immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and TCDA shall be responsible for the costs of such appointment process.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds and each of the Owners of the Bonds.

#### Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 of this Indenture shall execute, acknowledge, and deliver to its predecessor and TCDA 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 TCDA or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from TCDA 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 TCDA.

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 of this Indenture, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Trustee to File Continuation Statements.

If necessary and pursuant to written direction, the Trustee shall file or cause to be filed, such continuation statements as are delivered to the Trustee by TCDA or the County, or on behalf of TCDA or the County, and which may be required by the Texas Uniform Commercial Code (the “UCC”), as from time to time in effect, in order to continue perfection of the security interest 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.

Section 9.14. 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. Permissive rights of the Trustee are not to be construed as duties.

## ARTICLE X

### MODIFICATION OR AMENDMENT OF THIS INDENTURE AND THE FUNDING AGREEMENT

#### Section 10.1. Amendments Permitted.

(a) This Indenture, the Funding Agreement, and the rights and obligations of TCDA and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture or an amendment to the Funding Agreement, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of at least 51% of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the principal of or interest rate thereon, or otherwise alter or impair the obligation of TCDA to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by TCDA 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 (except as otherwise permitted by Applicable Laws or this Indenture), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

(b) This Indenture, the Funding Agreement, and the rights and obligations of TCDA and of the Owners may also be modified or amended at any time by a Supplemental Indenture or an amendment to the Funding Agreement, with the written consent of the County and without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of TCDA in this Indenture or any Supplemental Indenture or the Funding Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon TCDA;

(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 the Funding Agreement, or in regard to questions arising under this Indenture or the Funding Agreement, as TCDA and the Trustee may deem necessary or desirable and not

inconsistent with this Indenture and the Funding Agreement, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to provide for the issuance of Refunding Bonds in accordance with the provisions of this Indenture;

(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; and

(vi) to amend a prior Supplemental Indenture in accordance with the provisions thereof.

Any modification or amendment made pursuant to this subsection 10.1(b) shall not be subject to the consent and notice procedures specified in Section 10.3 below.

#### Section 10.2. Owners' Meetings.

TCDA may at any time call a meeting of the Owners of the Bonds. In such event TCDA 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.

TCDA and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture or amending the Funding Agreement, to the extent that such amendment is permitted by Section 10.1 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture or amendment to the Funding Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture or amendment to the Funding Agreement when assented to as in this Section provided.

Such Supplemental Indenture or amendment to the applicable Funding Agreement shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner

by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture or amendment to the Funding Agreement, TCDA 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 or amendment to the Funding Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture or amendment to the Funding Agreement shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture and amendment to the Funding Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon TCDA and the Owners of all Bonds at the expiration of 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. Execution of Supplemental Indenture.

(a) In executing, or accepting any Supplemental Indenture permitted by subsection 10.1(a) of this Article, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of Bond Counsel addressed and delivered to the Trustee and the TCDA stating that the execution of such Supplemental Indenture (i) is permitted by and in compliance with this Indenture and (ii) will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation.

(b) In executing, or accepting any Supplemental Indenture permitted by subsection 10.1(b)(i), (ii), (iii) or (v) of this Article, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of Bond Counsel addressed and delivered to the Trustee and the TCDA stating that the execution of such Supplemental Indenture will not adversely affect (i) the interests of the Owners in any material respect, and (ii) exclusion of interest on any Bond from gross income for purposes of federal income taxation.

(c) In executing, or accepting any Supplemental Indenture permitted by subsection 10.1(b)(iv) of this Article, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of Bond Counsel addressed and delivered to the Trustee and the TCDA stating that the

execution of such Supplemental Indenture will not adversely affect exclusion of interest on any Bond from gross income for purposes of federal income taxation.

(d) The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture or otherwise.

Section 10.5. Effect of Supplemental Indenture and Amendment.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture or Funding Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of TCDA, the Trustee, and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.6. Endorsement or Replacement of Bonds Issued After Amendments.

TCDA may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by TCDA, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as TCDA may select and designate for that purpose, a suitable notation shall be made on such Bond. TCDA may determine that new Bonds, so modified as in the opinion of TCDA is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bond shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.7. Amendatory Endorsement of Bonds.

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

Section 10.8. Waiver of Default.

With the written consent of at least 51% in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by TCDA with certain past defaults under this

Indenture, the Funding Agreement and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

## ARTICLE XI

### DEFAULT AND REMEDIES

#### Section 11.1. Events of Default.

(a) 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 TCDA to deposit the Pledged Contract Revenues to the Pledged Revenue Fund;

(ii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within 30 days (provided that the payments are to be made only from Pledged Contract Revenues and the Pledged Contract Revenues must be available to TCDA to make any such payments);

(iii) Default in the performance or observance of any covenant, agreement, or obligation of TCDA under this Indenture, any Supplemental Indenture, the Funding Agreement or the Bonds, and the continuation thereof for a period of 90 days after written notice to TCDA by the Trustee, or by the Owners of at least 25% of the aggregate Outstanding principal of the Bonds with a copy to the Trustee, specifying such default and requesting that the failure be remedied;

(iv) The occurrence of a payment default by the County under the Funding Agreement as described in Section 4.0 of the Funding Agreement;

(v) The entry of a decree or order by a court having jurisdiction in the premises for relief in respect of TCDA, or adjudging TCDA as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of TCDA under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for TCDA or any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of sixty consecutive days; and

(vi) The commencement by TCDA of a voluntary case under the United States Bankruptcy Code, or the filing by it of a petition or answer or consent seeking reorganization, arrangement or relief under the United States Bankruptcy Code or any other applicable federal or state law, or the consent or acquiescence by it to the filing of any such petition or the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of TCDA or any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability or its failure to pay its debts generally as they become due, or the taking of corporate action by TCDA in furtherance of any such action.

(b) Nothing in Section 11.1(a) of this Indenture will be viewed to be an Event of Default if it is in violation of any applicable state or federal law or court order.

(c) Upon knowledge of the existence of any Event of Default, the Trustee shall notify TCDA and the County in writing as soon as practicable, but in any event within two Business Days; provided, however, that the Trustee need not provide notice of any Event of Default if TCDA has expressly acknowledged the existence of such Event of Default in a writing delivered to the Trustee and the County. The Trustee shall recognize any cure of an Event of Default by TCDA and/or the County.

#### Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII of this Indenture, upon the happening and continuance of any of the Events of Default described in Section 11.1 of this Indenture, the Owners of at least 25% of the Bonds then Outstanding, may proceed against TCDA for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by taking any of all of any combination of the following actions:

(i) seek mandamus or 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 TCDA may be sought or shall be permitted;

(ii) request that a court of competent jurisdiction appoint, to the extent permitted by law, a receiver or receivers of the Trust Estate, and the income, revenues, profits and use thereof, it being the intent hereof that to the extent permitted by law, the Trustee shall be entitled to appoint such a receiver as a matter of right;

(iii) take such actions, including the filing and prosecution of lawsuits as may be required to enforce to the benefit of the Owners the terms of the Bond Documents which the Trustee may be entitled to enforce, including without limitation the Funding Agreement;

(iv) exercise any right of TCDA to give any consent or notice, to take any act or refrain from taking any act, and otherwise act in the full place and stead of TCDA in Funding Agreement; and

(v) take such other steps to protect and enforce its rights and the rights of the Owners, whether by action suit or proceeding in aid of the execution of any power herein granted or for the enforcement of any other appropriate legal or equitable remedy, including, but not limited to, proceedings by suit or suits, at or in equity or by any other appropriate legal or equitable remedy, to enforce payment of the interest on and the principal of the Bonds.

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

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, TCDA shall determine, in its absolute discretion, and shall instruct the Trustee by a TCDA Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that TCDA shall fail to deliver to the Trustee such TCDA Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or TCDA by reason of such selection, liquidation or sale.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against TCDA, 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, TCDA shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture, for the appointment of a receiver or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of at least 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for 90 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 90-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding or request for the appointment of a receiver is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of TCDA to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

(c) In case the Trustee or any Owners shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case TCDA, the Trustee and the Owners shall be restored to their former positions and rights hereunder,

and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All assets of the Trust Estate received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), 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, the Trustee, on behalf of TCDA, notwithstanding Section 11.2 hereof, be applied by the Trustee, to the payment of interest and principal or redemption price then due on Bonds, as follows:

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

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

Within ten days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(b) The Trustee is entitled to full recovery of all principal, interest and any other amounts due and owing under this Indenture; provided, however, in the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of TCDA to its prior position after any and all defaults have been cured, as provided in Section 11.3 of this Indenture, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bond in respect of anything done or suffered to be done by TCDA or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of TCDA will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and TCDA shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

Section 11.10. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11 Direction of Owners.

Anything herein to the contrary notwithstanding, the Owners of 25% of the Bonds shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method, and place of conducting a proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture, or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to redirect or withhold direction with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with Applicable Laws and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners not parties to such direction.

## ARTICLE XII

### SPECIAL COVENANTS

#### Section 12.1. Further Assurances; Due Performance.

(a) At any and all times TCDA will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, any Supplemental Indentures (subject to the consent rights of the County) and 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 Contract Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) TCDA 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 12.2. Additional Obligations; or Other Liens.

(a) TCDA reserves the right, subject to the provisions contained in this Section 12.2, to issue Additional Obligations under other indentures, assessment orders, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from any portion of the Trust Estate.

(b) Other than Refunding Bonds, TCDA will not create or voluntarily permit to be created any debt, lien or charge on any portion of the Trust Estate, and will not do or omit to do or suffer to be or omitted 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 TCDA to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds.

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

(d) Notwithstanding anything to the contrary herein no Refunding Bonds or subordinate obligations described by Section 12.2(c) above may be issued by TCDA 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 on September 1 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 of the years in which interest is scheduled to be paid.

### Section 12.3. Books of Record.

(a) TCDA shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of TCDA, 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 12.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents and has no duty to verify the accuracy of such information.

## ARTICLE XIII

### PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

#### Section 13.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

#### Section 13.2. Satisfaction of Indenture.

If TCDA shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of TCDA to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to TCDA copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that TCDA may determine if the Indenture is satisfied; if so, the Trustee shall pay

over or deliver all moneys held by it in the Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to TCDA.

### Section 13.3. Bonds Deemed Paid.

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

## ARTICLE XIV

### MISCELLANEOUS

#### Section 14.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than TCDA, 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 TCDA shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 14.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either TCDA 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 TCDA or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 14.3. Execution of Documents and Proof of Ownership by Owners.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by TCDA or the Trustee in good faith and in accordance therewith.

Section 14.4. No Individual Liability.

NOTWITHSTANDING ANY OTHER PROVISIONS OF OR INFERENCES IN THIS INDENTURE OR ANY OTHER BOND DOCUMENT, NO COVENANT OR AGREEMENT CONTAINED IN THE BONDS, THIS INDENTURE OR ANY SUPPLEMENTAL INDENTURE OR ANY OTHER BOND DOCUMENT SHALL BE DEEMED TO BE THE COVENANT OR AGREEMENT OF ANY MEMBER OF THE BOARD OR ANY OFFICER, AGENT, EMPLOYEE OR REPRESENTATIVE OF TCDA, THE COUNTY, OR THE TRUSTEE, AND NEITHER THE OFFICERS, AGENTS, EMPLOYEES OR

REPRESENTATIVES OF TCDA, THE COUNTY, OR THE TRUSTEE NOR ANY PERSON EXECUTING OR AUTHENTICATING THE BONDS SHALL BE PERSONALLY LIABLE THEREON OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF, WHETHER BY VIRTUE OF ANY CONSTITUTIONAL PROVISION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY BEING EXPRESSLY RELEASED AND WAIVED AS A CONDITION OF AND IN CONSIDERATION FOR THE EXECUTION OF THIS INDENTURE, ANY SUPPLEMENTAL INDENTURE AND THE ISSUANCE OF THE BONDS.

Section 14.5. Notices to and Demands on TCDA and Trustee.

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

If to TCDA:

Travis County Development Authority  
700 Lavaca Street, Suite 1560  
Austin, Texas 78701  
Attn: Christy Moffett, Assistant Secretary

If to the Trustee  
or the Paying Agent/Registrar:

Wilmington Trust, National Association  
15950 North Dallas Parkway, Suite 200  
Dallas, Texas 75248  
Attn: Parker Merritt

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

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The Trustee shall mail to each Owner of a Bond notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Outstanding.

(c) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission, or other similar unsecured electronic methods, provided, however, that TCDA shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If TCDA elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. TCDA agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

#### Section 14.6. 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. TCDA hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

#### Section 14.7. 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 14.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 14.9. Complete Agreement.

This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

Section 14.10. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

*[remainder of page left blank intentionally]*

IN WITNESS WHEREOF, TCDA and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

TRAVIS COUNTY DEVELOPMENT  
AUTHORITY

By: \_\_\_\_\_  
ANDY BROWN, President

WILMINGTON TRUST, NATIONAL  
ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

(a) Form of Bond.

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

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$ \_\_\_\_\_

United States of America  
State of Texas

TRAVIS COUNTY DEVELOPMENT AUTHORITY  
CONTRACT ASSESSMENT REVENUE BONDS, SERIES 2024  
(BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____ %	September 1, 20__	April 17, 2024	_____

The Travis County Development Authority (the "TCDA"), for value received, hereby promises to pay, solely from the Trust Estate, to

\_\_\_\_\_

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

\_\_\_\_\_ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified

above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing September 1, 2024, until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Wilmington, Delaware (the “Designated Payment/Transfer Office”), of Wilmington Trust, National Association, as trustee and paying agent/registrar (the “Trustee”, which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the “Record Date,” which shall be the fifteenth 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 TCDA. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of contract assessment revenue bonds of TCDA having the designation specified in its title (herein referred to as the “Bonds”), dated April 17, 2024 and issued in the aggregate principal amount of \$[PRINCIPAL] and issued, with the

limitations described herein, pursuant to an Indenture of Trust, dated as of April 1, 2024 (the “Indenture”), by and between TCDA and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the Owners of the Bonds, the Trustee, and TCDA, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each Owner of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Public Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds, and (iii) paying the costs of issuing the Bonds.

The Bonds are special, limited obligations of TCDA payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of TCDA, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of TCDA to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of \$1,000 and any multiple of \$1,000 in excess thereof.

The Bonds maturing on September 1 in the years 20\_\_, 20\_\_ and 20\_\_ are subject to mandatory sinking fund redemption prior to their Stated Maturities and will be redeemed by TCDA in part at a price equal to par 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:

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

<u>\$ _____ Bonds Maturing September 1, 20</u>	
Mandatory Sinking Fund	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20	
September 1, 20	
September 1, 20*	
*Stated Maturity	

<u>\$ _____ Bonds Maturing September 1, 20</u>	
Mandatory Sinking Fund	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20	\$
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20*	
*Stated Maturity	

<u>\$ _____ Bonds Maturing September 1, 20</u>	
Mandatory Sinking Fund	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20	\$
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20*	
*Stated Maturity	

At least 45 days prior to each mandatory sinking fund redemption date and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption by lot, 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 sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to the Indenture shall be reduced, at the option of TCDA, by the principal amount of any Bonds of such maturity which, at least 45 days prior to

the mandatory sinking fund redemption date shall have been acquired by TCDA at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to the Indenture shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

TCDA reserves the right and option to redeem Bonds, with the prior written consent of the Commissioners Court, before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 20\_\_, such redemption date or dates to be fixed by TCDA, at the price of par, plus accrued interest to the date of redemption.

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.

If less than all of the Bonds are called for optional redemption, the Trustee shall rely on directions provided in a TCDA Certificate in selecting the Bonds to be redeemed.

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

The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, 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 conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of TCDA and the rights of the Owners of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the Owners of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the Owners of all the Bonds, to waive compliance by TCDA with certain past defaults under the Bond Resolution or the Indenture and their consequences. Any such consent or waiver by the Owners of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such Owners and upon all future Owners thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither TCDA 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 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.

TCDA, 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 TCDA nor the Trustee shall be affected by notice to the contrary.

TCDA has reserved the right to issue Refunding Bonds on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF TRAVIS COUNTY, TEXAS, OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS. TCDA HAS NO TAXING POWER.

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 TCDA, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the Board of Directors of TCDA has caused this Bond to be executed.

---

President, Travis County Development  
Authority

---

Secretary, Travis County Development  
Authority

(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	§	REGISTER NO. _____
OF PUBLIC ACCOUNTS	§	
	§	
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

[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.

WILMINGTON TRUST, NATIONAL  
ASSOCIATION,  
as Trustee

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

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

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and zip code of transferee):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Social Security or other identifying number: \_\_\_\_\_) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed By:

\_\_\_\_\_  
\_\_\_\_\_

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

Authorized Signatory

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b) and (d) of this Exhibit A, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date 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>Years</u>	<u>Principal Amount</u>	<u>Interest Rates”</u>
--------------	-------------------------	------------------------

(Information to be inserted from Section 3.2(c) hereof); and

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

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

**APPENDIX B**

**FORM OF SERVICE AND ASSESSMENT PLAN**

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

# Bella Fortuna Public Improvement District

---

AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

MARCH 19, 2024



AUSTIN, TX | NORTH RICHLAND HILLS, TX | HOUSTON, TX

## TABLE OF CONTENTS

Table of Contents .....	2
Introduction .....	3
Section I: Definitions.....	5
Section II: The District.....	13
Section III: Authorized Improvements.....	13
Section IV: Service Plan .....	15
Section V: Assessment Plan .....	15
Section VI: Terms of the Assessments.....	17
Section VII: Assessment Roll.....	22
Section VIII: Additional Provisions.....	23
Exhibits.....	25
Exhibit A – District Legal Description.....	26
Exhibit B – District Boundary Map.....	30
Exhibit C – Authorized Improvements Budget .....	31
Exhibit D – Service Plan .....	32
Exhibit E – Sources and Uses of Funds .....	33
Exhibit F – Assessment Roll .....	34
Exhibit G-1 – Annual Installments .....	48
Exhibit G-2 – Bond Debt Service Schedule .....	49
Exhibit H-1 – Lot Type 1 Buyer Disclosure .....	50
Exhibit H-2 - Lot Type 2 Buyer Disclosure.....	56
Exhibit H-3 - Lot Type 2 (Property R945959) Buyer Disclosure.....	62
Exhibit H-4 - Lot Type 3 Buyer Disclosure.....	68
Exhibit H-5 - Lot Type Commercial Buyer Disclosure .....	74
Exhibit I – Maps Depicting Authorized Improvements.....	80
Exhibit J – Form of Notice of PID Assessment Lien Termination.....	85
Exhibit K – Owner’s Engineer’s Opinion of Probable Cost .....	88
Exhibit L – Lot Type Maps .....	97
Exhibit M – Maximum Assessment .....	100
Exhibit N – Amended and Restated Funding Agreement.....	101

## INTRODUCTION

Capitalized terms used in this Amended and Restated Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Amended and Restated Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section” or an “Exhibit” shall be a reference to a Section of this Amended and Restated Service and Assessment Plan or an Exhibit attached to and made a part of this Amended and Restated Service and Assessment Plan for all purposes.

On October 31, 2017, the Travis County Commissioner’s Court (the “Commissioners Court”) authorized by resolution the formation of the Bella Fortuna Public Improvement District ( the “District”), which authorization was effective upon publication of the resolution, in accordance with Chapter 372, Texas Local Government Code, as amended (the “Act”). The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 158.2 acres located entirely within the County and the extraterritorial jurisdiction of the City, as described by metes and bounds on **Exhibit A** and depicted on **Exhibit B**.

On December 1, 2020, the Commissioners Court approved the Original Service and Assessment Plan, which, among other things, included a Service Plan, an Assessment Plan, an Assessment Roll for the District, and the Original Funding Agreement; made a finding of the special benefit to the property within the District, levied Assessments against Assessed Property and established a lien on such property, and established a method of assessment and the payment of the Assessments in accordance with the Act.

On September 7, 2021, the Commissioners Court approved the 2021 Annual Service Plan update for the District which also updated the Assessment Roll for 2021.

On August 30, 2022, the Commissioners Court approved the 2022 Annual Service Plan update for the District which also updated the Assessment Roll for 2022.

On September 26, 2023, the Commissioners Court approved the 2023 Annual Service Plan update for the District which also updated the Assessment Roll for 2023.

On March 19, 2024, the County and TCDA are expected to approve and authorize the Amended and Restated Funding Agreement, which will amend and restate the Original Funding Agreement in its entirety.

Pursuant to the PID Act, a service and assessment plan must be reviewed and updated at least annually. This document is the Amended and Restated Service and Assessment Plan, which serves to amend and restate the Original Service and Assessment Plan in its entirety for the purposes of

(1) incorporating provisions relating to the TCDA's issuance of PID Bonds, and (2) updating the Assessment Roll.

The Act requires a service plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements (as updated, from time to time, a "Service Plan"). The Service Plan is contained in **Section IV**.

The Act requires that the Service Plan include an Assessment Plan that assesses the Actual Costs of the Authorized Improvements against the District based on the special benefits conferred on the District by the Authorized Improvements (as updated, from time to time, an "Assessment Plan"). The Assessment Plan is contained in **Section V**.

The Act requires an assessment roll that states the Assessment against each Parcel determined by the method chosen by the Commissioners Court (as updated from time to time and which may be in one or more parts, the "Assessment Roll"). The Assessment against each Parcel must be sufficient to pay the share of the Actual Costs apportioned to the Parcel and cannot exceed the special benefit conferred on the Parcel by the Authorized Improvements. The Assessment Roll is included in this Amended and Restated Service and Assessment Plan as **Exhibit F**.

The Act permits the Commissioners Court to enter into an agreement with a corporation created by the County under the Texas Constitution or other law that provides for payment of amounts that may be pledged under the PID Act to such corporation to secure indebtedness issued by the corporation to finance an improvement project, including indebtedness to pay capitalized interest, fund a reserve fund permitted by the PID Act, and pay the corporation's costs of issuance. Additionally, the Commissioners Court may enter into an agreement with a corporation to manage one or more of the County's public improvement districts. Pursuant to the LGC Act, the County has created the TCDA to aid, assist, and act on behalf of the County in the performance of the County's general functions, including but not limited to managing public improvement districts created by the County under the PID Act. Pursuant to the PID Act and the LGC Act, the County and the TCDA have entered into the Management Contract pursuant to which the TCDA agreed to provide management and administrative services for public improvement districts created by the Commissioners Court and, when requested by the Commissioners Court, consider the issuance of PID Bonds. Pursuant to the PID Act and the LGC Act, the County and the TCDA intend to enter into one or more Funding Agreements for the transfer of Assessment Revenues to the TCDA for the payment of the Actual Costs of the Authorized Improvements or, if PID Bonds are issued by the TCDA, the payment thereof.

## SECTION I: DEFINITIONS

**“2021 Annual Service Plan Update”** means the 2021 Annual Service Plan Update passed and approved by the Commissioners Court on September 7, 2021.

**“2022 Annual Service Plan Update”** means the 2022 Annual Service Plan Update passed and approved by the Commissioners Court on August 30, 2022.

**“2023 Annual Service Plan Update”** means the 2023 Annual Service Plan Update passed and approved by the Commissioners Court on September 26, 2023.

**“Acquisition and Reimbursement Agreement”** means that certain “Bella Fortuna Public Improvement District Acquisition and Reimbursement Agreement” effective May 28, 2019, entered into by and among the County, TCDA and Owner, whereby all or a portion of the Actual Costs will be paid to the Owner from Assessments to reimburse the Owner for Actual Costs paid by the Owner, plus interest, that are eligible to be paid with Assessments.

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

**“Actual Costs”** means, with respect to each Authorized Improvement, the Owner’s demonstrated, reasonable, allocable, and allowable costs of constructing the Authorized Improvement, as specified in a payment request in a form that has been reviewed and approved by the County or the TCDA and in an amount not to exceed the amount for the Authorized Improvement as set forth in the Service and Assessment Plan. Actual Costs may include:

- (1) the costs incurred by or on behalf of the Owner (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction, and/or implementation of the Authorized Improvement,
- (2) the fees paid for obtaining permits, licenses or other governmental approvals for the Authorized Improvement,
- (3) Construction Management Fees,
- (4) the costs incurred by or on behalf of the Owner 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,
- (5) all labor, bonds and materials, including equipment and fixtures, by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvements, and

(6) all related permitting and public approval expenses, architectural, engineering, and consulting fees, taxes, governmental fees and charges, insurance premiums.

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

**“Additional Interest Rate”** means the interest rate, not to exceed 0.50%, charged on Assessments securing PID Bonds, as authorized by Section 372.018 of the PID Act.

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

**“Amended and Restated Funding Agreement”** means that certain Amended and Restated Bella Fortuna Public Improvement District Funding Agreement dated March 19, 2024, which amends and restates the Original Funding Agreement in its entirety, the form of which is attached as **Exhibit N**, as such agreement may be amended from time to time.

**“Annual Collection Costs”** mean the actual or budgeted costs and expenses related to the creation and operation of the District, including, but not limited to, costs and expenses for:

- (1) the Administrator;
- (2) County staff;
- (3) TCDA staff;
- (4) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the County and TCDA;
- (5) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments;
- (6) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates;
- (7) paying or redeeming PID Bonds;
- (8) investing or depositing Assessments and Annual Installments;
- (9) complying with this Amended and Restated Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements;
- (10) the TCDA Depository Bank, the paying agent/registrar and Trustee in connection with the PID Bonds, including their respective legal counsel; and
- (11) administering the construction of the Authorized Improvements.

Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

**“Annual Installment”** means the annual installment payment on the Assessment as calculated by the Administrator and approved by the Commissioners Court, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable.

**“Annual Service Plan Update”** means an update to any Service and Assessment Plan, prepared no less frequently than annually by the Administrator, and approved by the Commissioners Court.

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

**“Assessment”** means an assessment levied against a Parcel within the District and imposed pursuant to an Assessment Order and the provisions herein of this Amended and Restated Service and Assessment Plan, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act.

**“Assessment Order”** means an order adopted by the Commissioners Court in accordance with the PID Act that levies an Assessment.

**“Assessment Plan”** assesses the Actual Costs of the Authorized Improvements against the District based on the special benefits conferred on the District by the Authorized Improvements, more specifically described in **Section V**.

**“Assessment Revenues”** means monies received by or on behalf of the County from the collection of the Assessments levied against an Assessed Property, including: (1) Annual Installments, (2) Prepayments, (3) Delinquent Collection Costs, and (4) Foreclosure Proceeds.

**“Assessment Roll”** means the assessment roll for the Assessed Property within the District and included in this Amended and Restated Service and Assessment Plan as **Exhibit F** as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act.

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

**“Bond Issuance Costs”** means the costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, County costs, capitalized interest, reserve fund requirements, underwriter discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

**“Bond Trustee”** means the trustee (or successor trustee) under an Indenture.

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

**“Commissioners Court”** means the governing body of the County.

**“Construction Costs”** means the actual cost for a selected construction contractor to construct an Authorized Improvement, excluding Preconstruction Costs, Contract Management Fees, and Non-Eligible Costs.

**“Construction Management Fee”** means the costs, incurred by or on behalf of Owner or a third party construction manager, for general oversight of preconstruction and construction of an Authorized Improvement, including testing and materials, inspection, quality assurance/quality control, permitting, change order and claim investigations and resolutions, warranty period monitoring and reporting of deficiencies, and other construction management services and is equal to four percent of Construction Costs.

**“Contract Assessment Revenues”** means the Assessment Revenues required to be paid by the County to the TCDA pursuant to the provisions of a Funding Agreement for deposit into a segregated account held by the TCDA Depository Bank for the payment of Actual Costs of the Authorized Improvements, or, if PID Bonds are issued by the TCDA, for deposit into a segregated fund held by the Bond Trustee for the payment of PID Bonds under the applicable Indenture.

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

**“Delinquent Collection Costs”** means costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Amended and Restated Service and Assessment Plan including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

**“District”** means this Bella Fortuna Public Improvement District containing approximately 158.2 acres located within the County and the extraterritorial jurisdiction of the City, more specifically described in **Exhibit A**, and shown on **Exhibit B**.

**“Eligible Costs”** means those costs determined by the County to be reasonably necessary to survey, design, permit, investigate, and construct an Authorized Improvement. Eligible Costs for an Authorized Improvement consist of Preconstruction Costs, Construction Costs, and the Construction Management Fee.

**“Estimated Buildout Value”** means the estimated value of an Assessed Property after completion of the vertical improvements (e.g. house, office building, etc.), and shall be determined by the Administrator and confirmed by the Commissioners Court by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other information that may impact value.

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

**“Funding Agreement”** means any Funding Agreement by and between the County and the TCDA under which the County will make or cause to be made payments of Contract Assessment Revenues to the TCDA who will deposit such revenues in a segregated fund held by the TCDA Depository Bank to be used to reimburse the Owner for Actual Costs paid by the Owner that are eligible to be paid with Assessments or, if PID Bonds are issued by the TCDA, to the applicable Bond Trustee under any Indenture for the payment of PID Bonds.

**“Indenture”** means an Indenture of Trust entered into in connection with the issuance of PID Bonds, amended from time to time, between the County or TCDA and the Bond Trustee setting forth terms and conditions related to the PID Bonds.

**“LGC Act”** means subchapter D of Chapter 431, Texas Transportation Code, as amended.

**“Lot”** means (1) for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat, and (2) for any portion of the District for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat.

**“Lot Type”** means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multi-family, single family residential, etc.), as determined by the Administrator and confirmed by the Commissioners Court. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as determined by the Administrator and confirmed by the Commissioners Court.

**“Lot Type 1”** means a lot designated as a 40’ lot by the Owner, as shown on **Exhibit H-1**.

**“Lot Type 2”** means a lot designated as a 50’ lot by the Owner, as shown on **Exhibit H-2**.

**“Lot Type 3”** means a lot designated as a 60’ lot by the Owner, as shown on **Exhibit H-4**.

**“Lot Type Commercial”** means a lot designated for commercial, retail, or office uses by the Owner, as shown on **Exhibit L**.

**“Maximum Assessment”** means, for each Lot Type, the amount shown on **Exhibit M**.

**“Non-Benefited Property”** means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements. Property is identified as Non-Benefited Property at the time the Assessments (1) are imposed or (2) are reallocated pursuant to a subdivision of a Parcel that is not assessed.

**“Non-Eligible Costs”** means the cost of improvements that are not Actual Costs.

**“Original Funding Agreement”** means that certain Bella Fortuna Public Improvement District Funding Agreement, dated December 1, 2020, by and between the County and TCDA relating to the District, under which the County will make or cause to be made payments of Assessment Revenues to the TCDA who will deposit such revenues in a segregated fund held by the TCDA Depository Bank to be used to reimburse the Owner for Actual Costs of the Authorized Improvements paid by the Owner.

**“Original Service and Assessment Plan”** means the Service and Assessment Plan passed and approved by Commissioners Court on December 1, 2020, which approved the Assessment Roll, made a finding of the special benefit to the property within the District, and levied Assessments against Assessed Property within the District.

**“Owner”** means Clayton Properties Group, Inc., a Tennessee corporation doing business in Texas as Brohn Homes, successor in interest to Views at Onion Creek, LP, a Texas limited partnership and any successor owner of property in the District or any portion thereof.

**“Owner Contribution”** means funds to be paid by Owner for the Actual Costs in excess of the Assessment and not available for reimbursement from the PID.

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

**“Phase 1 Plat”** means the Bella Fortuna Phase 1 Subdivision (a Small Lot Subdivision), Plat containing approximately 32.039 acres, according to the map or plat thereof recorded in Document Number 201900257 of the Official Public Records, Travis County, Texas, attached in **Appendix A**.

**“Phase 2 Plat”** means the Bella Fortuna Phase 2 Subdivision, containing approximately 18.620 acres, according to the map or plat thereof recorded in Document Number 202000234 of the Official Public Records, Travis County, Texas, attached in **Appendix A**.

**“PID Bonds”** means a series of bonds to be issued by the County or, on its behalf, by the TCDA, in one or more series, including the Travis County Development Authority Contract Assessment Revenue Bonds, Series 2024 (Bella Fortuna Public Improvement District), to finance the Authorized Improvements that confer special benefit on the District, which may include funds for any required reserves and amounts necessary to pay the Bond Issuance Costs, and to be secured by a pledge of Assessment Revenues or Contract Assessment Revenues, as applicable, pursuant to the authority granted in the Act, for the purposes of (i) financing the Actual Costs of Authorized

Improvements and related costs, and (ii) reimbursement for Actual Costs paid prior to the issuance of and payment for the PID Bonds.

**“Preconstruction Costs”** means those costs determined by the County to be reasonably necessary to complete the engineering, geotechnical, environmental, survey, utility adjustment, right-of-way-acquisition, submittal fees, recording fees, inspection fees, stormwater pollution prevention plan costs, and similar costs and services that are required before construction of an Authorized Improvement can begin.

**“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.

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

**“Public Improvements”** means the Authorized Improvements which benefit the Assessed Property, and are described in **Section III.A** hereto and depicted in **Exhibit I**.

**“Service Plan”** covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements.

**“TCDA”** means Travis County Development Authority, a local government corporation organized under subchapter D of Chapter 431 of the Texas Transportation Code, its successors and assigns.

**“TCDA Depository Bank”** means the depository bank, with trust powers, selected by TCDA.

**“West Bella Fortuna Phase 1 Final Plat”** means the West Bella Fortuna Phase 1 (a Small Lot Subdivision), Plat containing approximately 45.833 acres, according to the map or plat thereof recorded in Document Number 202300027 of the Official Public Records, Travis County, Texas, attached in **Appendix A**.

**“West Bella Fortuna Phase 2 Final Plat”** means the West Bella Fortuna Phase 2 (a Small Lot Subdivision), Plat containing approximately 20.00 acres, according to the map or plat thereof recorded in Document Number 202200064 of the Official Public Records, Travis County, Texas, attached in **Appendix A**.

**“West Bella Fortuna Phase 3 Final Plat”** means the West Bella Fortuna Phase 3 (a Small Lot Subdivision), Plat containing approximately 27.795 acres, according to the map or plat thereof recorded in Document Number 202200240 of the Official Public Records, Travis County, Texas, attached in **Appendix A**.

[Remainder of page intentionally left blank]

## SECTION II: THE DISTRICT

The District includes approximately 158.2 contiguous acres located within the County and the extraterritorial jurisdiction of the City, as more particularly described by metes and bounds on **Exhibit A** and depicted on **Exhibit B**. Development of the District is anticipated to include approximately 529 single-family homes and 26,136 square feet of commercial space.

## SECTION III: AUTHORIZED IMPROVEMENTS

The Commissioners Court, based on information provided by the Owner and the Owner's engineer and after review by the County staff and third-party consultants retained by the County and TCDA, determined that the Authorized Improvements confer a special benefit on the Assessed Property. The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit C**.

### A. Public Improvements

- *Water Quality and Detention Ponds*

The District is located within the Onion Creek watershed. The storm water detention facilities for the District will be reviewed and approved by the Travis County Transportation and Natural Resources Department and/or the City in accordance with Travis County Code Title 30, Austin/Travis County Subdivision Regulations.

- *Bella Fortuna Drive*

Includes approximately 2,400 linear feet of collector road that runs east and west through the District. This collector road is accessible to all the District and creates ingress and egress to future Pleasant Valley Road as well as a future connection to the existing IH-35 access road.

- *Bella Fortuna Drive Waterline*

Includes an approximately 2,100 linear feet of 24-inch waterline located in Bella Fortuna Drive. This waterline connects to the City's 42-inch waterline already in place and is the backbone of water service to the community. The future connection of this waterline to the City's waterline adjacent to the IH-35 access road will create a secondary source of water for the District.

- *Offsite Wastewater*

Includes approximately 6,100 linear feet of wastewater main from the Rinard Creek 30-inch tunnel to the southernmost intersection of the Pleasant Valley Road project and Bradshaw Road. Wastewater service will be provided by Austin Water Utility. The main

may be oversized to serve the City's projected development of the entire sewer shed and will provide for connection of future development in the sewer shed to the wastewater main installed by the Owner. Any oversizing requested by the City will be paid for by the Owner. The District will not be responsible for any costs related to any oversizing, such as engineering, project management, and construction costs.

- *Parks & Trails*

Includes approximately 10,600 linear feet of 10-foot-wide concrete hike and bike trails and two neighborhood parks. All trails and parks to be constructed will be open to the public.

- *Lift Station*

Includes a lift station design based on the City of Austin's Utility Criteria Manual for average daily flow of 245 gallons per day per LUE (Living Unit Equivalent). Based on this requirement, the lift station should have a minimum capacity of 243 gallons per minute ("gpm") to handle peak wet weather flow generated by the service area. A design flow of 290 gpm was used for the pump capacity. Approximately 1,370 linear feet 6" HDPE, DR 11 force main pipe is proposed to convey discharge to a manhole to be installed on an 8" stub off of the 8" gravity line to be installed within Comano Drive right of way. The entire length of the force main will be contained within the public right of way. The lift station along with an access roadway will be installed on a 0.42-acre lot platted with the West Bella Fortuna Phase 1 Final Plat. No additional easement will be required.

## **B. 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 amount required under an Indenture in connection with the issuance of PID Bonds.

- *Underwriter's Discount*

Equals a percentage of the par amount of a series of PID Bonds plus a fee for underwriter counsel. Percentages and fees will be determined at time of the PID Bonds issuance.

- *Cost of Issuance*

Includes costs of issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, County

costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

#### **C. First Year Annual Collection Costs**

Includes the estimated Annual Collection Costs for the first year following the levy of Assessments.

### **SECTION IV: SERVICE PLAN**

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan must be reviewed and updated, at least annually, and approved by the Commissioners Court. **Exhibit D** summarizes the Service Plan for the District.

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

### **SECTION V: ASSESSMENT PLAN**

The PID Act allows the Commissioners Court to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the Commissioners Court, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the Commissioners Court that results in imposing equal shares of such costs on property that is similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality or the County and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The determination by the Commissioners Court of the assessment methodologies set forth below is the result of the discretionary exercise by the Commissioners Court of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners and developers of the Assessed Property.

## **A. Assessment Methodology**

The Commissioners Court, acting in its legislative capacity based on information provided by the Owner and the Owner's engineer and reviewed by the County staff and by third-party consultants retained by the County, has determined that the Authorized Improvements shall be allocated to each Parcel within the District based on Estimated Buildout Value. The allocation of Assessments between Lots is shown on **Exhibit M**.

## **B. Assessments**

Assessments will be levied on each Parcel as shown on the Assessment Roll, attached hereto as **Exhibit F**. The projected Annual Installments are shown on **Exhibit G-1**. Upon subdivision of any Parcel by final plat, Assessments will be reallocated pursuant to **Section VI**.

## **C. Findings of Special Benefit**

The Commissioners Court, acting in its legislative capacity based on information provided by the Owner and the Owner's engineer and reviewed by the County staff and by third-party consultants retained by County or TCDA, has found and determined:

1. The Authorized Improvements equal \$11,486,103 as shown on **Exhibit C**; and
2. The Assessed Property receives special benefit from the Authorized Improvements equal to or greater than the Actual Cost of the Authorized Improvements; and
3. The Assessed Property was allocated 100% of the Assessments levied for the Authorized Improvements, which equal \$10,000,000, of which \$7,669,000 remains outstanding<sup>1</sup>, as shown on the Assessment Roll attached hereto as **Exhibit F**; and
4. The special benefit (  $\geq$  \$11,486,103) received by the Assessed Property from the Authorized Improvements is equal to or greater than the amount of the Assessments (\$10,000,000) levied on the Assessed Property for the Authorized Improvements; and
5. At the time the Commissioners Court approved the Original Service and Assessment Plan, the Owner owned 100% of the Assessed Property. The Owner has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Owner has ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the Commissioners Court as to the special benefits

---

<sup>1</sup> The outstanding Assessment remaining does not include approximately \$1,786,000.00 in required principal reduction of the outstanding Assessment for the issuing of PID Bonds or the \$190,000.00 principal payment due January 31, 2024, which will be used to pay debt service due September 1, 2024.

described herein and the Assessment Order; (2) the Original Service and Assessment Plan and the Assessment Order, and (3) the levying of Assessments on the Assessed Property.

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

The Annual Collection Costs shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

Upon the issuance of PID Bonds, the interest rate on Assessments levied on the Assessed Property may exceed the interest rate on such PID Bonds by the Additional Interest Rate. Following the issuance of PID Bonds, Additional Interest shall be collected as part of each Annual Installment and shall be deposited into a reserve account and segregated from other funds of the County and the TCDA, as applicable, pursuant to the applicable Indenture.

#### **F. Funding Agreements**

The County intends to enter into one or more Funding Agreements, substantially in the form of the Amended and Restated Funding Agreement attached to this Amended and Restated Service and Assessment Plan as **Exhibit N**, with the TCDA under which the County will make or cause to be made certain payments of Contract Assessment Revenues to the TCDA, which will deposit such revenues in a segregated fund held by the TCDA Depository Bank to be used to reimburse the Owner for Actual Costs of the Authorized Improvements paid by the Owner or for the payments of PID Bonds, in accordance with provisions of the respective Funding Agreement. Concurrently, with the adoption of the Assessment Order, the County and TCDA entered into the Original Funding Agreement. The County and the TCDA entered into Original Funding Agreement on December 1, 2020, and expect to enter into the Amended and Restated Funding Agreement on March 19, 2024.

### **SECTION VI: TERMS OF THE ASSESSMENTS**

#### **A. Reallocation of Assessments**

- 1. Upon Division Prior to Recording of Subdivision Plat*

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

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

The calculation of the buildout value of an Assessed Property shall be performed by the Administrator based on information from the Owner, 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 Commissioners Court 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 update to this Amended and Restated Service and Assessment Plan approved by the Commissioners Court.

## *2. Upon Subdivision by a Recorded Subdivision Plat*

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type

D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Benefited Property

E = the number of Lots with same Lot Type

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

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Amended and Restated Service and Assessment Plan approved by the Commissioners Court.

### *3. Upon Consolidation*

If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the Commissioners Court in the next Annual Service Plan Update. The Assessment for any resulting lot will not exceed the Maximum Assessment for the applicable Lot Type, and compliance may require a true-up of Assessment pursuant to **Section VI.B.**

## **B. True-Up of Assessments if Maximum Assessment Exceeded**

If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the Maximum Assessment, the owner of the Assessed Property must partially prepay the Assessment for each Assessed Property that exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

If the consolidation of any Assessed Properties within the District causes the Assessment per Lot for any Lot Type to exceed the Maximum Assessment, the owner of the Assessed Property requesting the consolidation must partially prepay the Assessment for each Assessed Property that exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment and, if applicable, the amount owed under the Acquisition and Reimbursement Agreement applicable to the Parcel shall be reduced, accordingly.

## **C. Mandatory Prepayment of Assessments**

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the Administrator the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the

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

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

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are not issued, the Commissioners Court shall reduce each Assessment on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs, or (ii) in the event that PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the project fund relating to the PID Bonds that are not expected to be used for purposes of the project fund, to redeem outstanding PID Bonds, in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update, and submit to the Commissioners Court for review and approval as part of the next Annual Service Plan Update, the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

#### **E. Prepayment of Assessments**

The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment is paid in full, with interest and Annual Collection Costs through the Prepayment date: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the Commissioners Court as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the County shall provide the owner with a recordable "Notice of PID Assessment Lien Termination" a form of which is attached as **Exhibit J**.

If an Assessment is paid in part, with interest through the Prepayment date: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the Commissioners Court as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced.

#### **F. Prepayment as a result of Eminent Domain Proceeding or Taking**

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

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

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

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

Notwithstanding the previous paragraphs in this subsection, if the owner notifies the County and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon

receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

#### **G. Payment of Assessment in Annual Installments**

**Exhibit G-1** shows the estimated Annual Installments for the District. Assessments that are not paid in full shall be due and payable in Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the Commissioners Court for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Other than changes relating to Annual Collection Costs, the Annual Installments shall not exceed what is shown on **Exhibit G-1**. Annual Collection Costs shall be allocated pro rata based on the amount of outstanding Assessments among Parcels for which the Assessments remain unpaid. Annual Installments shall be collected by the County in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the County. The Commissioners Court may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay the non-delinquent Annual Installments as they become due and payable.

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments were billed and due prior to February 1, 2022.

### **SECTION VII: ASSESSMENT ROLL**

The Assessment Roll is attached as **Exhibit F**. The Administrator shall prepare and submit to the Commissioners Court for review and approval, proposed revisions to the Assessment Roll and Annual Installments for each Parcel as part of each Annual Service Plan Update.

## **SECTION VIII: ADDITIONAL PROVISIONS**

### **A. Calculation Errors**

If the owner of a Parcel claims that an error has been made in any calculation required by this Amended and Restated Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1<sup>st</sup> of each year following Commissioners Court approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the Commissioners Court and the owner within 30 days of such referral. The Commissioners Court shall consider the owner's notice of error and the Administrator's response at a meeting of the Commissioners Court, and within 30 days after closing such hearing, the Commissioners Court shall make a final determination as to whether or not an error has been made. If the Commissioners Court determines that an error has been made, the Commissioners Court shall take such corrective action as is authorized by the PID Act, this Amended and Restated Service and Assessment Plan, the Assessment Order, or is otherwise authorized by the discretionary power of the Commissioners Court. The determination by the Commissioners Court as to whether an error has been made, and any corrective action taken by the Commissioners Court, shall be final and binding on the owner and the Administrator.

### **B. Amendments**

Amendments to this Amended and Restated Service and Assessment Plan may be made only by the Commissioners Court in accordance with the PID Act. To the extent permitted by the PID Act, this Amended and Restated Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Amended and Restated Service and Assessment Plan.

### **C. Administration and Interpretation**

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Amended and Restated Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the TCDA; and (3) interpret the provisions of this Amended and Restated Service and Assessment Plan. Interpretations of this Amended and Restated Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the Commissioners Court by owners or developers adversely affected by the interpretation. Appeals shall be decided by the Commissioners Court after holding a meeting of the Commissioners Court

at which all interested parties have an opportunity to be heard. Decisions by the Commissioners Court shall be final and binding on the owners and developers and their successors and assigns.

#### **D. Concurrence between County and TCDA**

The County and the TCDA have entered into a contract pursuant to which the TCDA agreed to provide management and administrative services for public improvement districts created by the Commissioners Court, including the District.

#### **E. Form of Buyer Disclosure**

In accordance with Section 5.014 of the Texas Property Code, as amended, this Amended and Restated Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Exhibit H-1, Exhibit H-2, Exhibit H-3, Exhibit H-4, and Exhibit H-5**. Within seven days of approval by the Commissioners Court, the County shall file and record in the real property records of the County the executed order approving this Amended and Restated Service and Assessment Plan, or any future Annual Service Plan Updates. The executed order, including any attachments, approving this Amended and Restated Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in its entirety.

#### **F. Severability**

If any provision of this Amended and Restated Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

## EXHIBITS

The following Exhibits are attached to and made a part of this Amended and Restated Service and Assessment Plan for all purposes:

<b>Exhibit A</b>	District Legal Description
<b>Exhibit B</b>	District Boundary Map
<b>Exhibit C</b>	Authorized Improvements Budget
<b>Exhibit D</b>	Service Plan
<b>Exhibit E</b>	Sources and Uses of Funds
<b>Exhibit F</b>	Assessment Roll
<b>Exhibit G-1</b>	Annual Installments
<b>Exhibit G-2</b>	Bond Debt Service Schedule
<b>Exhibit H-1</b>	Lot Type 1 Buyer Disclosure
<b>Exhibit H-2</b>	Lot Type 2 Buyer Disclosure
<b>Exhibit H-3</b>	Lot Type 2 (Property 945959) Buyer Disclosure
<b>Exhibit H-4</b>	Lot Type 3 Buyer Disclosure
<b>Exhibit H-5</b>	Lot Type Commercial Buyer Disclosure
<b>Exhibit I</b>	Maps Depicting Authorized Improvements
<b>Exhibit J</b>	Form of Notice of PID Assessment Lien Termination
<b>Exhibit K</b>	Owner's Engineer's Opinion of Probable Cost
<b>Exhibit L</b>	Lot Type Maps
<b>Exhibit M</b>	Maximum Assessment
<b>Exhibit N</b>	Amended and Restated Funding Agreement

The following Appendices are attached to and made a part of this Amended and Restated Service and Assessment Plan for all purposes:

<b>Appendix A</b>	Final Plats within the District
-------------------	---------------------------------

## EXHIBIT A – DISTRICT LEGAL DESCRIPTION

### DESCRIPTION

For a 158.2-Acre [6,889,825 Square Feet]  
Tract

BEING A 158.2-ACRE [6,889,825 SQUARE FEET] TRACT OUT OF THE SANTIAGO DEL VALLE 10-LEAGUE GRANT, ABSTRACT NUMBER 24, TRAVIS COUNTY, TEXAS, SAID TRACT BEING A REMAINDER PORTION OF THAT CALLED 164-ACRE TRACT CONVEYED BY DEED TO JOHN MICHAEL BURATTI IN VOLUME 5393, PAGE 1594 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS [D.R.T.C.T.] AND DAVEY LEWIS BURATTI IN VOLUME 3944, PAGE 560 D.R.T.C.T., SAID REMAINDER TRACT BEING FURTHER DESCRIBED AS "FIRST TRACT", THAT CALLED 100-ACRE TRACT, AND "SECOND TRACT" THAT CALLED 110-ACRE TRACT, IN VOLUME 333, PAGE 415 D.R.T.C.T, SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** at a 1/2-inch rod found for an angle point in the west right-of-way line of Bradshaw Road, a varying width right-of-way, no record information found, same being an angle point in the east line of Onion Creek Addition, a subdivision according to the plat of record in Volume 93, Page 230 of the Plat Records of Travis County, Texas, and the north corner of said 164-acre tract and the north corner of the tract described herein;

**THENCE** with said west right-of-way line of Bradshaw Road, same being the northeast line of said 164-acre tract, the following three courses and distances:

- 1) South 61°04'16" East, a distance of 1,196.10 feet to a 1/2-inch iron rod found for a point of curvature of a tangent circular curve to the right,
- 2) With the arc of said curve to the right a distance of 448.29 feet, said curve having a radius of 291.64 feet, a central angle of 88°04'20" and a chord bearing South 17°02'06" East, a distance of 405.44 feet to a 1/2-inch iron rod found for a point of tangency, and
- 3) South 27°04'05" West, a distance of 2,486.42 feet to a 1/2-inch iron rod with cap marked "DOUCET" found in the north line of that tract to HFH Investments LP (no record information found) further described as "Tract B1-B2-B3-, Heep Ranch" in "Exhibit D", that called 449.05-acre tract to Turnersville Development, LTD as recorded in Document Number 2000089761 of the Official Public Records of Travis County, Texas [O.P.R.T.C.T.], for the south corner of said 164-acre tract and the south corner of the tract described herein;

**THENCE** leaving said west right-of-way line of Bradshaw Road, with said north line of said 449.05-acre tract, same being the south line of said 164-acre tract, the following three (3) courses and distances:

- 1) North 66°06'26" West, a distance of 955.00 feet to a 1/2-inch iron rod found,
- 2) North 60°13'39" West, a distance of 192.85 feet to a 1/2-inch iron rod found, and
- 3) North 59°58'39" West, a distance of 350.54 feet to a point in the center of a dry creek for the east corner of that called 254.90-acre tract conveyed by deed to Spillmann Properties, LTD., as recorded in Document Number 2009124581 O.P.R.T.C.T., same being the southwest corner of said 164-acre tract, the southwest corner of the tract described herein, and the southerly terminus of a Boundary Line Agreement as recorded in Document Number 1999116083 O.P.R.T.C.T.;

**THENCE** with the west line of said 164-acre tract, same being the east line of said 254.90-acre tract and the common line of the Boundary Line Agreement, the following sixty-three (63) courses and distances:

- 1) North 47°05'54" West, a distance of 78.10 feet to a point,
- 2) North 0°51'53" West, a distance of 101.25 feet to a point,
- 3) North 53°01'53" West, a distance of 104.40 feet to a point,
- 4) North 36°38'54" West, a distance of 91.98 feet to a point,
- 5) North 31°29'07" East, a distance of 78.25 feet to a point,
- 6) North 9°23'07" East, a distance of 32.79 feet to a point,
- 7) North 20°14'54" West, a distance of 19.79 feet to a point,
- 8) North 58°13'54" West, a distance of 49.63 feet to a point,
- 9) North 9°22'53" West, a distance of 80.15 feet to a point,
- 10) North 27°57'53" West, a distance of 113.53 feet to a point,
- 11) North 4°00'54" West, a distance of 87.58 feet to a point,
- 12) North 21°31'54" West, a distance of 118.99 feet to a point,
- 13) North 54°37'54" West, a distance of 101.05 feet to a point,
- 14) North 52°29'54" West, a distance of 105.24 feet to a point,
- 15) North 1°57'54" West, a distance of 36.53 feet to a point,
- 16) North 29°52'54" West, a distance of 78.20 feet to a point,
- 17) North 40°01'54" West, a distance of 122.77 feet to a point,
- 18) North 9°12'06" East, a distance of 33.34 feet to a point,
- 19) North 43°04'07" East, a distance of 95.84 feet to a point,
- 20) North 6°06'54" West, a distance of 99.38 feet to a point,
- 21) North 56°25'06" East, a distance of 38.00 feet to a point,
- 22) North 43°20'07" East, a distance of 70.29 feet to a point,
- 23) North 4°06'54" West, a distance of 51.59 feet to a point,
- 24) North 13°00'07" East, a distance of 101.02 feet to a point,
- 25) North 6°38'54" West, a distance of 106.12 feet to a point,
- 26) North 21°17'06" East, a distance of 47.92 feet to a point,

- 27) South 86°50'54" East, a distance of 35.80 feet to a point,
- 28) South 70°20'54" East, a distance of 59.23 feet to a point,
- 29) South 84°51'54" East, a distance of 48.63 feet to a point,
- 30) North 54°01'07" East, a distance of 125.15 feet to a point,
- 31) South 72°31'54" East, a distance of 48.10 feet to a point,
- 32) North 81°19'06" East, a distance of 27.37 feet to a point,
- 33) North 36°41'06" East, a distance of 26.28 feet to a point,
- 34) North 11°49'54" West, a distance of 31.90 feet to a point,
- 35) North 31°34'32" West, a distance of 48.46 feet to a point,
- 36) North 5°59'49" East, a distance of 56.71 feet to a point,
- 37) North 58°06'49" East, a distance of 142.23 feet to a point,
- 38) North 10°37'07" East, a distance of 43.88 feet to a point,
- 39) North 22°12'54" West, a distance of 43.38 feet to a point,
- 40) North 0°49'17" East, a distance of 88.63 feet to a point,
- 41) North 66°56'44" West, a distance of 136.88 feet to a point,
- 42) North 18°35'44" West, a distance of 30.93 feet to a point,
- 43) North 49°20'16" East, a distance of 44.81 feet to a point,
- 44) North 9°47'17" East, a distance of 47.82 feet to a point,
- 45) North 31°15'44" West, a distance of 18.82 feet to a point,
- 46) North 66°10'44" West, a distance of 76.55 feet to a point,
- 47) North 36°50'00" West, a distance of 31.90 feet to a point,
- 48) North 16°18'11" East, a distance of 149.85 feet to a point,
- 49) North 63°55'55" East, a distance of 21.23 feet to a point,
- 50) South 72°23'51" East, a distance of 40.26 feet to a point,
- 51) North 68°36'17" East, a distance of 15.32 feet to a point,
- 52) North 31°55'13" East, a distance of 31.78 feet to a point,
- 53) North 5°19'17" East, a distance of 20.92 feet to a point,
- 54) North 17°04'19" West, a distance of 54.94 feet to a point,
- 55) South 88°08'49" West, a distance of 45.46 feet to a point,
- 56) North 37°15'45" West, a distance of 14.17 feet to a point,
- 57) North 18°37'31" East, a distance of 14.49 feet to a point,
- 58) North 49°35'31" East, a distance of 22.85 feet to a point,
- 59) North 63°19'31" East, a distance of 178.91 feet to a point,
- 60) North 41°34'15" East, a distance of 32.32 feet to a point,
- 61) North 15°30'44" West, a distance of 92.50 feet to a point,
- 62) North 15°30'54" West, a distance of 43.58 feet to a point, and
- 63) North 16°28'14" East, a distance of 90.12 feet to a point, in the center of Onion Creek for the northwest corner of said 164-acre tract, the northeast corner of said 254.90-acre tract and the northerly terminus of said Boundary Line Agreement, same being an angle point in the south line of that called 140.788-acre tract described as "Exhibit A-1, Tract 3" to Onion Creek Golf Group, LLC, as recorded in Document Number 2006079292 O.P.R.T.C.T.;

**THENCE** continuing with said west line of said 164-acre tract, with said south line of the 140.788-acre tract, North 59°15'14" East, a distance of 77.12 feet to the west corner of that tract described as "Exhibit A-1, Tract 1" described to Onion Creek Golf Group, LLC in said Document Number 2006079292 O.P.R.T.C.T., same being the north corner of said 164-acre tract and the north corner of the tract described herein;

**THENCE** with the south line of said Onion Creek Golf Group LLC Tract 1, with the south line of said Onion Creek Addition, same being the north line of said 164-acre tract, the following five (5) courses and distances:

- 1) South 68°18'14" East, a distance of 218.30 feet to 1/2-inch iron rod with cap marked "DOUCET" found,
- 2) South 68°06'38" East, a distance of 67.38 feet to a 1/2-inch iron rod found,
- 3) South 68°04'32" East, a distance of 538.49 feet to a 1/2-inch iron rod found,
- 4) South 68°19'16" East, a distance of 469.61 feet to a 1/2-inch iron rod found, and
- 5) North 28°35'02" East, a distance of 447.90 feet to said **POINT OF BEGINNING** of the tract described herein, and containing 158.2 acres [6,889,825 square feet].

## EXHIBIT B – DISTRICT BOUNDARY MAP



## EXHIBIT C – AUTHORIZED IMPROVEMENTS BUDGET

	Original Budget	% Allocable to the District	Cost	Spent to Date [a]	% of Budget Spent to Date
<i>Public Improvements</i>					
Water Quality and Detention Ponds	\$ 4,105,104	100.00%	\$ 4,105,104	\$ 2,804,298	68.31%
Bella Fortuna Drive	1,039,575	100.00%	1,039,575	461,133	44.36%
Bella Fortuna Drive Waterline [b]	539,343	100.00%	539,343	239,253	44.36%
Offsite Wastewater [b]	1,169,286	100.00%	1,169,286	1,048,850	89.70%
Parks & Trails	970,112	100.00%	970,112	349,300	36.01%
Lift Station [c]	1,044,942	100.00%	1,044,942	1,044,942	100.00%
Soft Costs (0.00%)	1,000,000	100.00%	1,000,000	900,000	90.00%
Construction Management [b]	326,370	100.00%	326,370	-	0.00%
	<b>\$ 10,194,733</b>		<b>\$ 10,194,733</b>	<b>\$ 6,847,776</b>	<b>67.17%</b>
<i>Bond Issuance Costs</i>					
Debt Service Reserve Fund	\$ 584,060	100.00%	\$ 584,060	\$ 584,060	
Capitalized Interest	-	100.00%	-	-	
Underwriter Discount	235,770	100.00%	235,770	235,770	
Cost of Issuance	471,540	100.00%	471,540	471,540	
	<b>\$ 1,291,370</b>		<b>\$ 1,291,370</b>	<b>\$ 1,291,370</b>	
<b>Total</b>	<b>\$ 11,486,103</b>		<b>\$ 11,486,103</b>	<b>\$ 8,139,146</b>	

### Notes:

[a] Information provided by Clayton Properties Group, Inc., as of December 31, 2023.

[b] Costs do not include the City's cost share pursuant to the Wastewater Project Cost Reimbursement Agreement (Bella Fortuna Subdivision) between the City and the original owners.

[c] Costs do not include approximately \$150,000 in costs related to dry utilities.

## EXHIBIT D – SERVICE PLAN

Bella Fortuna PID						
Annual Installments Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Principal		\$ 122,000.00	\$ 129,000.00	\$ 136,000.00	\$ 144,000.00	\$ 153,000.00
Interest		\$ 460,140.00	\$ 452,820.00	\$ 445,080.00	\$ 436,920.00	\$ 428,280.00
Additional Interest		\$ 38,345.00	\$ 37,735.00	\$ 37,090.00	\$ 36,410.00	\$ 35,690.00
	(1)	\$ 620,485.00	\$ 619,555.00	\$ 618,170.00	\$ 617,330.00	\$ 616,970.00
Annual Collection Costs	(2)	\$ 50,184.00	\$ 51,187.68	\$ 52,211.43	\$ 53,255.66	\$ 54,320.78
<b>Total Annual Installment</b>	<b>(3) = (1) + (2)</b>	<b>\$ 670,669.00</b>	<b>\$ 670,742.68</b>	<b>\$ 670,381.43</b>	<b>\$ 670,585.66</b>	<b>\$ 671,290.78</b>

## EXHIBIT E – SOURCES AND USES OF FUNDS

Sources of Funds	
Series 2024 Bond Par	\$ 7,859,000
Reimbursement Obligation [a]	489,372
Owner Contribution [b]	3,137,732
<b>Total Sources</b>	<b>\$ 11,486,103</b>
Uses of Funds	
Public Improvements	\$ 10,194,733
	<b>\$ 10,194,733</b>
<i>First Year Annual Collection Costs</i>	\$ -
	<b>\$ -</b>
<i>Bond Issuance Costs</i>	
Debt Service Reserve Fund	\$ 584,060
Capitalized Interest	-
Underwriter Discount	235,770
Cost of Issuance	471,540
	<b>\$ 1,291,370</b>
<b>Total Uses</b>	<b>\$ 11,486,103</b>

**Notes:**

[a] Includes principal and a portion of the interest collected under the terms of the Acquisition and Reimbursement Agreement.

[b] Represents the estimated cost of Public Improvements that will be funded by the Owner and are not eligible for reimbursement.

## EXHIBIT F – ASSESSMENT ROLL

Property ID	Phase	Lot Type	Note	Bella Fortuna PID	
				Outstanding	Annual
				Assessment <sup>[1] [2]</sup>	Installment Due <sup>[1] [2]</sup> 1/31/25
931655	Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
931656	Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
931657	Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
931658	Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
931659	Bella Fortuna - Phase 1	3		\$ 17,927.92	\$ 1,567.83
931660	Bella Fortuna - Phase 1	3		\$ 17,927.92	\$ 1,567.83
931666	Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
931667	Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
931668	Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
931669	Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
931670	Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
931672	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931673	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931674	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931675	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931679	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931680	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931681	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931682	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931683	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931684	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931685	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931688	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931689	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931690	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931691	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931692	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931693	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931694	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931695	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931696	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931697	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931698	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931699	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931700	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931701	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931702	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931757	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931758	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931759	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87

				Bella Fortuna PID	
Property ID	Phase	Lot Type	Note	Outstanding	Annual
				Assessment <sup>[1] [2]</sup>	Installment Due 1/31/25 <sup>[1] [2]</sup>
931760	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931761	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931762	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931763	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931764	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931765	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931766	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931767	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931768	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931769	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931770	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931771	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931772	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931773	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931774	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931775	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931777	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931778	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931779	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931780	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931781	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931782	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931783	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931784	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931785	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931786	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931787	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931788	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931789	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931790	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931704	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931705	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931706	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931707	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931708	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931709	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931710	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931711	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931712	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931713	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87

				Bella Fortuna PID	
Property ID	Phase	Lot Type	Note	Outstanding	Annual
				Assessment <sup>[1] [2]</sup>	Installment Due <sup>[1] [2]</sup> 1/31/25
931714	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931715	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931725	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931726	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931727	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931728	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931732	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931733	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931734	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931735	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931737	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931740	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931741	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931742	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931743	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931744	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931745	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931746	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931748	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931749	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931750	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931751	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931752	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931753	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931754	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931792	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931793	Bella Fortuna - Phase 1	Commercial		\$ 223,334.65	\$ 19,531.05
931794	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931797	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931798	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931799	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931800	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931801	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931802	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931803	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931804	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931805	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931806	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931807	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931809	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87

				Bella Fortuna PID	
Property ID	Phase	Lot Type	Note	Outstanding	Annual
				Assessment <sup>[1] [2]</sup>	Installment Due 1/31/25 <sup>[1] [2]</sup>
931810	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931811	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931812	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931813	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931814	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931815	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931816	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931817	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931719	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931720	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931721	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931722	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931723	Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
931724	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931819	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931808	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931755	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931738	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931716	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931791	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931703	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931678	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931671	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931661	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931663	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
931665	Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
945957	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945958	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945959	Bella Fortuna - Phase 2	2	[3]	\$ 10,060.81	\$ 879.84
945960	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945961	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945962	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945963	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945964	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945965	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945966	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945967	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945968	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945969	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53

				Bella Fortuna PID	
Property ID	Phase	Lot Type	Note	Outstanding	Annual
				Assessment <sup>[1] [2]</sup>	Installment Due <sup>[1] [2]</sup>
					1/31/25
945970	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945971	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945972	Bella Fortuna - Phase 2	Non-Benefited		\$ -	\$ -
945973	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945974	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945975	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945976	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945978	Bella Fortuna - Phase 2	Non-Benefited		\$ -	\$ -
945979	Bella Fortuna - Phase 2	Non-Benefited		\$ -	\$ -
945980	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945981	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945982	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945983	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945984	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945985	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945986	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945987	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945988	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945989	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945990	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945991	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945992	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945993	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945994	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945995	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945996	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945997	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945998	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
945999	Bella Fortuna - Phase 2	Non-Benefited		\$ -	\$ -
946001	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946002	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946003	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946004	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946005	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946006	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946007	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946008	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946009	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946010	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946011	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53

				Bella Fortuna PID	
Property ID	Phase	Lot Type	Note	Outstanding Assessment <sup>[1] [2]</sup>	Annual Installment Due 1/31/25 <sup>[1] [2]</sup>
946012	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946013	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946014	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946018	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946019	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946020	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946021	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946022	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946023	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946024	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946025	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946026	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946027	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946028	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
946029	Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
964780	West Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
964781	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964782	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964783	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964784	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964785	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964786	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964787	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964788	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964789	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964790	West Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
964791	West Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
964792	West Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
964793	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964794	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964795	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964796	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964797	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964798	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964799	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964800	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964801	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964802	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964803	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964804	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87

				Bella Fortuna PID	
Property ID	Phase	Lot Type	Note	Outstanding	Annual
				Assessment <sup>[1] [2]</sup>	Installment Due 1/31/25 <sup>[1] [2]</sup>
964805	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964806	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964807	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964808	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964809	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964810	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964811	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964812	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964813	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964814	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964815	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964816	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964817	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964818	West Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
964819	West Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
964820	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964821	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964822	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964823	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964824	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964825	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964826	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964827	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964828	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964829	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964830	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964831	West Bella Fortuna - Phase 1	Non-Benefited		\$ -	\$ -
964833	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964834	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964835	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964836	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964837	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964838	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964839	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964840	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964841	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964842	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964843	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964844	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964845	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87

				Bella Fortuna PID	
Property ID	Phase	Lot Type	Note	Outstanding	Annual
				Assessment <sup>[1] [2]</sup>	Installment Due 1/31/25 <sup>[1] [2]</sup>
964846	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964847	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964848	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964849	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964850	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964851	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964852	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964853	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964854	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964855	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964856	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964857	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964858	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964859	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964860	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964861	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964862	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964863	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964864	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964865	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964866	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964867	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964868	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964869	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964870	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964871	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964872	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964873	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964874	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964875	West Bella Fortuna - Phase 1	2		\$ 14,939.93	\$ 1,306.53
964876	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964877	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964878	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964879	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964880	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964881	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964882	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964883	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964884	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964885	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87

				Bella Fortuna PID	
Property ID	Phase	Lot Type	Note	Outstanding	Annual
				Assessment <sup>[1] [2]</sup>	Installment Due 1/31/25 <sup>[1] [2]</sup>
964886	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964887	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964888	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964889	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964890	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964891	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964892	West Bella Fortuna - Phase 1	1		\$ 13,445.94	\$ 1,175.87
964898	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
964899	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
964900	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
964901	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
964902	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964903	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964904	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964905	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964906	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964907	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964908	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964910	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964911	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964912	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964913	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964914	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964915	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964916	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964917	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964918	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964919	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964923	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964924	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964925	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964926	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964927	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964928	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964929	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964930	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
964931	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
964932	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
964933	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
964934	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53

				Bella Fortuna PID	
Property ID	Phase	Lot Type	Note	Outstanding	Annual
				Assessment <sup>[1] [2]</sup>	Installment Due <sup>[1] [2]</sup>
					1/31/25
964935	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
964936	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
964937	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964938	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964939	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964940	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964941	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964942	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
964943	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
964944	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964945	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964946	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964947	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964948	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964949	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964950	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964951	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964952	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964953	West Bella Fortuna - Phase 2	Non-Benefited		\$ -	\$ -
964954	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964955	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964956	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964957	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964958	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964959	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964960	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964961	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964962	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964963	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964964	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964965	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964968	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964969	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964970	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964971	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964972	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964973	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964974	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964987	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964988	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87

				Bella Fortuna PID	
Property ID	Phase	Lot Type	Note	Outstanding	Annual
				Assessment <sup>[1] [2]</sup>	Installment Due <sup>[1] [2]</sup> 1/31/25
964989	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964990	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964991	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964993	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964994	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964995	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964996	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964997	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964998	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
964999	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965000	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965001	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965002	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965003	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965004	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965005	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965006	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965007	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965008	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965009	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965010	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965011	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
965012	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
965013	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
965014	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
965015	West Bella Fortuna - Phase 2	2		\$ 14,939.93	\$ 1,306.53
965016	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965017	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965018	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
965019	West Bella Fortuna - Phase 2	1		\$ 13,445.94	\$ 1,175.87
969437	West Bella Fortuna - Phase 3	Non-Benefited		\$ -	\$ -
969438	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969439	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969440	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969441	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969442	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969443	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969444	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969445	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969446	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87

				Bella Fortuna PID	
Property ID	Phase	Lot Type	Note	Outstanding	Annual
				Assessment <sup>[1] [2]</sup>	Installment Due <sup>[1] [2]</sup>
					1/31/25
969447	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969448	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969449	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969450	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969451	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969452	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969453	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969454	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969455	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969456	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969457	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969458	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969459	West Bella Fortuna - Phase 3	Non-Benefited		\$ -	\$ -
969460	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969461	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969462	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969463	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969464	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969465	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969466	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969467	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969468	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969469	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969470	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969471	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969472	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969473	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969474	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969475	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969476	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969477	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969478	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969479	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969480	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969481	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969482	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969483	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969484	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969485	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969486	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53

				Bella Fortuna PID	
Property ID	Phase	Lot Type	Note	Outstanding	Annual
				Assessment <sup>[1] [2]</sup>	Installment Due 1/31/25 <sup>[1] [2]</sup>
969487	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969488	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969489	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969490	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969491	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969492	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969493	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969494	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969495	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969496	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969497	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969498	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969499	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969500	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969501	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969502	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969503	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969504	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969505	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969506	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969507	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969508	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969509	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969510	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969511	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969512	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969513	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969514	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969515	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969516	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969517	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969518	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969519	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969520	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969521	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969522	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969523	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969524	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969525	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969526	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87

				Bella Fortuna PID	
Property ID	Phase	Lot Type	Note	Outstanding	Annual
				Assessment <sup>[1] [2]</sup>	Installment Due 1/31/25 <sup>[1] [2]</sup>
969527	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969528	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969529	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969530	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969531	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969532	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969533	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969534	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969535	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969536	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969537	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969538	West Bella Fortuna - Phase 3	2		\$ 14,939.93	\$ 1,306.53
969539	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969540	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969541	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969542	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969543	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969544	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969545	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969546	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969547	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969548	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969549	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969550	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969551	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969552	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969553	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969554	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969555	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969556	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969557	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969558	West Bella Fortuna - Phase 3	3		\$ 17,927.92	\$ 1,567.83
969559	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969560	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969561	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969562	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969563	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969564	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969565	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969566	West Bella Fortuna - Phase 3	1		\$ 13,445.94	\$ 1,175.87
969567	West Bella Fortuna - Phase 3	Non-Benefited		\$ -	\$ -
<b>Total</b>				<b>\$ 7,669,000.00</b>	<b>\$ 670,669.00</b>

Notes:

[1] Outstanding Assessment or Annual Installment totals may not sum due to rounding.

[2] Does not include Assessments totaling \$190,000.00 that were due January 31, 2024 and the portion of Annual Installments allocable to such Assessments. The Assessments collected January 31, 2024 will be used to pay principal of the PID Bonds due September 1, 2024.

[3] Partial Prepayment made prior to issuance of PID Bonds.

## EXHIBIT G-1 – ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal <sup>1</sup>	Interest <sup>2</sup>	Additional Interest <sup>3</sup>	Annual Collection Costs	Total Annual Installment
2024	\$ 190,000	\$ 265,896	\$ -	\$ 49,200	\$ 505,096
2025	122,000	460,140	38,345	50,184	670,669
2026	129,000	452,820	37,735	51,188	670,743
2027	136,000	445,080	37,090	52,211	670,381
2028	144,000	436,920	36,410	53,256	670,586
2029	153,000	428,280	35,690	54,321	671,291
2030	162,000	419,100	34,925	55,407	671,432
2031	171,000	409,380	34,115	56,515	671,010
2032	181,000	399,120	33,260	57,646	671,026
2033	191,000	388,260	32,355	58,799	670,414
2034	203,000	376,800	31,400	59,975	671,175
2035	215,000	364,620	30,385	61,174	671,179
2036	228,000	351,720	29,310	62,397	671,427
2037	241,000	338,040	28,170	63,645	670,855
2038	255,000	323,580	26,965	64,918	670,463
2039	271,000	308,280	25,690	66,217	671,187
2040	287,000	292,020	24,335	67,541	670,896
2041	304,000	274,800	22,900	68,892	670,592
2042	323,000	256,560	21,380	70,270	671,210
2043	342,000	237,180	19,765	71,675	670,620
2044	363,000	216,660	18,055	73,109	670,824
2045	385,000	194,880	16,240	74,571	670,691
2046	409,000	171,780	14,315	76,062	671,157
2047	434,000	147,240	12,270	77,583	671,093
2048	461,000	121,200	10,100	79,135	671,435
2049	489,000	93,540	7,795	80,718	671,053
2050	519,000	64,200	5,350	82,332	670,882
2051	551,000	33,060	2,755	83,979	670,794
<b>Total</b>	<b>\$ 7,859,000</b>	<b>\$ 8,271,156</b>	<b>\$ 667,105</b>	<b>\$ 1,822,920</b>	<b>\$ 18,620,181</b>

<sup>1</sup> Principal and interest due January 31, 2024 will be used to pay debt service on the PID Bonds due September 1, 2024.

<sup>2</sup> Interest is calculated at a rate of 6.00% for illustrative purposes.

<sup>3</sup> 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. Changes in Annual Collection Costs, Interest earnings, or other available offsets could increase or decrease the amounts shown.*

**EXHIBIT G-2 – BOND DEBT SERVICE SCHEDULE**

## **EXHIBIT H-1 – LOT TYPE 1 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 RECORDING<sup>1</sup> RETURN TO:

Travis County Planning & Budget Office  
Attn: Christy Moffett  
700 Lavaca Street, Suite 1560  
Austin, Texas 78701

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
TRAVIS COUNTY, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

---

PROPERTY ADDRESS

**LOT TYPE 1 PRINCIPAL ASSESSMENT: \$13,445.94**

As the purchaser of the real property described above, you are obligated to pay assessments to Travis County, 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 ***Bella Fortuna 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 Travis County. The exact amount of each annual installment will be approved each year by the Travis County Commissioners Court in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from Travis County.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

---

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

---

SIGNATURE OF PURCHASER

---

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

---

SIGNATURE OF SELLER

---

SIGNATURE OF SELLER]<sup>2</sup>

---

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Travis County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

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

## ANNUAL INSTALLMENTS - LOT TYPE 1

Annual Installment Due 1/31	Principal	Interest <sup>1</sup>	Additional Interest <sup>2</sup>	Annual Collection Costs	Total Annual Installment
2025	\$ 213.90	\$ 806.76	\$ 67.23	\$ 87.99	\$ 1,175.87
2026	226.17	793.92	66.16	89.75	1,176.00
2027	238.45	780.35	65.03	91.54	1,175.37
2028	252.47	766.05	63.84	93.37	1,175.73
2029	268.25	750.90	62.57	95.24	1,176.96
2030	284.03	734.80	61.23	97.14	1,177.21
2031	299.81	717.76	59.81	99.09	1,176.47
2032	317.34	699.77	58.31	101.07	1,176.50
2033	334.88	680.73	56.73	103.09	1,175.43
2034	355.92	660.64	55.05	105.15	1,176.76
2035	376.96	639.28	53.27	107.26	1,176.77
2036	399.75	616.67	51.39	109.40	1,177.20
2037	422.54	592.68	49.39	111.59	1,176.20
2038	447.09	567.33	47.28	113.82	1,175.51
2039	475.14	540.50	45.04	116.10	1,176.78
2040	503.19	511.99	42.67	118.42	1,176.27
2041	533.00	481.80	40.15	120.79	1,175.74
2042	566.31	449.82	37.49	123.20	1,176.82
2043	599.62	415.84	34.65	125.67	1,175.79
2044	636.44	379.87	31.66	128.18	1,176.14
2045	675.01	341.68	28.47	130.74	1,175.91
2046	717.09	301.18	25.10	133.36	1,176.73
2047	760.93	258.15	21.51	136.03	1,176.62
2048	808.26	212.50	17.71	138.75	1,177.22
2049	857.36	164.00	13.67	141.52	1,176.55
2050	909.95	112.56	9.38	144.35	1,176.25
2051	966.06	57.96	4.83	147.24	1,176.09
<b>Total</b>	<b>\$ 13,445.94</b>	<b>\$ 14,035.50</b>	<b>\$ 1,169.62</b>	<b>\$ 3,109.84</b>	<b>\$ 31,760.90</b>

<sup>1</sup> Interest is calculated at a rate of 6.00% for illustrative purposes.

<sup>2</sup> 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. Changes in Annual Collection Costs, Interest earnings, or other available offsets could increase or decrease the amounts shown.*

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

## **EXHIBIT H-2 - LOT TYPE 2 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 RECORDING<sup>1</sup> RETURN TO:

Travis County Planning & Budget Office  
Attn: Christy Moffett  
700 Lavaca Street, Suite 1560  
Austin, Texas 78701

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
TRAVIS COUNTY, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

---

PROPERTY ADDRESS

**LOT TYPE 2 PRINCIPAL ASSESSMENT: \$14,939.93**

As the purchaser of the real property described above, you are obligated to pay assessments to Travis County, 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 ***Bella Fortuna 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 Travis County. The exact amount of each annual installment will be approved each year by the Travis County Commissioners Court in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from Travis County.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

---

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

---

SIGNATURE OF PURCHASER

---

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

---

SIGNATURE OF SELLER

---

SIGNATURE OF SELLER]<sup>2</sup>

---

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Travis County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Travis County.

## ANNUAL INSTALLMENTS - LOT TYPE 2

Annual Installment Due 1/31	Principal	Interest <sup>1</sup>	Additional Interest <sup>2</sup>	Annual Collection Costs	Total Annual Installment
2025	\$ 237.67	\$ 896.40	\$ 74.70	\$ 97.76	\$ 1,306.53
2026	251.30	882.14	73.51	99.72	1,306.67
2027	264.94	867.06	72.25	101.71	1,305.97
2028	280.53	851.16	70.93	103.75	1,306.36
2029	298.06	834.33	69.53	105.82	1,307.74
2030	315.59	816.45	68.04	107.94	1,308.01
2031	333.12	797.51	66.46	110.10	1,307.19
2032	352.61	777.52	64.79	112.30	1,307.22
2033	372.09	756.37	63.03	114.55	1,306.03
2034	395.46	734.04	61.17	116.84	1,307.51
2035	418.84	710.31	59.19	119.17	1,307.52
2036	444.17	685.18	57.10	121.56	1,308.00
2037	469.49	658.53	54.88	123.99	1,306.89
2038	496.76	630.36	52.53	126.47	1,306.13
2039	527.93	600.56	50.05	129.00	1,307.53
2040	559.10	568.88	47.41	131.58	1,306.97
2041	592.22	535.34	44.61	134.21	1,306.38
2042	629.23	499.80	41.65	136.89	1,307.58
2043	666.25	462.05	38.50	139.63	1,306.43
2044	707.16	422.07	35.17	142.42	1,306.83
2045	750.02	379.64	31.64	145.27	1,306.57
2046	796.77	334.64	27.89	148.18	1,307.48
2047	845.47	286.84	23.90	151.14	1,307.35
2048	898.07	236.11	19.68	154.16	1,308.02
2049	952.62	182.22	15.19	157.25	1,307.27
2050	1,011.06	125.07	10.42	160.39	1,306.94
2051	1,073.40	64.40	5.37	163.60	1,306.77
<b>Total</b>	<b>\$ 14,939.93</b>	<b>\$ 15,595.00</b>	<b>\$ 1,299.58</b>	<b>\$ 3,455.37</b>	<b>\$ 35,289.89</b>

<sup>1</sup> Interest is calculated at a rate of 6.00% for illustrative purposes.

<sup>2</sup> 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. Changes in Annual Collection Costs, Interest earnings, or other available offsets could increase or decrease the amounts shown.*

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

### **EXHIBIT H-3 - LOT TYPE 2 (PROPERTY R945959) 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 RECORDING<sup>1</sup> RETURN TO:

Travis County Planning & Budget Office  
Attn: Christy Moffett  
700 Lavaca Street, Suite 1560  
Austin, Texas 78701

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
TRAVIS COUNTY, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

---

PROPERTY ADDRESS

**LOT TYPE R945959 PRINCIPAL ASSESSMENT: \$10,060.81**

As the purchaser of the real property described above, you are obligated to pay assessments to Travis County, 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 ***Bella Fortuna 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 Travis County. The exact amount of each annual installment will be approved each year by the Travis County Commissioners Court in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from Travis County.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

---

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

---

SIGNATURE OF PURCHASER

---

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

---

SIGNATURE OF SELLER

---

SIGNATURE OF SELLER]<sup>2</sup>

---

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Travis County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Travis County.

## ANNUAL INSTALLMENTS - LOT TYPE R945959

Annual Installment Due 1/31	Principal	Interest <sup>1</sup>	Additional Interest <sup>2</sup>	Annual Collection Costs	Total Annual Installment
2025	\$ 160.05	\$ 603.65	\$ 50.30	\$ 65.84	\$ 879.84
2026	169.23	594.05	49.50	67.15	879.93
2027	178.42	583.89	48.66	68.50	879.46
2028	188.91	573.19	47.77	69.87	879.73
2029	200.72	561.85	46.82	71.26	880.65
2030	212.52	549.81	45.82	72.69	880.84
2031	224.33	537.06	44.75	74.14	880.29
2032	237.45	523.60	43.63	75.62	880.31
2033	250.57	509.35	42.45	77.14	879.50
2034	266.31	494.32	41.19	78.68	880.50
2035	282.05	478.34	39.86	80.25	880.51
2036	299.11	461.41	38.45	81.86	880.83
2037	316.16	443.47	36.96	83.50	880.08
2038	334.53	424.50	35.37	85.17	879.57
2039	355.52	404.43	33.70	86.87	880.52
2040	376.51	383.10	31.92	88.61	880.14
2041	398.81	360.50	30.04	90.38	879.74
2042	423.74	336.58	28.05	92.19	880.55
2043	448.66	311.15	25.93	94.03	879.77
2044	476.21	284.23	23.69	95.91	880.04
2045	505.07	255.66	21.30	97.83	879.87
2046	536.56	225.35	18.78	99.78	880.48
2047	569.36	193.16	16.10	101.78	880.39
2048	604.78	159.00	13.25	103.82	880.84
2049	641.51	122.71	10.23	105.89	880.34
2050	680.87	84.22	7.02	108.01	880.12
2051	722.85	43.37	3.61	110.17	880.00
<b>Total</b>	<b>\$ 10,060.81</b>	<b>\$ 10,501.95</b>	<b>\$ 875.16</b>	<b>\$ 2,326.91</b>	<b>\$ 23,764.83</b>

<sup>1</sup> Interest is calculated at a rate of 6.00% for illustrative purposes.

<sup>2</sup> 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. Changes in Annual Collection Costs, Interest earnings, or other available offsets could increase or decrease the amounts shown.*

## **EXHIBIT H-4 - LOT TYPE 3 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 RECORDING<sup>1</sup> RETURN TO:

Travis County Planning & Budget Office  
Attn: Christy Moffett  
700 Lavaca Street, Suite 1560  
Austin, Texas 78701

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
TRAVIS COUNTY, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

---

PROPERTY ADDRESS

**LOT TYPE 3 PRINCIPAL ASSESSMENT: \$17,927.92**

As the purchaser of the real property described above, you are obligated to pay assessments to Travis County, 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 ***Bella Fortuna 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 Travis County. The exact amount of each annual installment will be approved each year by the Travis County Commissioners Court in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from Travis County.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

---

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

---

SIGNATURE OF PURCHASER

---

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

---

SIGNATURE OF SELLER

---

SIGNATURE OF SELLER]<sup>2</sup>

---

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Travis County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Travis County.

### ANNUAL INSTALLMENTS - LOT TYPE 3

Annual Installment Due 1/31	Principal	Interest <sup>1</sup>	Additional Interest <sup>2</sup>	Annual Collection Costs	Total Annual Installment
2025	\$ 285.20	\$ 1,075.68	\$ 89.64	\$ 117.32	\$ 1,567.83
2026	301.56	1,058.56	88.21	119.66	1,568.00
2027	317.93	1,040.47	86.71	122.06	1,567.16
2028	336.63	1,021.39	85.12	124.50	1,567.64
2029	357.67	1,001.20	83.43	126.99	1,569.29
2030	378.71	979.74	81.64	129.53	1,569.62
2031	399.75	957.01	79.75	132.12	1,568.63
2032	423.13	933.03	77.75	134.76	1,568.67
2033	446.50	907.64	75.64	137.45	1,567.23
2034	474.56	880.85	73.40	140.20	1,569.01
2035	502.61	852.38	71.03	143.01	1,569.02
2036	533.00	822.22	68.52	145.87	1,569.60
2037	563.39	790.24	65.85	148.78	1,568.27
2038	596.12	756.44	63.04	151.76	1,567.35
2039	633.52	720.67	60.06	154.80	1,569.04
2040	670.92	682.66	56.89	157.89	1,568.36
2041	710.66	642.40	53.53	161.05	1,567.65
2042	755.08	599.76	49.98	164.27	1,569.10
2043	799.50	554.46	46.20	167.56	1,567.72
2044	848.59	506.49	42.21	170.91	1,568.19
2045	900.02	455.57	37.96	174.33	1,567.88
2046	956.12	401.57	33.46	177.81	1,568.97
2047	1,014.57	344.20	28.68	181.37	1,568.82
2048	1,077.69	283.33	23.61	185.00	1,569.62
2049	1,143.14	218.67	18.22	188.70	1,568.73
2050	1,213.27	150.08	12.51	192.47	1,568.33
2051	1,288.08	77.28	6.44	196.32	1,568.12
<b>Total</b>	<b>\$ 17,927.92</b>	<b>\$ 18,714.00</b>	<b>\$ 1,559.50</b>	<b>\$ 4,146.45</b>	<b>\$ 42,347.86</b>

<sup>1</sup> Interest is calculated at a rate of 6.00% for illustrative purposes.

<sup>2</sup> 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. Changes in Annual Collection Costs, Interest earnings, or other available offsets could increase or decrease the amounts shown.*

## **EXHIBIT H-5 - LOT TYPE COMMERCIAL 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 RECORDING<sup>1</sup> RETURN TO:

Travis County Planning & Budget Office  
Attn: Christy Moffett  
700 Lavaca Street, Suite 1560  
Austin, Texas 78701

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
TRAVIS COUNTY, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

---

PROPERTY ADDRESS

**LOT TYPE COMMERCIAL PRINCIPAL ASSESSMENT: \$223,344.65**

As the purchaser of the real property described above, you are obligated to pay assessments to Travis County, 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 ***Bella Fortuna 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 Travis County. The exact amount of each annual installment will be approved each year by the Travis County Commissioners Court in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from Travis County.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

---

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

---

SIGNATURE OF PURCHASER

---

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

---

SIGNATURE OF SELLER

---

SIGNATURE OF SELLER]<sup>2</sup>

---

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

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Travis County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Travis County.

## ANNUAL INSTALLMENTS - LOT TYPE COMMERCIAL

Annual Installment Due 1/31	Principal	Interest <sup>1</sup>	Additional Interest <sup>2</sup>	Annual Collection Costs	Total Annual Installment
2025	\$ 3,552.85	\$ 13,400.08	\$ 1,116.67	\$ 1,461.45	\$ 19,531.05
2026	3,756.70	13,186.91	1,098.91	1,490.67	19,533.20
2027	3,960.56	12,961.51	1,080.13	1,520.49	19,522.68
2028	4,193.53	12,723.87	1,060.32	1,550.90	19,528.62
2029	4,455.63	12,472.26	1,039.36	1,581.92	19,549.16
2030	4,717.72	12,204.92	1,017.08	1,613.55	19,553.28
2031	4,979.82	11,921.86	993.49	1,645.83	19,540.99
2032	5,271.04	11,623.07	968.59	1,678.74	19,541.44
2033	5,562.25	11,306.81	942.23	1,712.32	19,523.61
2034	5,911.71	10,973.07	914.42	1,746.56	19,545.77
2035	6,261.17	10,618.37	884.86	1,781.49	19,545.90
2036	6,639.76	10,242.70	853.56	1,817.12	19,553.14
2037	7,018.34	9,844.31	820.36	1,853.47	19,536.48
2038	7,426.04	9,423.21	785.27	1,890.54	19,525.06
2039	7,891.99	8,977.65	748.14	1,928.35	19,546.13
2040	8,357.94	8,504.13	708.68	1,966.91	19,537.66
2041	8,853.01	8,002.66	666.89	2,006.25	19,528.80
2042	9,406.32	7,471.47	622.62	2,046.38	19,546.80
2043	9,959.64	6,907.10	575.59	2,087.30	19,529.63
2044	10,571.19	6,309.52	525.79	2,129.05	19,535.55
2045	11,211.87	5,675.25	472.94	2,171.63	19,531.68
2046	11,910.79	5,002.53	416.88	2,215.06	19,545.27
2047	12,638.84	4,287.89	357.32	2,259.37	19,543.41
2048	13,425.12	3,529.56	294.13	2,304.55	19,553.36
2049	14,240.53	2,724.05	227.00	2,350.64	19,542.23
2050	15,114.18	1,869.62	155.80	2,397.66	19,537.26
2051	16,046.08	962.76	80.23	2,445.61	19,534.69
<b>Total</b>	<b>\$ 223,334.65</b>	<b>\$ 233,127.13</b>	<b>\$ 19,427.26</b>	<b>\$ 51,653.81</b>	<b>\$ 527,542.84</b>

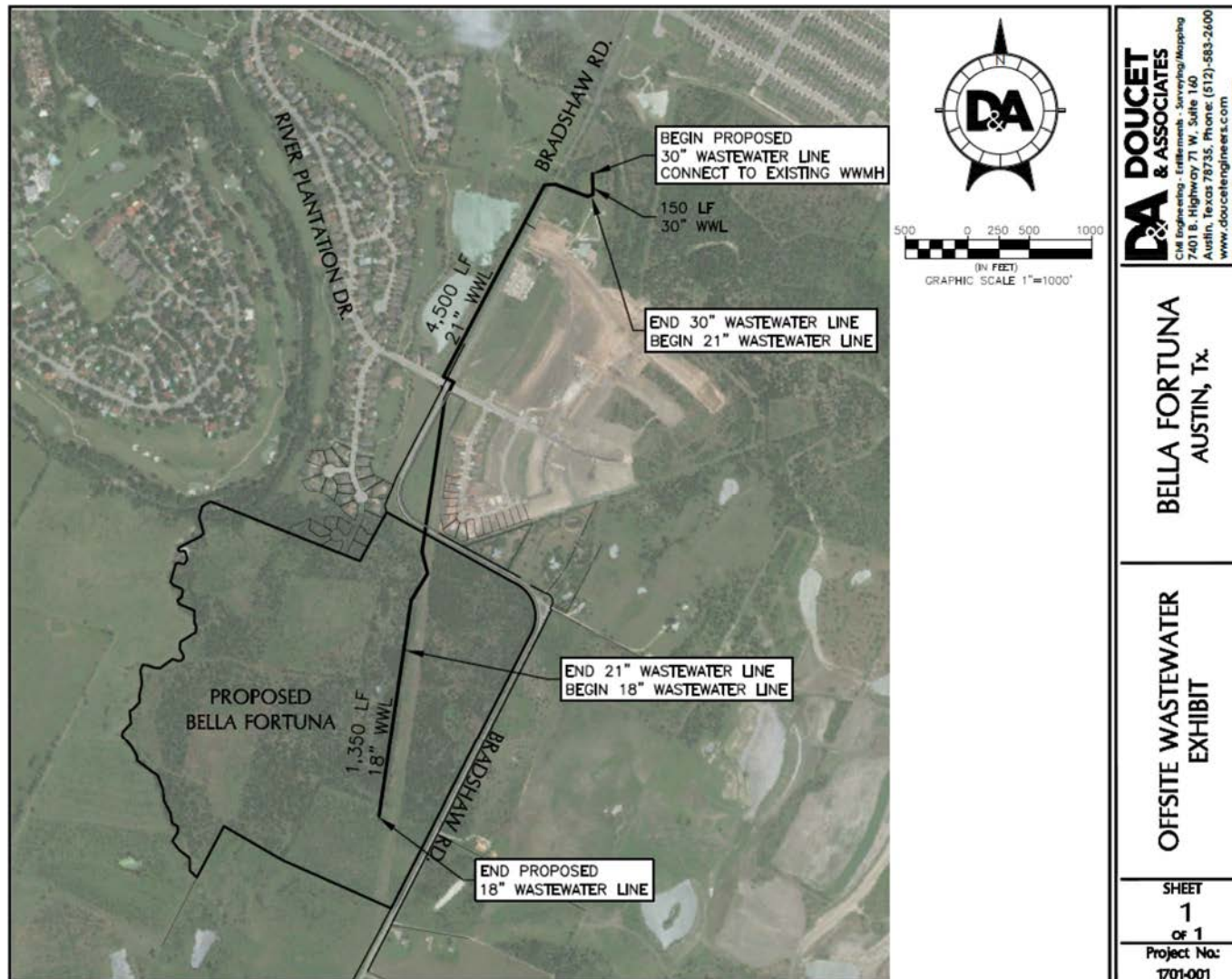
<sup>1</sup> Interest is calculated at a rate of 6.00% for illustrative purposes.

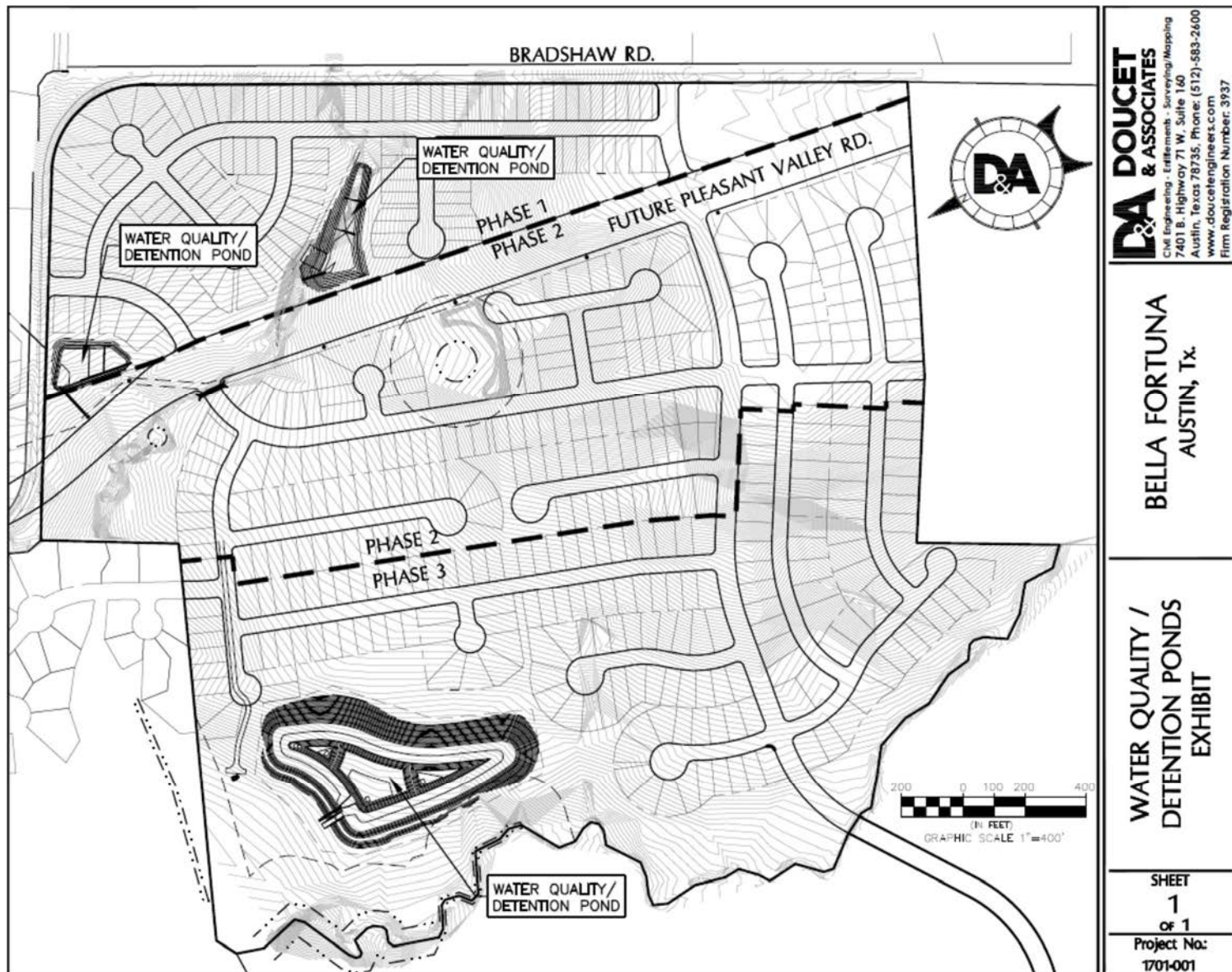
<sup>2</sup> Additional Interest is calculated at the Additional Interest Rate.

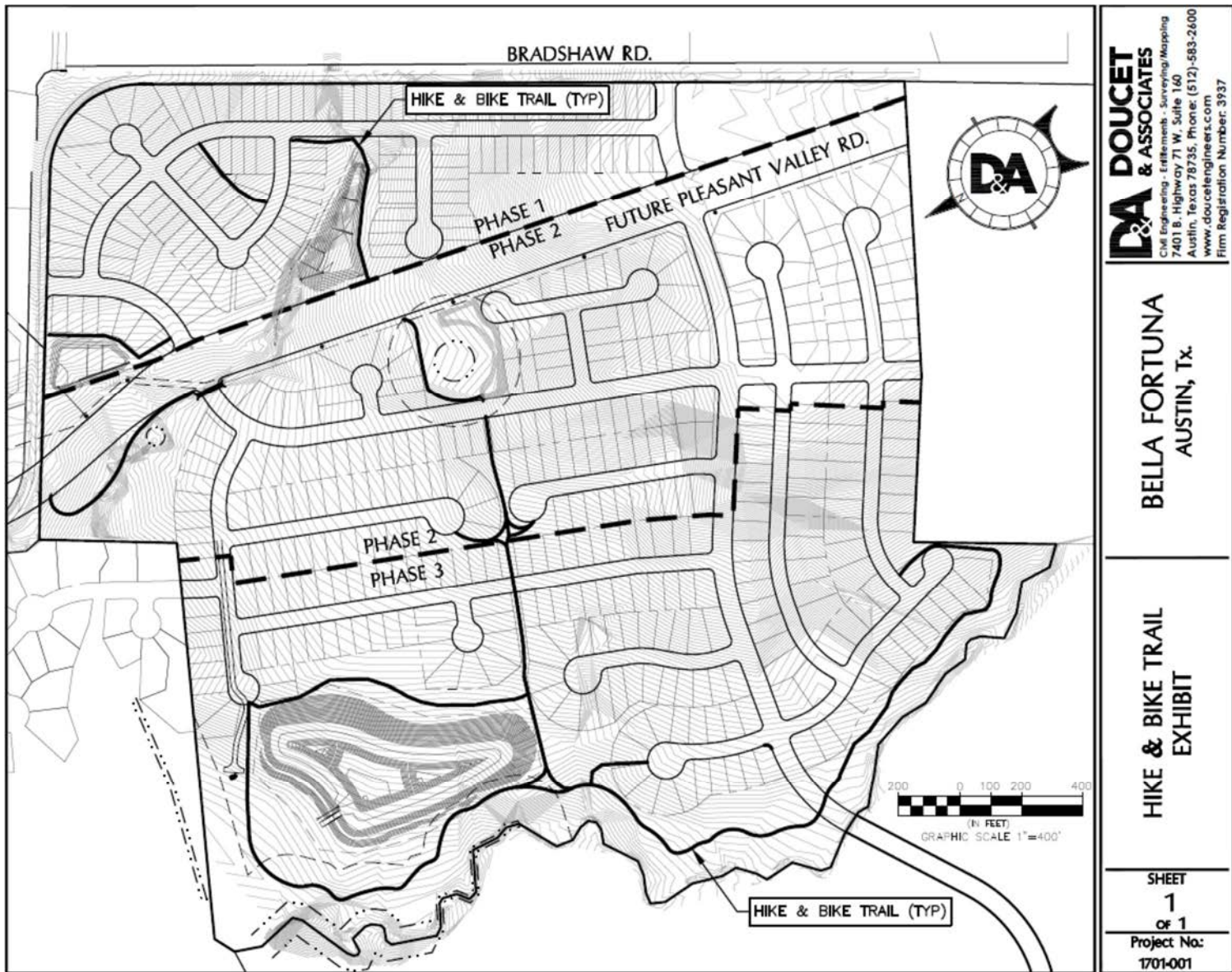
*Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, Interest earnings, or other available offsets could increase or decrease the amounts shown.*

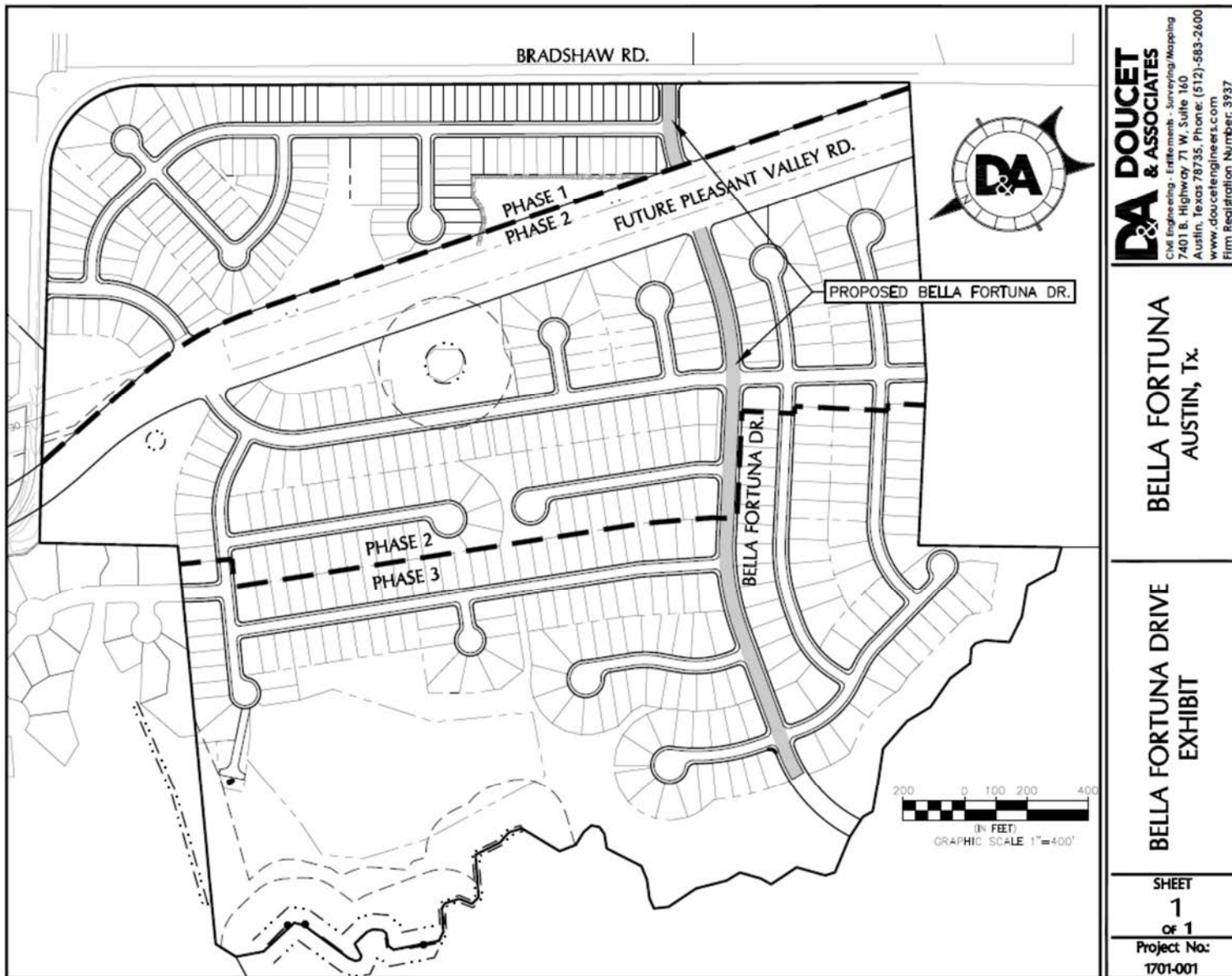
Annual Installment Schedule to Notice  
of Obligation to Pay Improvement District Assessment

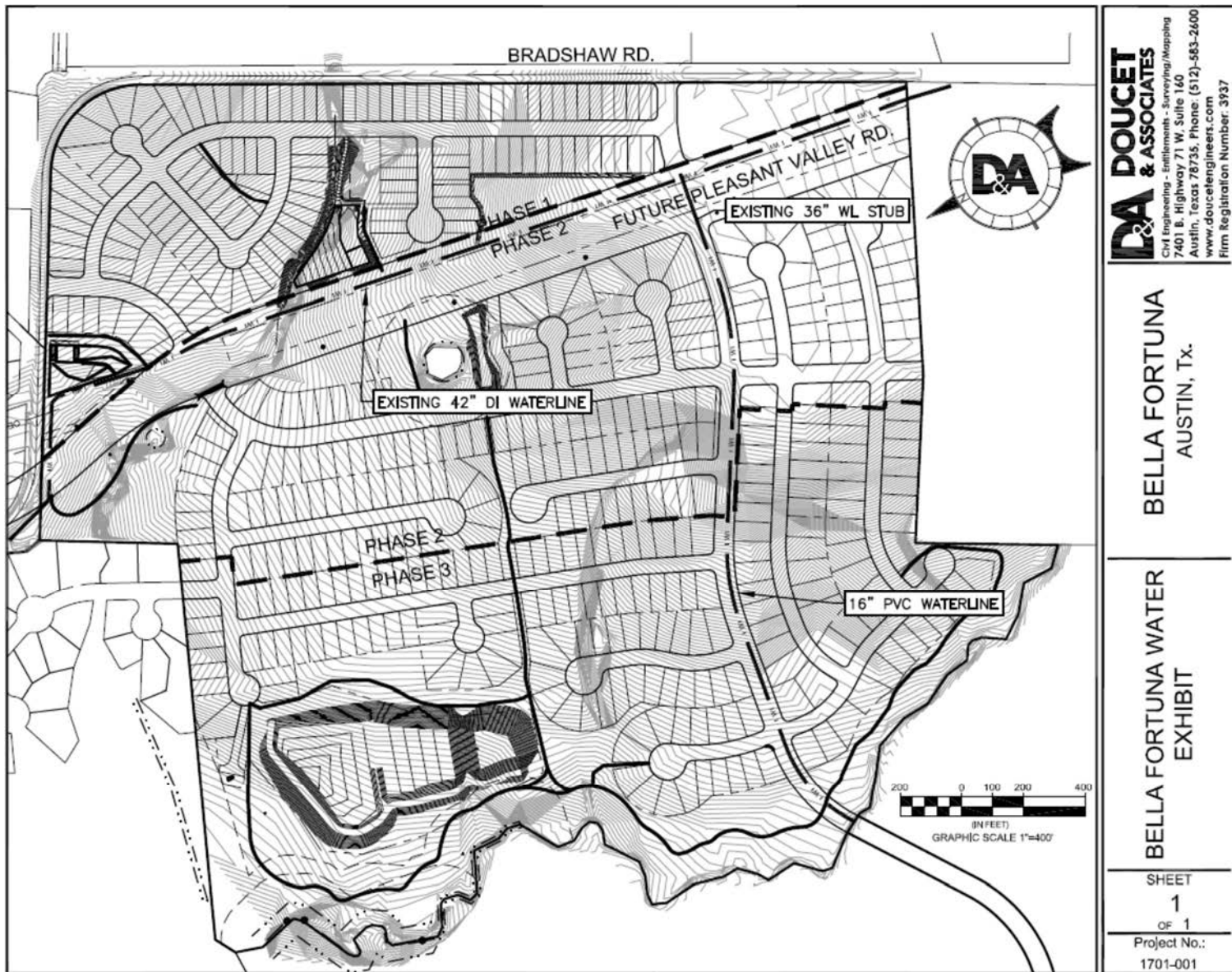
## EXHIBIT I – MAPS DEPICTING AUTHORIZED IMPROVEMENTS











## EXHIBIT J – FORM OF NOTICE OF PID ASSESSMENT LIEN TERMINATION



P3Works, LLC  
9284 Huntington Square, Suite 100  
North Richland Hills, TX 76182

[Date]  
Travis County Clerk's Office  
Honorable [County Clerk Name]  
5501 Airport Boulevard  
Austin, Texas 78751

**Re: Travis County Lien Release documents for filing**

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that Travis County is requesting to be filed in your office. Lien release for [insert legal description], a subdivision according to the Plat Records of Travis County, Texas, in Document Number [\_\_\_\_\_] of the Official Public Records of Travis County. Please forward copies of the filed documents below:

Economic & Strategic Planning  
Attn: Christy Moffett  
700 Lavaca Street, Suite 1560  
Austin, TX 78701

Please contact me if you have any questions or need additional information.

Sincerely,

P3Works, LLC  
P: (817)393-0353  
[admin@p3-works.com](mailto:admin@p3-works.com)

**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 TRAVIS**            §

**THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN** (this "Full Release") is executed and delivered as of the Effective Date by Travis County, Texas.

## RECITALS

**WHEREAS**, the governing body (hereinafter referred to as the “Commissioners Court”) of the Travis County, Texas (hereinafter referred to as the “County”), is authorized by Chapter 372, Texas Local Government Code, as amended, to create public improvement districts within the County;

**WHEREAS**, on or about October 31, 2017, the Commissioners Court for the County, approved the creation of the Bella Fortuna Public Improvement District;

**WHEREAS**, the Bella Fortuna Public Improvement District consists of approximately 158.2 contiguous acres located within the County;

**WHEREAS**, on or about \_\_\_\_\_, the Commissioners Court approved an order (hereinafter referred to as the “Assessment Order”) approving a service and assessment plan and assessment roll for the Property within the Bella Fortuna Public Improvement District;

**WHEREAS**, the Assessment Order imposed an assessment in the amount of \$\_\_\_\_\_ (hereinafter referred to as the "Lien Amount") for the following property:

[legal description], a subdivision in Travis County, Texas, according to the map or plat of record in Document Number \_\_\_\_\_ of the Official Public Records of Travis County, Texas (hereinafter referred to as the "Property"); and

**WHEREAS**, the property owners of the Property have paid unto the County the Lien Amount.

**RELEASE**

**NOW THEREFORE**, the County, the owner and holder of the Lien, Document Number \_\_\_\_\_, in the Official Public Records of Travis County, Texas, in the amount of the Lien Amount against the Property, releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

**EXECUTED** to be **EFFECTIVE** this, the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**TRAVIS COUNTY, TEXAS,**

By: \_\_\_\_\_  
[Name], Travis County

**STATE OF TEXAS**                      §  
   §  
**COUNTY OF TRAVIS**              §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by [Name], for Travis County, Texas, on behalf of Travis County.

\_\_\_\_\_  
Notary Public, State of Texas

**AFTER RECORDING RETURN TO:**  
**Travis County Planning & Budget Office**  
**Christy Moffett**  
**700 Lavaca Street, Suite 1560**  
**Austin, TX 78701**

## EXHIBIT K – OWNER’S ENGINEER’S OPINION OF PROBABLE COST

Doucet & Associates, Inc. 7401 B Hwy 71 W., Suite 160 Austin, Texas 78735 (512) 583-2600		Date: 7/10/2020 Client Name: Brohn Homes Project Name: Bella Fortuna D&A #: 1814-001-02
<b>BELLA FORTUNA PID AGREEMENT TOTAL COSTS</b>		
<b>ITEMS</b>	<b>Total Cost</b>	
Lift Station & Force Main	\$	1,086,311.00
Offsite Wastewater	\$	1,930,500.00
Water Quality/Detention Ponds	\$	3,731,912.86
Bella Fortuna Drive	\$	945,068.55
Bella Fortuna 24" Waterline	\$	1,176,749
10' Wide Trail & Pocket Parks	\$	881,920.00
<b>ALL PHASES PID IMPROVEMENTS SUBTOTAL:</b>	<b>\$</b>	<b>9,752,461.41</b>



Doucet & Associates, Inc. 7401 B Hwy 71 W., Suite 160 Austin, Texas 78735 (512) 583-2600			Date: 7/10/2020 Client Name: Brohn Homes Project Name: Bella Fortuna D&A #: 1814-001-02	
BELLA FORTUNA PID AGREEMENT OPC - LIFT STATION & FORCE MAIN				
Item	Quantity	Unit	Unit Cost	Total
SITE WORK				
Mobilization	1	LS	\$ 40,000.00	\$ 40,000.00
Stabilized Construction Entrance	1	EA	\$ 1,000.00	\$ 1,000.00
Clearing and Grubbing	1.65	ACRES	\$ 3,500.00	\$ 5,775.00
Silt Fence	1500	LF	\$ 2.50	\$ 3,750.00
Rock Berm	50	LF	\$ 25.00	\$ 1,250.00
Excavation	2000	CY	\$ 3.00	\$ 6,000.00
Fill	2000	CY	\$ 2.00	\$ 4,000.00
Revegetation	1	ACRES	\$ 7,300.00	\$ 10,220.00
SITE WORK SUBTOTAL				\$ 71,995.00
UTILITIES				
Wastewater Improvements				
Pipe, 8-inch, All Depths	1441	LF	\$ 35.00	\$ 50,435.00
Wastewater Trench Protection	1441	LF	\$ 1.00	\$ 1,441.00
AARV	1	EA	\$ 5,000.00	\$ 5,000.00
Bends	5	EA	\$ 500.00	\$ 2,500.00
Lift Station	1	EA	\$ 750,000.00	\$ 750,000.00
Wastewater Utility Subtotal				\$ 809,376.00
Dry Utility Improvements				
Electric Service (120/240)	1,000	LF	\$ 150.00	\$ 150,000.00
Dry Utility Subtotal				\$ 150,000.00
UTILITIES SUBTOTAL				\$ 959,376.00
PAVING IMPROVEMENTS				
Subgrade Prep - 6" Thick	1470	SY	\$ 2.00	\$ 2,940.00
Felxible base - 10" Thick (Collector)	1200	SY	\$ 10.00	\$ 12,000.00
Concrete Pavement - 12' Wide, 6" Thick	800	SY	\$ 50.00	\$ 40,000.00
PAVING IMPROVEMENTS SUBTOTAL				\$ 54,940.00
TOTAL IMPROVEMENTS:				\$ 1,086,311.00
10% CONTINGENCY:				\$ 108,631.10
LIFT STATION & FORCE MAIN - IMPROVEMENT GRAND TOTAL:				\$ 1,194,942.10

Doucet & Associates, Inc.  
7401 B Hwy 71 W., Suite 160  
Austin, Texas 78735 (512) 583-2600

Date: 7/10/2020  
Client Name: Brohn Homes  
Project Name: Bella Fortuna  
D&A #: 1814-001-02

BELLA FORTUNA OWNER/CITY COST SPLIT FOR OFFSITE WASTEWATER BASED ON ACTUAL BID FROM CASH CONSTRUCTION  
WASTEWATER UTILITY COMPONENTS FOR 18" GRAVITY WASTEWATER MAIN

Site Work - 18" Wastewater Interceptor

Bid Item	Quantity	Unit	Item Description	Unit Price	Amount
6095-B-18	3	ACRES	TOPSOIL & SEEDBED PREPARATION	\$320.00	\$960.00
6095-D-18	3	ACRES	NATIVE SEEDING	\$2,300.00	\$6,900.00
6095-F-18	290	KGAL	WATERING	\$26.00	\$7,540.00
SP-6415-18	1	EA	STABILIZED CONSTRUCTION ENTRANCE	\$2,000.00	\$2,000.00
6425-18	2490	LF	SILT FENCE FOR EROSION CONTROL	\$3.00	\$7,470.00
7005-TM-18	1	LS	TOTAL MOBILIZATION PAYMENT	\$10,000.00	\$10,000.00
Subtotal - 18" Wastewater Interceptor - Site Work					\$34,870.00
Bid Item	Quantity	Unit	Item Description	Unit Price	Amount
506S-M4WW-18	1	EA	STANDARD PRE-CAST MANHOLE W/PRE-CAST BASE, 48" DIA.	\$8000.00	\$8000.00
509S-1-18	1350	LF	TRENCH EXCAVATION SAFETY PROTECTIVE SYSTEMS (ALL DEPTHS)	\$2.00	\$2,700.00
510-AWW18	1350	LF	PIPE, 18-INCH DIA. PVC TYPE, (ALL DEPTHS), INCLUDING EXCAVATION & BACKFILL	\$111.00	\$149,850.00
SS-33 0100-VF1-18	1	EA	VORTEX FLOW INSERT	\$33,000.00	\$33,000.00
SS-33 05 00-P8WW-18	3	EA	POLYMER CONCRETE MANHOLE (96" DIA.)	\$60000.00	\$180,000.00
Subtotal - 18" Wastewater Interceptor - Materials					\$373,550.00

WASTEWATER UTILITY COMPONENTS FOR 21" GRAVITY WASTEWATER MAIN

Site Work - 21" Wastewater Interceptor

Bid Item	Quantity	Unit	Item Description	Unit Price	Amount
1025-B-21	84	STA	CLEARING & GRUBBING	\$300.00	\$25,200.00
340S-B-21	560	SY	HOT MIX ASPHALTIC CONCRETE PAVEMENT, 3 INCHES, TYPE C	\$30.00	\$16,800.00
340S-A-21	308	TONS	HOT MIX ASPHALTIC CONCRETE PAVEMENT, TYPE B	\$120.00	\$36,960.00
6095-B-21	5	ACRES	TOPSOIL & SEEDBED PREPARATION	\$320.00	\$1,600.00
6095-D-21	5	ACRES	NATIVE SEEDING	\$5600.00	\$28,000.00
6095-F-21	484	KGAL	WATERING	\$26.00	\$12,584.00
639-21	450	LF	ROCK BERM	\$40.00	\$18,000.00
SP-6415-21	7	EA	STABILIZED CONSTRUCTION ENTRANCE	\$2,000.00	\$14,000.00
6425-21	4048	LF	SILT FENCE FOR EROSION CONTROL	\$3.00	\$12,744.00
7005-TM-21	1	LS	TOTAL MOBILIZATION PAYMENT	\$10,000.00	\$10,000.00
8035-SF-21	3600	LF	SAFETY FENCE	\$4.00	\$14,400.00
8035-MO-21	4	MO	BARRICADE, SIGNS & TRAFFIC HANDLING	\$3,200.00	\$12,800.00
Subtotal - 21" Wastewater Interceptor - Site Work					\$203,088.00
Bid Item	Quantity	Unit	Item Description	Unit Price	Amount
5015-21	170	LF	JACKING OR BORING 32 IN. PIPE, 3/8" THICK STEEL	\$950.00	\$161,500.00
5055-B-30	20	LF	ENCASEMENT PIPE 30" DIA. TYPE PVC	\$210.00	\$4,200.00
506-M5WW-21	14	EA	STANDARD PRE-CAST MANHOLE W/PRE-CAST BASE, 60" DIA.	\$11000.00	\$154,000.00
506S-M6WW-21	1	EA	STANDARD PRE-CAST MANHOLE W/PRE-CAST BASE, 72" DIA.	\$13,000.00	\$13,000.00
509S-1-21	4650	LF	TRENCH EXCAVATION SAFETY PROTECTIVE SYSTEMS (ALL DEPTHS)	\$2.00	\$9,300.00
510-AWW21	4442	LF	PIPE, 21-INCH DIA. PVC TYPE, (ALL DEPTHS), INCLUDING EXCAVATION & BACKFILL	\$125.00	\$555,250.00
510-AWW30	206	LF	PIPE, 30-INCH DIA. PVC TYPE, (ALL DEPTHS), INCLUDING EXCAVATION & BACKFILL	\$670.00	\$138020.00
510-KWW30	0	TONS	DUCTILE IRON FITTINGS	\$22,000.00	\$5,500.00
SS-33 01 00-VF1-21	1	EA	VORTEX FLOW INSERT	\$35000.00	\$35,000.00
SS-33 05 00-P5WW-21	1	EA	POLYMER CONCRETE MANHOLE (60" DIA.)	\$19,000.00	\$19,000.00
SS-33 05 00-P8WW-21	1	EA	POLYMER CONCRETE MANHOLE (96" DIA.)	\$70000.00	\$70,000.00
Subtotal - 21" Wastewater Interceptor - Materials					\$1,164,770.00

Total Overall Bid:

\$1,776,278.00

Change Order #1

\$28,872.00

Change Order #2

\$32,625.00

Change Order #3

\$70,850.00

Change Order #4

\$21,875.00

Total including change orders by 7/10/2020

\$1,930,500.00

Determination of City's Reimbursement Amount for Offsite WW Interceptor Cost			
Cost related to 21" WW Improvements=		\$1,367,838.00	
Cost related to 18" WW Improvements=		\$408,420.00	
City's reimbursements on hard costs=	43% of 21" WW Costs=	\$588,178.94	
	36% of 18" WW Costs=	\$228,715.20	
City's reimbursements on soft costs=	15% of City's reimbursement hard cost for 21"WW=	\$88,226.84	
	15% of City's reimbursement hard cost for 18"WW=	\$34,307.28	
City's Total Reimbursement on hard costs=		\$816,894.14	(less than NTE amount \$2,127,643)
City's Total Reimbursement on soft costs=		\$122,534.12	(less than NTE amount of \$319,146.75)
Total Cost Reimbursement by the City (hard & soft costs)=		\$939,428.261	(less than NTE amount of \$2,446,791.75)
Remaining Cost by the Developer:		\$836,849.739	

Doucet & Associates, Inc.		Date:		7/10/2020	
7401 B Hwy 71 W., Suite 160		Client Name:		Brohn Homes	
Austin, Texas 78735 (512) 583-2600		Project Name:		Bella Fortuna	
		D&A #:		1814-001-02	
BELLA FORTUNA PID AGREEMENT OPC - WATER QUALITY/DETENTION PONDS					
Item		Quantity	Unit	Unit Cost	Total
Pond A					
Concrete Drive	1	EA	\$	3,296.99	\$ 3,296.99
Fence	1	LS	\$	27,865.80	\$ 13,932.90
12' Chainlink Gate	1	EA	\$	1,328.88	\$ 1,328.88
Sed Marker	1	EA	\$	847.50	\$ 847.50
Sign	4	EA	\$	395.50	\$ 1,582.00
8" HW	1	EA	\$	740.72	\$ 740.72
4' Trickle Channel	240	LF	\$	59.84	\$ 14,361.60
Concrete Splitter Box	34	CY	\$	2,808.61	\$ 95,492.74
Gabion Wall - 5.5'	51	LF	\$	236.23	\$ 12,047.73
Concrete Wall	8,700	FF	\$	71.72	\$ 623,964.00
Sand, Filtration Pond	540	SY	\$	78.66	\$ 42,476.40
8" PVC Filtration Pipe	400	LF	\$	70.03	\$ 28,012.00
Concrete Outfall Structure	40	CY	\$	525.59	\$ 21,023.60
Rock Riprap	100	SY	\$	41.40	\$ 4,140.00
36" RCP	95	LF	\$	125.43	\$ 11,915.85
Concrete Driveway Apron	54	SY	\$	0.02	\$ 1.08
Crushed Granite Maintenance Access Drive	360	SY	\$	14.38	\$ 5,176.80
Concrete Pond Access Ramp	90	SY	\$	104.27	\$ 9,384.30
Clearing and Grubbing	0.73	AC	\$	3,500.00	\$ 2,568.35
Excavation	9,120	CY	\$	2.20	\$ 20,064.00
Embankment	70	CY	\$	2.08	\$ 145.60
Mortared Rock Wall	5,800	SF	\$	25.14	\$ 145,812.00
Pond A Subtotal				\$	1,058,315.04

<b>Pond B</b>						
Concrete Drive	1	EA	\$	3,296.99	\$	3,296.99
Fence	0	LS	\$	27,865.80	\$	-
12' Chainlink Gate	1	EA	\$	1,328.88	\$	1,328.88
Sed Marker	1	EA	\$	847.50	\$	847.50
Sign	4	EA	\$	395.50	\$	1,582.00
6" HW	1	EA	\$	740.72	\$	740.72
Concrete Splitter Box	18	CY	\$	3,664.20	\$	65,589.18
Gabion Wall	38	LF	\$	215.07	\$	8,172.66
Concrete Wall	6,800	FF	\$	67.39	\$	458,252.00
Sand, Filtration Pond	42	SY	\$	806.82	\$	33,886.44
6" PVC Filtration Pipe	390	LF	\$	57.65	\$	22,493.50
Concrete Outfall Structure	40	CY	\$	394.36	\$	15,774.40
Rock Riprap	86	SY	\$	41.42	\$	3,562.12
30" RCP	7	LF	\$	82.13	\$	574.91
30" HW with dissipators and 12" Rock Riprap	1	EA	\$	5,423.79	\$	5,423.79
Concrete Driveway Apron	18	SY	\$	0.06	\$	1.08
Crushed Granite Maintenance Access Drive	567	SY	\$	14.42	\$	8,176.14
Concrete Pond Access Ramp	86	SY	\$	109.85	\$	9,447.10
Clearing and Grubbing	0.96	AC	\$	3,500.00	\$	3,347.58
Excavation	2,900	CY	\$	2.20	\$	6,380.00
Embankment	1,230	CY	\$	2.08	\$	2,558.40
Mortared Rock Wall	165	FF	\$	37.94	\$	6,260.10
<b>Pond B Subtotal</b>				<b>\$</b>		<b>657,685.49</b>
<b>Pond C</b>						
Concrete Drive	1	EA	\$	3,400.00	\$	3,400.00
Fence	1	LS	\$	22,600.00	\$	22,600.00
12' Chainlink Gate	1	EA	\$	1,050.00	\$	1,050.00
Sed Marker	1	EA	\$	830.00	\$	830.00
Sign	1	EA	\$	390.00	\$	390.00
6" HW	1	EA	\$	880.00	\$	880.00
4" Trickle Channel	0	LF	\$	85.00	\$	-
				\$		-
Water Quality Pond C				\$		-
Concrete Splitter Box	120	CY	\$	2,800.00	\$	336,000.00
Gabion Wall - 5.5'	110	LF	\$	235.00	\$	25,850.00
Concrete Wall	3,135	FF	\$	70.00	\$	219,450.00
Excavation	30,600	CY	\$	3.00	\$	91,800.00
Fill	34,500	CY	\$	3.00	\$	103,500.00
Sand, Filtration Pond	7,200	SY	\$	80.00	\$	576,000.00
6" PVC Filtration Pipe	2,000	LF	\$	55.00	\$	110,000.00
Concrete Outfall Structure	70	CY	\$	5,000.00	\$	350,000.00
Rock Riprap	290.00	SY	\$	47.00	\$	13,630.00
6'x3' Box	120.00	LF	\$	350.00		
Concrete Driveway Apron	54.00	SY	\$	85.00		
12' wide Crushed Granite Maintenance Access Drive	3,509	SY	\$	16.00	\$	56,144.00
Concrete Pond Access Ramp	592	SY	\$	88.00	\$	52,096.00
<b>Pond C Subtotal</b>				<b>\$</b>		<b>1,963,620.00</b>

Pond D						
Fence	1	LS	\$	27,865.80	\$	27,865.80
12' Chainlink Gate	1	EA	\$	1,328.88	\$	1,328.88
Sed Marker	1	EA	\$	847.50	\$	847.50
Sign	1	EA	\$	395.50	\$	395.50
18" HW	1	EA	\$	2,250.00	\$	2,250.00
Gabion Wall - 5.5'	50	LF	\$	236.23	\$	11,811.50
18" RCP	45	LF	\$	47.00	\$	2,115.00
Rock Riprap	8	SY	\$	41.40	\$	331.20
Clearing and Grubbing	0.41	AC	\$	3,500.00	\$	1,434.15
Excavation	1,580	CY	\$	2.20	\$	3,476.00
Embankment	210	CY	\$	2.08	\$	436.80
Pond D Subtotal					\$	52,292.33
TOTAL IMPROVEMENTS:					\$	3,731,912.86
10% CONTINGENCY:					\$	373,191.29
WATER QUALITY/DETENTION PONDS - IMPROVEMENT GRAND TOTAL:					\$	4,105,104.15

Doucet & Associates, Inc. 7401 B Hwy 71 W., Suite 160 Austin, Texas 78735 (512) 583-2600				Date: 7/10/2020 Client Name: Brohn Homes Project Name: Bella Fortuna D&A #: 1814-001-02	
BELLA FORTUNA PID AGREEMENT OPC - BELLA FORTUNA ROAD					
Item	Quantity	Unit	Unit Cost		Total
PAVING IMPROVEMENTS - PHASE 1					
Subgrade Prep - Lime Stabilized, 8" Thick	3,548	SY	\$	6.61	\$ 23,455.20
Flexible base - 15" Thick (Collector)	3,226	SY	\$	40.48	\$ 130,582.63
HMAC, 2-inches (Collector - 41' Wide)	0	SY	\$	11.87	\$ -
Curb and Gutter	1,133	LF	\$	14.43	\$ 16,349.19
ADA Ramps	4	EA	\$	1,176.69	\$ 4,706.76
Street Signs	2	EA	\$	565.00	\$ 1,130.00
4' Sidewalk by Developer	390	LF	\$	55.35	\$ 21,586.50
Excavation	264	CY	\$	2.49	\$ 657.36
Embankment	95	CY	\$	1.53	\$ 145.35
Subgrade Preparation	3,548	SY	\$	2.09	\$ 7,416.24
Single layer of Biaxial Grid meeting TXDOT Standard DMS 6240 Type II	1,294	SY	\$	1.77	\$ 2,290.77
Clearing and Grubbing	3	STA	\$	628.43	\$ 1,822.45
Hot Mix Asphaltic Concrete Pavement, 3 inches, Type C	1,050	SY	\$	17.70	\$ 18,585.00
Total Mobilization Payment	0	LS	\$	97,431.13	\$ -
Barricade	1	EA	\$	988.75	\$ 988.75
SWPPP Plan & Inspections	0	LS	\$	4,068.00	\$ -
24" Ribbon Curb	0	LF	\$	17.43	\$ -
PAVING IMPROVEMENTS - PHASE 1 SUBTOTAL				\$	229,716.20
PAVING IMPROVEMENTS - PHASE 2					
Subgrade Prep - Lime Stabilized, 8" Thick	5,012	SY	\$	8.00	\$ 40,095.73
Flexible base - 15" Thick (Collector)	4,556	SY	\$	15.00	\$ 68,345.00
HMAC, 2-inches (Collector - 41' Wide)	4,246	SY	\$	11.20	\$ 47,552.71
Curb and Gutter	1,656	LF	\$	13.00	\$ 21,528.00
ADA Ramps	2	EA	\$	890.00	\$ 1,780.00
Street Signs	2	EA	\$	385.00	\$ 770.00
4' Sidewalk by Developer	1,656	LF	\$	18.00	\$ 29,808.00
Excavation	4,350	CY	\$	2.49	\$ 10,831.50
Embankment	325	CY	\$	1.53	\$ 497.25
Subgrade Preparation	5,012	SY	\$	2.09	\$ 10,475.01
Single layer of Biaxial Grid meeting TXDOT Standard DMS 6240 Type II	4,368	SY	\$	1.77	\$ 7,731.36
Clearing and Grubbing	8	STA	\$	628.43	\$ 4,776.07
Hot Mix Asphaltic Concrete Pavement, 3 inches, Type C	3,696	SY	\$	17.70	\$ 65,419.20
Total Mobilization Payment	0	LS	\$	97,431.13	\$ -
Barricade	2	EA	\$	988.75	\$ 1,977.50
SWPPP Plan & Inspections	0	LS	\$	4,068.00	\$ -
24" Ribbon Curb	0	LF	\$	17.43	\$ -
PAVING IMPROVEMENTS - PHASE 2 SUBTOTAL				\$	311,587.33

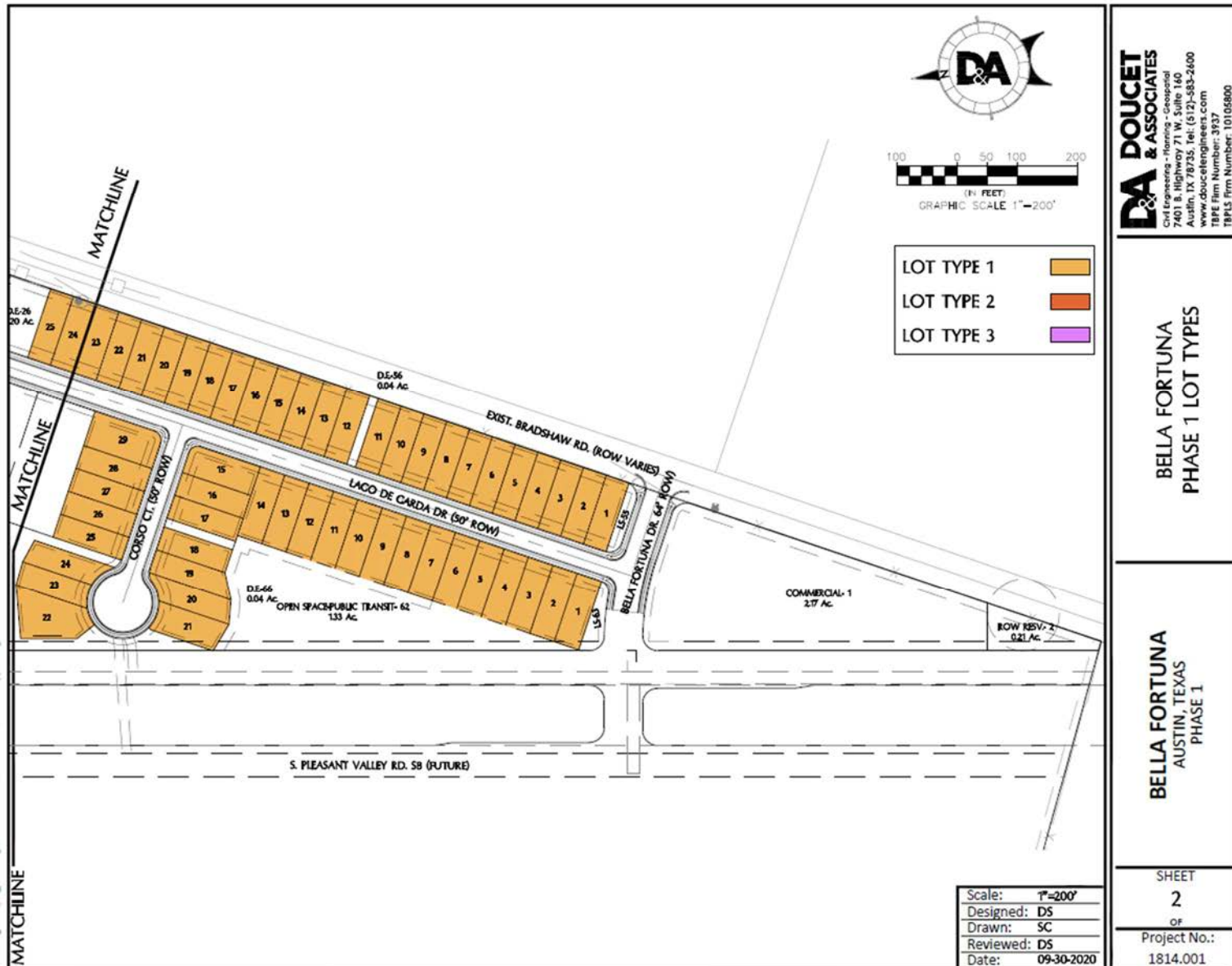
PAVING IMPROVEMENTS - PHASE 4						
Subgrade Prep - Lime Stabilized, 8" Thick	5,784	SY	\$	8.00	\$	46,268.74
Felxible base - 15" Thick (Collector)	5,258	SY	\$	15.00	\$	78,867.17
HMAC, 2-inches (Collector - 41' Wide)	4,899	SY	\$	11.20	\$	54,873.99
Curb and Gutter	2,001	LF	\$	13.00	\$	26,013.00
ADA Ramps	10	EA	\$	890.00	\$	8,900.00
Street Signs	4	EA	\$	385.00	\$	1,540.00
4' Sidewalk by Developer	2,001	LF	\$	18.00	\$	36,018.00
Excavation	1,285	CY	\$	2.49	\$	3,199.65
Embankment	7,380	CY	\$	1.53	\$	11,291.40
Subgrade Preparation	5,784	SY	\$	2.09	\$	12,087.71
Single layer of Biaxial Grid meeting TXDOT Standard DMS 6240 Type II	6,760	SY	\$	1.77	\$	11,965.20
Clearing and Grubbing	12	STA	\$	628.43	\$	7,541.16
Hot Mix Asphaltic Concrete Pavement, 3 inches, Type C	5,720	SY	\$	17.70	\$	101,244.00
Total Mobilization Payment	0	LS	\$	97,431.13	\$	-
Barricade	4	EA	\$	988.75	\$	3,955.00
SWPPP Plan & Inspections	0	LS	\$	4,088.00	\$	-
24" Ribbon Curb	0	LF	\$	17.43	\$	-
PAVING IMPROVEMENTS - PHASE 4 SUBTOTAL						\$ 403,765.01
TOTAL IMPROVEMENTS:						\$ 945,068.55
10% CONTINGENCY:						\$ 94,506.85
PHASE 1 - IMPROVEMENT GRAND TOTAL:						\$ 1,039,575.40

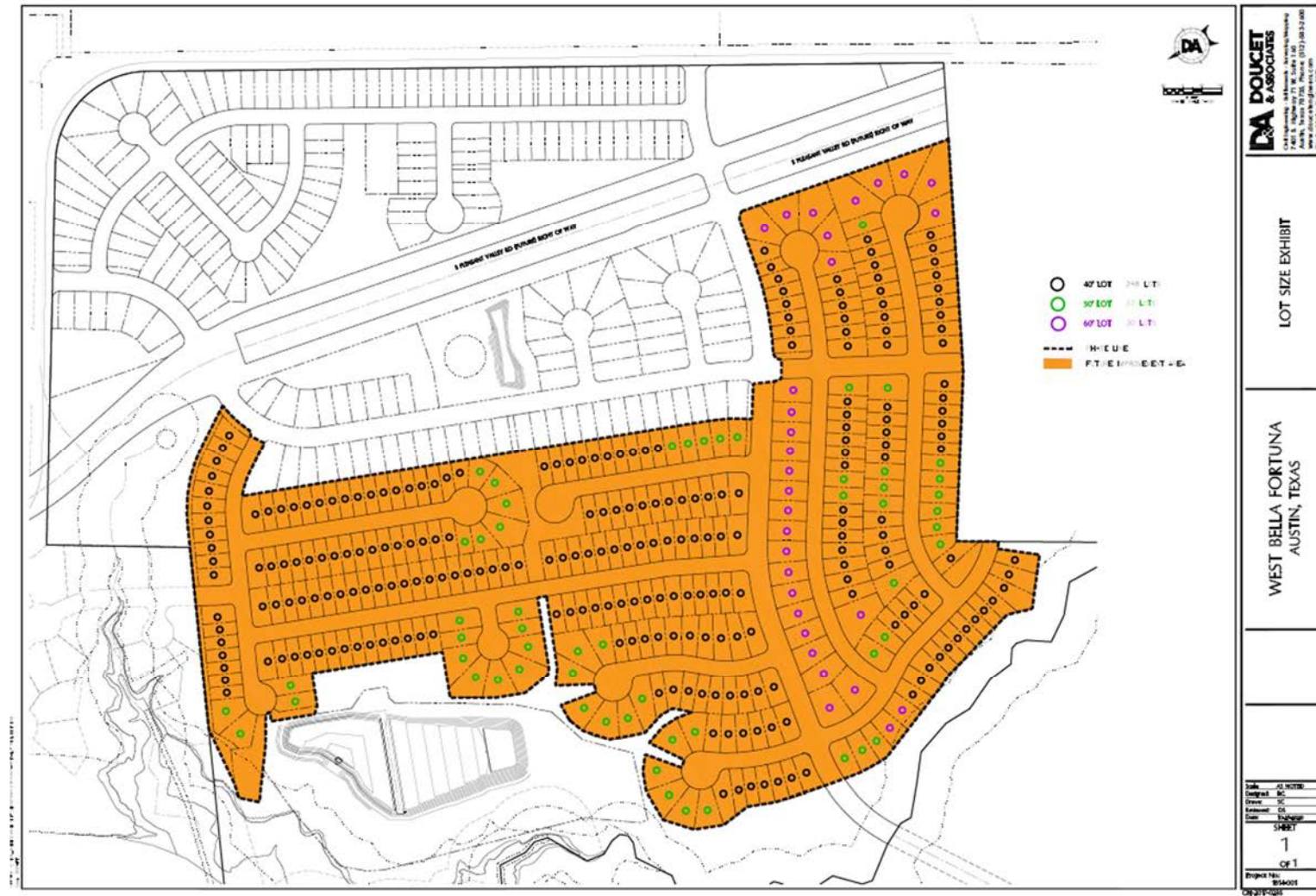
Doucet & Associates, Inc. 7401 B Hwy 71 W., Suite 160 Austin, Texas 78735 (512) 583-2600			Date: 7/10/2020 Client Name: Brohn Homes Project Name: Bella Fortuna D&A #: 1814-001-02	
BELLA FORTUNA PID AGREEMENT OPC - WATER SER				
Item	Quantity	Unit	Unit Cost	Total
Water Improvements (with 24" DI)				
Pipe, 24-inch, DI	2,100	LF	\$200.00	\$419,924
Trench Safety	2,100	LF	\$2.00	\$4,200
Gate Valve, 24-inch	12	EA	\$39,000.00	\$468,000
Fire Hydrant Assembly	6	EA	\$5,000.00	\$30,000
Connection to existing 36" stub with 36 X 24 reducer	1	EA	\$15,000.00	\$15,000
Plug 24" line	1	EA	\$2,500.00	\$2,500
24" X 8" Cross	2	EA	\$8,500.00	\$17,000
24" X 8" Tee	3	EA	\$8,000.00	\$24,000
Water Improvements with 24" DI				\$980,624
WATER IMPROVEMENTS WITH 24" DI (including 20% contingencies)				\$1,176,749
		CITY OF AUSTIN REIMBURSEMENT		\$588,374
		REMAINING COST BY DEVELOPER		\$588,374

Doucet & Associates, Inc. 7401 B Hwy 71 W., Suite 160 Austin, Texas 78735 (512) 583-2600			Date: 7/10/2020 Client Name: Brohn Homes Project Name: Bella Fortuna D&A #: 1814-001-02		
BELLA FORTUNA PID AGREEMENT OPC - 10' WIDE TRAIL & POCKET PARKS					
Item	Quantity	Unit	Unit Cost	Total	
SITE WORK					
Mobilization	1	LS	\$ 25,000.00	\$	25,000.00
Clearing and Grubbing	106	STA	\$ 120.00	\$	12,720.00
Silt Fence	12000	LF	\$ 3.10	\$	37,200.00
Rock Berm	240	LF	\$ 25.00	\$	6,000.00
Excavation	4800	CY	\$ 3.00	\$	14,400.00
Fill	4800	CY	\$ 2.00	\$	9,600.00
Pocket Park	3	EA	\$ 100,000.00	\$	300,000.00
10' Wide Trail	10600	SY	\$ 45.00	\$	477,000.00
TOTAL IMPROVEMENTS:				\$	881,920.00
10% CONTINGENCY:				\$	88,192.00
TOTAL 10' WIDE TRAIL & POCKET PARKS:				\$	970,112.00

## EXHIBIT L – LOT TYPE MAPS







## EXHIBIT M – MAXIMUM ASSESSMENT

Lot Size	Units/SF	Finished Lot Price/Price per SQ FT	Total Finished Lot Value	Assessed Value per Unit/SF <sup>1</sup>	Total Assessed Value	Total Assessment	Average Annual Installment <sup>2</sup>	Assessment per Unit/SF <sup>3</sup>	Average Annual Installment per Unit/SF	Equivalent Tax Rate (per Buildout)
40'	367	\$ 52,000	\$ 19,084,000	\$ 236,029	\$ 86,622,655	\$ 5,056,916.33	\$ 431,713	\$ 13,779.06	\$ 1,176.33	\$ 0.4984
50'	130	\$ 65,000	\$ 8,450,000	\$ 262,254	\$ 34,093,082	\$ 1,985,309.18	\$ 169,487	\$ 15,310.07	\$ 1,307.03	\$ 0.4984
60'	32	\$ 78,000	\$ 2,496,000	\$ 314,705	\$ 10,070,572	\$ 587,906.71	\$ 50,190	\$ 18,372.08	\$ 1,568.44	\$ 0.4984
Commercial	26,136	\$ 6.00	\$ 784,080	\$ 150.00	\$ 3,920,400	\$ 228,867.78	\$ 19,539	\$ 8.76	\$ 0.75	\$ 0.4984
<b>Total</b>	<b>529</b>		<b>\$ 30,814,080</b>		<b>\$ 134,706,709</b>	<b>\$ 7,859,000</b>	<b>\$ 670,929</b>			

1) Based on the Estimated Buildout Values as of the date the Assessments were levied.

2) Average Annual Installment is calculated beginning with the installment due 1/31/25 through the term of the Bonds.

3) The Assessment per unit includes the principal due 1/31/2024 in order to reflect the full amount of the PID Bonds. The outstanding Assessment amounts shown in the Assessment Roll and in the Buyer Disclosures exclude the principal due 1/31/2024 in order to reflect the current outstanding Assessment per lot type to potential buyers as of the date of this Amended and Restated SAP.

## EXHIBIT N – AMENDED AND RESTATED FUNDING AGREEMENT

### AMENDED AND RESTATED BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT FUNDING AGREEMENT

This Amended and Restated Bella Fortuna Public Improvement District Funding Agreement (this "Funding Agreement") dated March 19, 2024 (the "Effective Date"), is executed by Travis County, Texas (the "County") and the Travis County Development Authority (the "TCDA"), a public non-profit corporation incorporated under Subchapter D of Chapter 431, Texas Transportation Code, as amended ("Chapter 431"), and Chapter 394, Texas Local Government Code, as amended ("Chapter 394" and together with Chapter 431, the "LGC Act"). This Funding Agreement amends and restates the Bella Fortuna Public Improvement District Funding Agreement between the County and the TCDA effective December 1, 2020 (the "Original Agreement") in its entirety and such prior agreement shall cease to exist as of the Effective Date of this Funding Agreement. The County and the TCDA are individually referred to as a "Party" and collectively as the "Parties". Capitalized terms used in this Funding Agreement have the same meanings given to them in the Service and Assessment Plan (defined below) unless otherwise defined in this Funding Agreement.

#### RECITALS

- A. On October 31, 2017, the Commissioners Court of the County (the "Commissioners Court") passed and approved a resolution (the "Authorization Resolution") that authorized the creation of the Bella Fortuna Public Improvement District (the "District") pursuant to Chapter 372, Texas Local Government Code, as amended (the "PID Act"), which Authorization Resolution was published in a newspaper of general circulation in the County and the extraterritorial jurisdiction of the City of Austin (the "City") on November 10, 2017.
- B. The District includes approximately 158.2 acres in the County and the extraterritorial jurisdiction of the City and generally located along and west of Bradshaw Road, south of Onion Creek, north of FM 1327 and east of IH-35, which property is described in Exhibit "A" (the "Property").
- C. The TCDA was formed pursuant to the provisions of the LGC Act which authorizes the TCDA to assist and act on behalf of the County and to engage in activities in the furtherance of the purposes for which TCDA was created.
- D. The TCDA was created by the County for the purpose of aiding, assisting, and acting on behalf of the County in the performance of its governmental functions to promote the common good and general welfare of the County; to promote, develop, encourage, and maintain education facilities, employment, commerce, and economic development in the County, and is empowered to aid, assist, and act on behalf of the County in managing public improvement districts created under the PID Act, including the District. The TCDA has all other powers of a like or different nature not prohibited by law which are available to nonprofit corporations in Texas and that are necessary or useful to enable the TCDA to perform the purposes for which it was created, including the power to issue bonds, notes, or other obligations and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the TCDA may not issue bonds without the consent of the Commissioners Court.
- E. The County, after due and careful consideration, has (1) concluded that the development of land within the County through the establishment of public improvement districts, including the District,

and the financing of public improvement projects, including the Public Improvements (as defined below), through public improvement districts promotes the common good and general welfare of the County by promoting, developing, encouraging, and maintaining employment, commerce, and economic development in the County, and (2) found that the TCDA is authorized to aid, assist, and act on behalf of the County in managing the District and to issue bonds to accomplish such purpose.

- F. The County and the TCDA have entered into a Contract for Management and Administrative Services dated April 24, 2018 (the "Management Contract") pursuant to which the TCDA agreed to provide management and administrative services for the public improvement districts created by the Commissioners Court.
- G. The County and the TCDA have entered into an Agreement for Billing and Collection Services dated November 17, 2020, and automatically renewable annually unless terminated by either Party as provided therein (the "Billing and Collections Services Agreement") that authorizes the County, acting through the County Tax Assessor-Collector (as defined herein), to bill and collect assessments on behalf of the TCDA.
- H. The purpose of the District is to finance certain public improvements authorized by the PID Act (the "Authorized Improvements") that promote the interest of the County and confer a special benefit on the Property within the District.
- I. On May 28, 2019, the County and TCDA entered into the Bella Fortuna Public Improvement District Financing Agreement (as amended, the "Financing Agreement") with the TCDA and Views at Onion Creek, LP, a Texas limited partnership (the "Original Owner"), which established provisions for (i) the levy and collection of assessments, (ii) the construction of certain Authorized Improvements benefiting the District (the "Public Improvements"), (iii) payment for the Public Improvements and (iv) the issuance of public improvement district bonds ("PID Bonds") for the financing of the Public Improvements.
- J. On August 25, 2020, the County and TCDA entered into the First Amendment to the Financing Agreement with the TCDA and Clayton Properties Group, a Tennessee corporation doing business in Texas as Brohn Homes, successor in interest to the Original Owner (the "Owner").
- K. On May 28, 2019, the County and TCDA entered into the Bella Fortuna Public Improvement District Acquisition and Reimbursement Agreement (as amended and as assigned to the Owner, the "Reimbursement Agreement") with the TCDA and the Original Owner, providing that the TCDA will pay to the Owner an amount equal to the Actual Costs of the Public Improvements, plus simple interest as provided therein (the "Reimbursement Agreement Balance").
- L. The Owner has constructed or will construct the Public Improvements over time to serve the entire Property.
- M. The TCDA and Wilmington Trust, National Association (the "TCDA Depository Bank") have entered into the Bella Fortuna Public Improvement District Deposit Agreement dated as of May 16, 2023 (the "Depository Agreement"), relating to the deposit and disbursement of the annual installments of the Assessments (as defined below).

- N. On November 17, 2020, the Commissioners Court by a resolution made findings and determinations relating to the costs of the Public Improvements, received and accepted a preliminary service and assessment plan and proposed assessment roll, called a public hearing for December 1, 2020 (the "Public Hearing"), and directed County staff to (1) file said proposed assessment roll with the Tax Assessor-Collector of the County (the "County Tax Assessor-Collector") and to make them available for public inspection as required by Section 372.016(b) of the PID Act and (2) publish such notice as required by Section 372.016(b) of the PID Act relating to the Public Hearing.
- O. The County held the Public Hearing on December 1, 2020, and, upon closing such hearing, adopted an Order (the "Assessment Order") approving a final service and assessment plan (as updated from time to time, the "Original Service and Assessment Plan") and levying an assessment on the land within the District (the "Assessments").
- P. Upon providing evidence that the conditions precedent in Article V of the Financing Agreement have been satisfied, the Owner may request that the Commissioners Court consider the adoption of a resolution consenting to the issuance of a series of PID Bonds by the TCDA to acquire, reimburse, or finance the Actual Costs of the Public Improvements.
- Q. On September 26, 2023, the County and the TCDA, each approved a resolution directing County and TCDA staff to commence preparations for the issuance of PID Bonds for the payment of the costs of the Public Improvements, including the preparation of an indenture of trust (the "Indenture") between the TCDA and Wilmington Trust, National Association, as trustee (the "Bond Trustee"), which will contain provisions regarding the TCDA's transfers of Contract Assessment Revenues (as defined herein) to the Bond Trustee.
- R. Upon request of the Owner and evidence that the conditions precedent to the issuance of PID Bonds contained in Article V of the Financing Agreement had been satisfied, the Commissioners Court adopted a resolution consenting to the issuance of PID Bonds by the TCDA.
- S. On March 19, 2024, the County adopted an Order approving an amended and restated service and assessment plan (as amended from time to time, the "Service and Assessment Plan"), which amends and restates the Original Service and Assessment Plan in its entirety.
- T. The Service and Assessment Plan and the Assessment Order provide that the Assessments against the Assessed Property will be paid annually in installments (the "Annual Installments") until such Assessments and any other related amounts owed under the Reimbursement Agreement and, if issued, PID Bonds are paid in full.
- U. Pursuant to the PID Act and the LGC Act, the County may enter into an agreement that provides for payment of the Assessments, including the Annual Installments thereof, collected or caused to be collected by the County to the TCDA (the "Contract Assessment Revenues") to secure the payment of the Reimbursement Agreement Balance and, if issued, PID Bonds.
- V. The Parties wish to amend and restate the Original Agreement to revise the provisions regarding the transfer of the Contract Assessment Revenues to the Bond Trustee.

W. The Parties intend that:

1. Pursuant to the Management Contract, the TCDA, on behalf of the County, will provide management and administrative services for the District;
2. The Assessments levied by the County, interest thereon, and the Annual Collection Costs will be collected in annual installments by the County, acting through the County Tax Assessor-Collector, on behalf of the TCDA;
3. Pursuant to the Billing and Collections Services Agreement and this Funding Agreement, the County Tax Assessor-Collector will collect the Assessments, interest thereon, and the Annual Collection Costs, and remit such revenues, less any fee of the County Tax Assessor-Collector, to the TCDA for deposit in the Operating Account (as defined herein) held by the TCDA Depository Bank, or if PID Bonds are issued, to the Bond Trustee;
4. The Contract Assessment Revenues payable to the TCDA under this Funding Agreement will be used as follows:
  - (a) prior to the issuance of the PID Bonds, from amounts on deposit in the Operating Account held by the TCDA Depository Bank:
    - (1) acquire the Public Improvements from the Owner or reimburse the Owner for the Actual Costs of the Public Improvements, pursuant to the terms of this Funding Agreement, the Reimbursement Agreement, and the Financing Agreement; and
    - (2) pay Annual Collection Costs.
  - (b) upon the issuance of the PID Bonds, transferred by the TCDA to the Bond Trustee and deposited as provided under the Indenture:
    - (1) pledged as security under the Indenture to the payment of the PID Bonds issued by the TCDA for the purpose to be identified in the Indenture;
    - (2) pledged as security, on a subordinate basis, to the payment of any remaining Reimbursement Agreement Balance due under the Reimbursement Agreement; and
    - (3) pay Annual Collection Costs.

For and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## AGREEMENT

### 1.0 SERVICES OF TCDA

- 1.1 Pursuant to the Management Contract, the TCDA will provide management and administrative services for the District, including performing or assisting the County in performing its obligations under the Service and Assessment Plan and under any other agreement to which the County is a party or by which it is bound, and which are related to the management and administration of the District.
- 1.2 As requested by the County, the TCDA will assist in the preparation of updates, amendments, or supplements to the Service and Assessment Plan.
- 1.3 As requested by the County, the TCDA has entered into the Reimbursement Agreement and the Financing Agreement.
- 1.4 As requested by the County, the TCDA will consider the issuance of the PID Bonds.

### 2.0 PAYMENT FOR THE PUBLIC IMPROVEMENTS

- 2.1 The County and the TCDA have entered into the Financing Agreement with the Owner to, in part, finance the Actual Costs or reimburse the Owner for the Actual Costs of constructing the Public Improvements, including the Public Improvements. The Actual Costs of constructing the Public Improvements will be paid from: (a) Contract Assessment Revenues, (b) if issued, the proceeds of the PID Bonds, or (c) fiscal security provided by the Owner pursuant to the Financing Agreement (subject to reimbursement pursuant to the Reimbursement Agreement).
- 2.2 Pursuant to this Funding Agreement, the Depository Agreement, and the Billing and Collections Agreement, the County will transfer or cause to be transferred the Contract Assessment Revenues to the TCDA.
- 2.3 Prior to the issuance of the PID Bonds,
  - (a) the TCDA will deposit or cause to be deposited a portion of the Contract Assessment Revenues into the Public Improvements Subaccount (as defined herein) of the Operating Account with the TCDA Depository Bank in accordance with section 5.5(a) hereof. The Reimbursement Agreement Balance is payable solely from Contract Assessment Revenues on deposit in the Public Improvements Subaccount of the Operating Account; and
  - (b) the TCDA will deposit or cause to be deposited a portion of the Contract Assessment Revenues into the Annual Collection Costs Subaccount (as defined herein) of the Operating Account with the TCDA Depository Bank in accordance with section 5.5(b) hereof. The Annual Collection Costs are payable solely from Contract Assessment Revenues on deposit in the Annual Collection Costs Subaccount of the Operating Account.

2.4 Upon the issuance of the PID Bonds, the TCDA will transfer or cause to be transferred the Contract Assessment Revenues on deposit in the Public Improvements Subaccount of the Operating Account held by the TCDA Depository Bank to the Bond Trustee for deposit to the Pledged Revenue Fund (as defined herein) in accordance with section 6.1 hereof and deposited as provided in the Indenture.

(a) The payment of the debt service on the PID Bonds is payable solely from the "Trust Estate" established under the Indenture, consisting primarily of the Contract Assessment Revenues on deposit in Bond Pledged Revenue Account of the Pledged Revenue Fund, established under the Indenture and other funds pledged under Indenture to the payment of the PID Bonds and administered by the Bond Trustee pursuant to the Indenture.

(b) The payment of any remaining Reimbursement Agreement Balance is payable solely from Contract Assessment Revenues on deposit in the "Reimbursement Fund", established under the Indenture and administered by the Bond Trustee pursuant to the Indenture and the Reimbursement Agreement.

2.5 Upon the issuance of the PID Bonds, the TCDA will transfer or cause to be transferred the Contract Assessment Revenues on deposit in the Annual Collection Costs Subaccount of the Operating Account held by the TCDA Depository Bank to the Bond Trustee for deposit to the Administrative Fund (as defined herein) in accordance with section 6.2 hereof.

### 3.0 ISSUANCE OF THE PID BONDS

3.1 The proceeds of the PID Bonds may be used to:

- (a) finance all or a portion of Actual Costs of the Public Improvements;
- (b) pay capitalized interest;
- (c) fund a reserve fund (the "Reserve Fund");
- (d) pay the costs incidental to the organization of the District; and
- (e) pay costs of issuance of the PID Bonds.

### 4.0 PAYMENT OF CONTRACT ASSESSMENT REVENUES; GRANT OF SECURITY INTEREST

4.1 The County agrees to pay or direct the County Tax Assessor-Collector to pay Contract Assessment Revenues to the TCDA upon the terms and conditions set forth in the Billing and Collections Agreement, this Funding Agreement, and the Service and Assessment Plan.

4.2 In order to provide for management and administration of the District, the County does hereby grant to the TCDA a security interest in and create a first lien on and pledge to the TCDA all of its right, title, and interest, whether now owned or hereafter acquired, in and to all Contract Assessment Revenues to be collected by the County and deposited in the

Annual Collection Costs Subaccount of the Operating Account (together with any income, investments, and proceeds thereof) to the full extent that such subaccount and the Contract Assessment Revenues collected and on deposit therein or later required to be collected and transferred to such subaccount (together with any income, investments, and proceeds thereof) may be subject to Chapter 9 of the Texas Business & Commerce Code.

- 4.3 In order to provide security for the payment of the Reimbursement Agreement Balance and, if issued, debt service on the PID Bonds, the County does hereby grant to the TCDA a security interest in and create a first lien on and pledge to the TCDA all of its right, title, and interest, whether now owned or hereafter acquired, in and to all Contract Assessment Revenues to be collected by the County and deposited in the Public Improvements Subaccount of the Operating Account (together with any income, investments, and proceeds thereof) to the full extent that such subaccount and the Contract Assessment Revenues collected and on deposit therein or later required to be collected and transferred to such subaccount (together with any income, investments, and proceeds thereof) may be subject to Chapter 9 of the Texas Business & Commerce Code.
- 4.4 The County acknowledges that, if PID Bonds are issued, the TCDA will grant to the Bond Trustee, in accordance with the terms of the Indenture, ~~all of~~ its right, title, and interest in this Funding Agreement, including but not limited to the security interest being granted by the County pursuant to section 4.3 hereof.

Pursuant to Chapter 1208.002(a)(2), Texas Government Code, as amended, upon issuance of the PID Bonds, in order to provide security for the payment of the PID Bonds, any security interests created by section 4.3 hereof shall be automatically perfected from the time the Indenture is entered into or approved, and shall remain perfected continuously through the termination of this Funding Agreement in accordance with the terms set forth herein, all without physical delivery or transfer of control of the Contract Assessment Revenues on deposit in the Public Improvements Subaccount of the Operating Account, filing of a document, or another act. Therefore, it shall not be necessary for the County, the TCDA, or the Bond Trustee to file any financing statements or continuation statements or any supplemental instruments or documents or further assurance in any manner ~~in order~~ to perfect or maintain perfection of any security interests created by this Section. If the security interest created by this Section is subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the PID Bonds the perfection of such security interest, the County and the TCDA shall take such measures as they determine are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and make all filings necessary or advisable to perfect the security interest created by section 4.3 hereof.

## 5.0 COLLECTION AND DEPOSIT OF ANNUAL INSTALLMENTS

- 5.1 At least annually,
- (a) The TCDA shall direct the Administrator to:

- (1) calculate the amount of the Annual Installments to be paid by the owners of the Assessed Property as provided in the Service and Assessment Plan and provide the calculation to the County and the TCDA; and
    - (2) prepare and provide to the County, for review and approval by the Commissioners Court, the annual update to the Service and Assessment Plan.
  - (b) The Commissioners Court shall review and approve the annual update to the Service and Assessment Plan and provide such update to the TCDA for the collection of the Annual Installments.
  - (c) After the Commissioners Court provides the updated Service and Assessment Plan to the TCDA, the TCDA shall provide or direct the Administrator to provide the annual Assessment Roll to the County Tax Assessor-Collector, who will collect the Annual Installments from the owners of the Assessed Property in the same manner and at the same time as it collects ad valorem taxes. The fees of the County Tax Assessor-Collector shall be part of the Annual Collection Costs.
- 5.2 Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year.
  - 5.3 For so long as any PID Bonds issued by the TCDA are outstanding or any Reimbursement Agreement Balance remains due and payable, the County will take and pursue all actions directed by the TCDA or Bond Trustee, as applicable, that are permissible under the PID Act to cause the Annual Installments to be collected and the liens securing the Annual Installments to be enforced in the manner and to the maximum extent permitted by the PID Act.
  - 5.4 The County shall determine no later than February 15 of each year, whether or not any Annual Installment is delinquent, and the County will notify the TCDA and the Bond Trustee of such determination as soon as practicable. The TCDA or the Bond Trustee, as applicable, shall direct the County to implement the timeline and procedures set forth on Exhibit "B" attached hereto. Notwithstanding the foregoing, the TCDA shall not be required under any circumstances to make payment for the delinquent Assessment or to purchase the corresponding Parcel. Furthermore, nothing shall obligate the TCDA, the County, the County 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 TCDA and its appropriate collections enforcement designees.
  - 5.5 The TCDA shall create the "Bella Fortuna PID Operating Account" (the "Operating Account") to be held by the TCDA Depository Bank and shall keep such Operating Account and any subaccounts separate from all other funds of the TCDA. Within the Operating Account, the TCDA shall create a subaccount for the payment of Public Improvements and a subaccount for the payment of Annual Collection Costs. The County, acting through the County Tax Assessor-Collector, shall deposit all Contract Assessment Revenues collected to the Operating Account. Pursuant to the Management Contract, the Depository

Agreement, and this Funding Agreement, the TCDA shall direct the Contract Assessment Revenues to be deposited in the following subaccounts:

- (a) The TCDA shall deposit into the subaccount for the payment of the Actual Costs of the Public Improvements (the "Public Improvements Subaccount") the Contract Assessment Revenue due to the TCDA for the payment of Actual Costs of the Public Improvements. The payment by the County, or the County Tax Assessor-Collector, to the TCDA of Contract Assessment Revenues shall continue so long as any Reimbursement Agreement Balance remains due and payable and, if issued, PID Bonds remain outstanding.
- (b) The TCDA shall deposit into the subaccount for the payment of Annual Collection Costs (the "Annual Collection Costs Subaccount") the Contract Assessment Revenues due to the TCDA for the payment of such Annual Collection Costs. The payment by the County, or the County Tax Assessor-Collector, to the TCDA of such Annual Collection Costs shall continue so long as any Reimbursement Agreement Balance remains due and payable and, if issued, PID Bonds remain outstanding.

#### 6.0 PAYMENTS TO BOND TRUSTEE

- 6.1 Upon the issuance of the PID Bonds, TCDA will transfer, on or before February 15 of the year set forth in the Indenture, and on or before the fifteenth day of each month thereafter while the PID Bonds are outstanding, all Contract Assessment Revenues received from the County Tax Assessor-Collector and on deposit in the Public Improvements Subaccount of the Operating Account to the Bond Trustee for immediate deposit into the pledged revenue fund or applicable accounts therein as required under the Indenture relating to the PID Bonds (the "Pledged Revenue Fund").
- 6.2 Contract Assessment Revenues in the Annual Collection Costs Subaccount of the Operating Account will be transferred by TCDA, on or before February 15 of the year set forth in the Indenture, and on or before the fifteenth day of each month thereafter while the PID Bonds are outstanding, to a segregated fund or account for the payment of Annual Collection Costs (the "Administrative Fund") and are not security for the PID Bonds or the Reimbursement Agreement Balance. The Bond Trustee shall deposit and apply the Contract Assessment Revenues as provided in the Indenture.
- 6.3 Upon the issuance of PID Bonds, the payment of any remaining Reimbursement Agreement Balance shall be subordinate to the payment of debt service on the PID Bonds and any required deposits to the reserve funds securing such PID Bonds.

#### 7.0 PREPAYMENT

- 7.1 If any owner of the applicable Assessed Property prepays in full or in part any unpaid principal amount of the Assessment as provided in Section VI of the Service and Assessment Plan, the County shall immediately transfer or cause to be transferred to the TCDA, the amount of such prepayment that corresponds to the amount of outstanding principal of and accrued interest on the Assessments as of the date of such prepayment.

If PID Bonds have been issued, upon receipt, the TCDA shall immediately transfer such prepayment funds to the Bond Trustee for deposit into the Pledged Revenue Fund for the PID Bonds, and such prepayment funds shall be used: first, to redeem any outstanding PID Bonds, and second, if no PID Bonds remain outstanding, for the payment of any remaining Reimbursement Agreement Balance, all as provided in the Indenture.

- 7.2 If and to the extent Assessments have been prepaid, the lien on the applicable Assessed Property associated with such Assessment prepayment shall be released from lien created by the Assessment Order.

#### 8.0 ASSESSMENT LIEN

- 8.1 All payments due in accordance with the Service and Assessment Plan and this Funding Agreement shall be treated the same with respect to the liens created to secure payment and the rights of the County, including foreclosure, in the event of delinquencies. Any foreclosure sale for nonpayment of any such amounts shall be subject to a continuing lien for the remaining unpaid amounts in accordance with state law.

#### 9.0 ASSIGNABILITY

- 9.1 Except for the rights transferred by this Funding Agreement to the Bond Trustee, the obligations, right, title, and interest of the Parties under this Funding Agreement may not be assigned, transferred, encumbered, or impaired in any way without the prior written consent of the Parties and the Bond Trustee. The Parties shall not take any action that would impair or adversely impact the collection of Annual Installments, the deposit of Contract Assessment Revenues into the Operating Account, or the use of the amounts on deposit in the Operating Account as provided in the Service and Assessment Plan or this Funding Agreement.

#### 10.0 OBLIGATIONS UNCONDITIONAL AND ABSOLUTE

- 10.1 The obligations of the County, through the County Tax Assessor-Collector, and the TCDA to timely bill the owners of the Assessed Property for each Annual Installment of the Assessment against the Assessed Property, collect Annual Installments, deposit Contract Assessment Revenues into the Operating Account and applicable subaccounts therein or into the Pledged Revenue Fund, and use the Operating Account and applicable subaccounts therein or the Pledged Revenue Fund, as applicable, as set forth in the Service and Assessment Plan and this Funding Agreement are absolute and unconditional and are not subject to any rights of offset of any kind that the County or the TCDA may have or assert, and the County or the TCDA do not have, and for so long as any PID Bonds remain outstanding or any Reimbursement Agreement Balance remains due and payable, will not assert, any defenses to the County or the TCDA's performance of such obligations
- 10.2 The obligations of the TCDA to use the Contract Assessment Revenues as set forth in the Service and Assessment Plan and this Funding Agreement are absolute and unconditional and are not subject to any rights of offset of any kind that the TCDA may have or assert, and the TCDA does not have, and for so long as any PID Bonds remain outstanding or any

Reimbursement Agreement Balance remains due and payable, will not assert, any defenses to the TCDA's performance of such obligations.

#### 11.0 TERM

- 11.1 The term of this Funding Agreement when fully executed by the Parties, shall continue until the later to occur of (i) the PID Bonds have been paid in full and are no longer outstanding or (ii) the Reimbursement Agreement has terminated.

#### 12.0 NOTICE

- 12.1 Any notice required or contemplated by this Funding Agreement must be in writing and shall be deemed given at the addresses shown below 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested. A Party may change its address by giving notice in accordance with this Section.

If to County:	County Judge Andy Brown (or his successor)
Street Address:	700 Lavaca, Suite 2.300 Austin, Texas 78701
Mailing Address:	PO Box 1748 Austin, Texas 78767 Email: andy.brown@traviscountytx.gov
With copy to:	Travis County, Texas Attn: Christy Moffett, Director, Economic Development & Strategic Investments Planning and Budget Office 700 Lavaca, Suite 1560 Austin, Texas 78701 Email: christy.moffett@traviscountytx.gov Facsimile: (512) 854-4210
With copy to:	Office of the County Attorney Attn: Julie Joe, Assistant County Attorney 314 W. 11 <sup>th</sup> St., Suite 500 Austin, Texas 78701 Email: julie.joe@traviscountytx.gov
If to TCDA:	Travis County Corporations Attn: Christy Moffett, Assistant Secretary 700 Lavaca Street, Suite 1560 Austin, Texas 78701 Email: christy.moffett@traviscountytx.gov Facsimile: (512) 854-4210

With copy to: Naman, Howell, Smith & Lee, PLLC  
 Attn: Cliff Blount  
 8310 Capital of Texas Highway North, Suite 490  
 Austin, Texas 78731  
 Email: Blount@namanhowell.com  
 Facsimile: (512) 474-1901

If to Bond Trustee: Wilmington Trust, National Association  
 Attn: Parker Merritt  
 15950 N. Dallas Parkway Suite 200  
 Dallas, TX 75248  
 Email: pmerritt@wilmingtontrust.com  
 Facsimile: (714) 384-4174

### 13.0 FAILURE; DEFAULT; REMEDIES

#### 13.1 Failure; Default; Remedies

- (a) Except as provided in subsection (b) below, if a Party fails to perform any obligation imposed on such Party by this Funding Agreement (a "Failure") and the Failure is not cured within 30 days after written notice of the Failure is provided to the non-performing Party, then such Failure shall constitute a "Default" by the non-performing Party.
- (b) Notwithstanding subsection (a) above, if the County fails to transfer or cause to be transferred the Contract Assessment Revenues to the TCDA as required by this Funding Agreement, such failure shall constitute an immediate "Default" by the County without notice or any opportunity to cure.
- (c) If the TCDA is in Default, the County's sole and exclusive remedy shall be to compel performance through injunctive relief or specific performance. No default by TCDA shall entitle the County to terminate this Funding Agreement.
- (d) If the County is in Default, the sole and exclusive remedy of the TCDA shall be to compel performance through injunctive relief or specific performance. No default by the County shall entitle the TCDA to terminate this Funding Agreement.

### 14.0 MISCELLANEOUS

- 14.1 The recitals set forth above are incorporated herein.
- 14.2 This Funding Agreement is being executed and delivered, and is intended to be performed in Travis County, Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Funding Agreement.
- 14.3 If a court finds any provision of this Funding Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render the provision invalid or

unenforceable as to any other persons or circumstances. To the extent feasible, any provision found to be invalid or unenforceable shall be deemed to be modified to be valid and enforceable; however, if the provision cannot be so modified, it shall be stricken from this Funding Agreement, and all other provisions of this Funding Agreement shall remain valid and enforceable and unaffected by the stricken provision.

- 14.4 This Funding Agreement supersedes all prior agreements (whether written or oral) between the Parties regarding the subject matter hereof and constitutes the only agreement between the Parties with regard to the subject matter hereof. In the event of any conflict between this Funding Agreement and any other resolution, order, instrument, document, or agreement, the provisions and intent of this Funding Agreement shall control. This Funding Agreement may only be amended by written agreement of the Parties.
- 14.5 The Bond Trustee shall be a third-party beneficiary under this Funding Agreement, and such Bond Trustee shall be entitled to fully enforce the terms of this Funding Agreement for the benefit of the holders of the PID Bonds as if the Bond Trustee were a party to this Funding Agreement.

IN WITNESS WHEREOF, the Parties have caused this Funding Agreement to be executed as of the Effective Date written above.

**Travis County, Texas**

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

Honorable Andy Brown  
Travis County Judge

**Travis County Development Authority,  
a Texas non-profit corporation**

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

Andy Brown, President

Exhibit "A" to the  
Funding Agreement

BOUNDARIES OF THE DISTRICT

(See attached)

Exhibit "B" to  
Funding Agreement

TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES<sup>1</sup>  
PID BONDS

<u>Date:</u>	<u>Activity:</u>
On or before August 15	Administrator will calculate the Annual Installment and provide the information to the County and the TCDA.
On or before August 31	Commissioners Court will approve annual update to the Service and Assessment Plan and Assessment Rolls (including Annual Installment).
On or before September 1	Administrator to provide Assessment Roll to County Tax Assessor Collector.
In October of each year	County, acting through the County Tax Assessor-Collector, will mail tax bills that will include Annual Installment to owners of the Assessed Property subject to the Assessment.  Annual Installment of Assessment is due upon receipt and becomes delinquent if not received by the County Tax Assessor-Collector by February 1 of the following year.
February 1	Annual Installment of Assessment is delinquent on February 1 if not received by the County Tax Assessor-Collector.
No later than February 15	County will forward, or cause the County Tax Assessor-Collector to forward, Contract Assessment Revenues to the TCDA for deposit with the TCDA Depository Bank.  <b>County is aware of actual and specific delinquencies and will notify the TCDA of such delinquencies.</b>  If the County receives Contract Assessment Revenues after February 15, the County Tax Assessor-Collector will forward such Contract Assessment Revenues on or before the fifteenth day of each month following receipt thereof.  The TCDA and/or Administrator should be aware if the accounts within the Reserve Fund need to be utilized for debt service payment during the corresponding County fiscal year. <b>If there is to be a shortfall, the Bond Trustee and Dissemination Agent should be immediately notified in writing.</b>

<sup>1</sup> All capitalized terms shall have the meaning set forth in the Funding Agreement. Illustrates anticipated dates and procedures for pursuing the collection of delinquent Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the County Tax Assessor-Collector's procedures, and are subject to adjustment by the County. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

<u>Date:</u>	<u>Activity:</u>
	<p>The TCDA and/or Administrator should also be aware if, based on collections, there will be a shortfall for September payment.</p> <p>The TCDA and/or Administrator should determine if actual collections will be fully adequate for debt service in March and September.</p> <p>At this point, if there is adequate funding for March and September payments, no further action is anticipated for collection of Assessments except that the TCDA or Administrator, working with the County Attorney or an appropriate designee, will begin process to cure deficiency.</p> <p><b>If there is inadequate funding in the Pledged Revenue Fund for transfer to the Bond Trustee for the PID Bonds of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the County Tax Assessor-Collector's procedures.</b></p>
On or before the fifteenth day of each month following February	The TCDA will forward all additional Contract Assessment Revenues received to the Bond Trustee(s) for deposit into the Pledged Revenue Fund.
On or before March 1	<p><b>Bond Trustee pays bond interest payments to bondholders.</b></p> <p>Reserve Fund payment to bond fund or applicable accounts therein as required under the Indenture relating to the PID Bonds (the "<u>Bond Fund</u>") may be required if Assessments are below approximately 50% collection rate.</p> <p>The TCDA, or the Bond Trustee on behalf of the TCDA, to notify Dissemination Agent of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify the Municipal Securities Rulemaking Board (the "<u>MSRB</u>") of such draw for debt service through its Electronic Municipal Market Access ("<u>EMMA</u>").</p> <p>Use of any of the accounts of the Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties, in accordance with the County Tax Assessor-Collector's procedures.</p> <p>County determines <del>whether or not</del> any Annual Installments are delinquent and, if such delinquencies exist, the County commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments.</p>
March 20	If it is expected that Reserve Fund moneys will need to be utilized for either the March or September PID Bond payments, the Administrator shall work with County Attorney's Office, or the appropriate designee, to collect all delinquent Assessments.
June 1	<p>Preliminary foreclosure activity commences, and the TCDA <u>to notify</u> Dissemination Agent of the commencement of preliminary foreclosure activity.</p> <p><b>The County will notify the TCDA of the plan of collections and foreclosure.</b></p>

<u>Date:</u>	<u>Activity:</u>
	Within 72 hours of notification by the County of the plan of collections and foreclosure, the TCDA will notify the Bond Trustee(s) and Dissemination Agent, if any, of the plan of collection and foreclosure.
July 1	Foreclosure action filed in state district court.  County to notify the TCDA, Bond Trustee(s) and Dissemination Agent, if any, of filing of foreclosure action. Dissemination Agent notifies EMMA and bondholders.

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

**APPENDIX C**

**FORM OF OPINION OF BOND COUNSEL**

(THIS PAGE IS INTENTIONALLY LEFT BLANK)



**Orrick, Herrington & Sutcliffe LLP**  
300 West 6th Street  
Suite 1850  
Austin, TX 78701  
+1 512 582 6950  
**orrick.com**

\_\_\_\_\_, 2024

Travis County Development Authority  
Contract Assessment Revenue Bonds, Series 2024  
(Bella Fortuna Public Improvement District)

Ladies and Gentlemen:

We have acted as bond counsel to the Travis County Development Authority (the “Issuer”) in connection with the issuance of \$[\_\_\_\_\_] aggregate principal amount of bonds designated as “Travis County Development Authority Contract Assessment Revenue Bonds, Series 2024 (Bella Fortuna Public Improvement District)” (the “Bonds”). The Bonds are authorized by a resolution adopted by the Board of Directors of the Issuer (the “Board”) on March 19, 2024 (the “Bond Resolution”) and are issued and secured under an Indenture of Trust dated as of April 1, 2024 (the “Indenture”) between the Issuer and Wilmington Trust, National Association (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Bond Resolution, the Indenture, the Amended and Restated Bella Fortuna Public Improvement District Funding Agreement effective as of March 19, 2024 (the “Funding Agreement”) between the Issuer and Travis County, Texas (the “County”), the tax certificate of the Issuer dated the date hereof (the “Tax Certificate”), certificates of the Issuer and the County, opinions of counsel to the Issuer, the County and the Trustee, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. We have also examined executed Bond No. T-1 of this issue.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted, or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Bond Resolution, the Indenture, the Funding Agreement, and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Bond Resolution, the Indenture, the Funding Agreement and the Tax Certificate and their enforceability may be

subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against entities such as the Issuer in the State of Texas (the "State"). We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or to have the effect of a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Limited Offering Memorandum or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding special, limited obligations of the Issuer.
2. The Indenture has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Issuer enforceable against the Issuer in accordance with its terms. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Trust Estate, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.
3. The Funding Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Issuer enforceable against the Issuer in accordance with its terms. We rely on the opinion, dated this date, of the Assistant County Attorney to the effect that the Funding Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the County. The obligation of the County to make payments under the Funding Agreement is solely payable from special assessments levied against assessable property within the District.
4. The Bonds are not a lien or charge upon the funds or property of the Issuer except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State, the County or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Issuer has no taxing authority.
5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds.

Very truly yours,

**APPENDIX D-1**

**FORM OF TCDA DISCLOSURE AGREEMENT**

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

**TRAVIS COUNTY DEVELOPMENT AUTHORITY  
CONTRACT ASSESSMENT REVENUE BONDS, SERIES 2024  
(Bella Fortuna Public Improvement District)**

**CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER**

This Continuing Disclosure Agreement of the Issuer dated as of April 1, 2024 (this “Disclosure Agreement”) is executed and delivered by and between the Travis County Development Authority (the “Issuer”), P3Works, LLC (the “Administrator”), and Wilmington Trust, National Association (the “Dissemination Agent”), with respect to the Issuer’s “Contract Assessment Revenue Bonds, Series 2024 (Bella Fortuna Public Improvement District)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

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

**SECTION 2. Definitions.** In addition to the definitions set forth above and in the Indenture of Trust dated as of April 1, 2024, between the Issuer and the Trustee relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

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

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

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Audited Financial Statements” shall mean the audited financial statements of the Issuer, or of the County, if the Issuer’s financial information is reported together therewith, that have been prepared in accordance with generally accepted

accounting principles applicable to the Issuer from time to time and that have been audited by an independent certified public accountant.

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

“Contract Assessment Revenues” shall have the meaning assigned to such term in the Indenture.

“County” shall mean Travis County, Texas.

“Disclosure Representative” shall mean the Managing Director of the Issuer or his or her designee, or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean Wilmington Trust, National Association, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Bella Fortuna Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at <http://emma.msrb.org>.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the one-year period from October 1 through September 30.

“Funding Agreement” shall mean the “Amended and Restated Bella Fortuna Public Improvement District Funding Agreement” effective as of March 19, 2024, by and between the County and the Issuer.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Outstanding” shall have the meaning given to it in the Indenture.

“Owner(s)” shall mean the registered owner(s) of any Bonds, as shown on the register maintained by the Trustee.

“Participating Underwriter” means FMSbonds, Inc., and its successors and assigns.

“Prepayment” shall mean the payment of all or a portion of an Assessment before the due date of the final installment payment thereof.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean Wilmington Trust, National Association, or any successor trustee pursuant to the Indenture.

**SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.**

(a) The Issuer shall cause and hereby directs the Administrator to compile and prepare the Annual Financial Information. The Administrator shall provide such Annual Financial Information to the Issuer and the Dissemination Agent no later than ten Business Days before the expiration of six months after the end of each Fiscal Year, commencing with the Fiscal Year ended September 30, 2024.

(b) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2024, the Issuer shall cause and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB (i) not later than six months after the end of the Issuer’s Fiscal Year, its Annual Financial Information and (ii) not later than 12 months after the end of the Issuer’s Fiscal Year, its Audited Financial Statements. In each case, the Annual Financial Information and the Audited Financial Statements, as applicable, may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next date by which the Issuer otherwise would be required to provide the Annual Financial Information or Audited Financial Statements, as applicable, pursuant to Section 4 of this Disclosure Agreement. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(c) Upon delivery by the Issuer of the Annual Financial Information or the Audited Financial Statements, as applicable, to the Dissemination Agent together, with written instructions to file such information or financial statements, as applicable, with the MSRB, the Dissemination Agent shall:

(i) Determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required in subsection (b) of this Section 3; and

(ii) File the Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required, containing or incorporating by reference the information set forth in Section 4 hereof.

(d) If the Issuer has provided the Dissemination Agent with the completed Annual Financial Information or the Audited Financial Statements, as applicable, together with written instructions to file such financial information or financial statements with the MSRB and the Dissemination Agent has filed such financial information or financial statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or the Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which such report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Financial Information and Audited Financial Statements. The Annual Financial Information and Audited Financial Statements for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file, the following:

(a) Within six months after the end of each Fiscal Year the following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and principal amount remaining Outstanding;

(B) The amounts in the funds and accounts securing the Bonds; and

(ii) The principal and interest paid on the Bonds during the most recent Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.

(iii) The aggregate amount of Contract Assessment Revenues received pursuant to the Funding Agreement.

(iv) Updates to the information in the Service and Assessment Plan, as most recently amended or supplemented (a "SAP Update"), including any changes to the methodology for levying the Assessments in the District.

(v) The aggregate taxable assessed valuation for parcels or lots within the District based on the most recent certified tax roll available to the Issuer.

(vi) Listing of the top ten property owners in the District (with individual homeowners being identified as "Individual"), as determined by the most recent certified tax roll available to the Issuer, the amount of the levy of Assessments against such property owners, and the percentage of such Assessments relative to the entire levy of Assessments within the District, as shown on the Assessment Rolls attached to the SAP Update for such Fiscal Year.

(vii) Collection and delinquency history of the Annual Installments within the District for the past five Fiscal Years, in the following format:

**Collection and Delinquent History of Annual Installments in the District**

Collected in Fiscal Year	Annual Installments Billed	Parcels Levied	Delinquent Amount as of 2/15	Delinquent Percentage as of 2/15	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Total Annual Installments Collected
Ending 9/30 20	\$			—	—		\$

(1) Collected as of \_\_\_\_\_, 20 . Includes \$ \_\_\_\_\_ attributable to Prepayments.

(viii) Total amount of Prepayments collected, as of the February 15 of the calendar year immediately succeeding such Fiscal Year, in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year).

(ix) The amount of delinquent Annual Installments by Fiscal Year:

(A) which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted);

(B) which are currently subject to foreclosure proceedings which have not been concluded;

(C) which have been reduced to judgment but not collected;

(D) which have been reduced to judgment and collected; and

(E) the result of any foreclosure sales of assessed property within the District if the assessed property represents more than 5% of the total amount of Assessments.

(x) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) Within 12 months after the end of each Fiscal Year, the Audited Financial Statements of the Issuer, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If such Audited Financial Statements are not complete within 12 months after the end of each Fiscal Year, then the Issuer shall provide unaudited financial statements within such period and shall provide Audited Financial Statements for the applicable Fiscal Year when and if the audit report on such statements becomes available.

(c) See Exhibit B hereto for a form for submitting the information set forth in Section 4(a). The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and

other elements comprising substantive contents of the Annual Financial Information and Audited Financial Statements under this Section 4.

(d) Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

#### SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership, or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
15. Incurrence of a financial obligation of the Issuer, if material, or agreements to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, “financial obligation” means (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule. The Issuer intends the words used in paragraphs (15) and (16) and the definition of “financial obligation” to have the meanings ascribed to them in SEC Release No. 34-83885 (August 20, 2018).

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice within ten Business Days of the occurrence of such Listed Event upon the receipt of such notice from the Issuer; provided that the Dissemination Agent shall not be liable for the filing of notice of any Listed Event more than ten Business Days after the occurrence of such Listed Event if notice of such Listed Event is received from the Issuer more than ten Business Days after the occurrence of such Listed Event.

Additionally, the Dissemination Agent shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide Audited Financial Statements or unaudited financial statements, as applicable, or Annual Financial Information as required under this Disclosure Agreement. The form for submitting such notice is attached hereto as Exhibit A.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer

desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, within three Business Days of obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer within two (2) business days after notification to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall immediately file a notice of such occurrence with the MSRB. The Issuer acknowledges the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14 or 15 of subsection (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

**SECTION 6. Termination of Reporting Obligations.** The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Dissemination Agent and the Administrator may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 5(a).

SECTION 7. Dissemination Agent. The Dissemination Agent agrees to perform the duties set forth in this Disclosure Agreement. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder is set forth in Section 2.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer or the Administrator in writing), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information or Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Audited Financial Statements for the fiscal year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial

Statements or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial Information, Audited Financial Statements or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information, Audited Financial Statements or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer, Dissemination Agent or Administrator to comply with any provision of this Disclosure Agreement, any Owner or beneficial owner of the Bonds may, and the Trustee (at the written request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer, Dissemination Agent and/or Administrator, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, Dissemination Agent or Administrator to comply with this Disclosure Agreement shall be an action for mandamus or specific performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator. The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees, and agents, but only with funds to be provided from Annual Collection Costs collected from the property owners in the District against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses, or liabilities arising from information provided to the Dissemination Agent by any third party, or the failure of any third party to provide information to the Dissemination Agent as and when required under this Disclosure Agreement. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

The Administrator shall not have any responsibility for (1) the accuracy of any information provided by third parties or the Issuer for the disclosures made pursuant to the terms hereof, or (2) the untimeliness of any information provided by third parties or the Issuer for the disclosures made pursuant to the terms hereof, except where such untimeliness is attributable to the actions or inactions of the Administrator. The Administrator shall have only such duties as are specifically set forth in Sections 3 and 4 of this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided from Annual Collection Costs collected from the property owners in the District against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability resulting from information provided to the Administrator by the Issuer, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses, or liabilities arising from information provided to the Administrator by any third party, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. NEITHER

THE DISSEMINATION AGENT NOR THE ADMINISTRATOR ARE UNDER ANY OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in the Funding Agreement, which is solely intended to illustrate the general procedures expected to generally be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator or the Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation; Administrator Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property

owners in the District, for its fees and expenses for the Dissemination Agent's services rendered in accordance with this Disclosure Agreement.

The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the District, for its fees and expenses for the Administrator's services rendered in accordance with this Disclosure Agreement.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank]

**ISSUER:  
TRAVIS COUNTY DEVELOPMENT  
AUTHORITY**

By: \_\_\_\_\_  
Authorized Officer

**DISSEMINATION AGENT:  
WILMINGTON TRUST, NATIONAL  
ASSOCIATION**

By: \_\_\_\_\_  
Authorized Officer

**ADMINISTRATOR:**  
**P3WORKS, LLC**

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE TO MSRB OF FAILURE TO FILE  
[ANNUAL FINANCIAL INFORMATION] [AUDITED/UNAUDITED FINANCIAL  
STATEMENTS]**

Name of Issuer: Travis County Development Authority  
Name of Bond Issue: Contract Assessment Revenue Bonds, Series 2024  
(Bella Fortuna Public Improvement District)

Date of Delivery: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the Travis County Development Authority, has not provided [Annual Financial Information][Audited Financial Statements][unaudited financial statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement dated as of April 1, 2024, between the Issuer, P3Works, LLC, as Administrator, and Wilmington Trust, National Association, as Dissemination Agent. The Issuer anticipates that [the Annual Financial Information][Audited Financial Statements][unaudited financial statements] will be filed by

Dated: \_\_\_\_\_

Wilmington Trust, National Association, as  
Dissemination Agent on behalf of the Travis  
County Development Authority

By: \_\_\_\_

Title:

cc: Travis County Development Authority

**EXHIBIT B**

**TRAVIS COUNTY DEVELOPMENT AUTHORITY  
CONTRACT ASSESSMENT REVENUE BONDS, SERIES 2024  
(BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT)**

---

**ANNUAL FINANCIAL INFORMATION\***

Delivery Date: \_\_\_\_\_, 20

CUSIP NOs: [insert CUSIP NOs.]

**ITEMS REQUIRED BY SECTIONS 4(a)(i)(A) – (B)\***

**BONDS OUTSTANDING**

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

**INVESTMENTS**

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

\*Excluding Audited Financial Statements of the Issuer

**BALANCE OF FUNDS AND ACCOUNTS SECURING THE BONDS**

Bonds (Principal Balance)	_____
Funds and Accounts [list]	_____
<b>TOTAL ASSETS</b>	_____

**Form of Accounting** ☐ Cash      ☐ Accrual      ☐ Modified Accrual

**ITEMS REQUIRED BY SECTIONS 4(a)(ii)-(vi)**

[Insert a line item for each applicable listing]

**SECTION 4(a)(vii)**

**COLLECTION AND DELINQUENCY HISTORY OF THE ANNUAL INSTALLMENTS  
WITHIN THE DISTRICT FOR THE PAST FIVE FISCAL YEARS, IN THE  
FOLLOWING FORMAT:**

**Collection and Delinquent History of Annual Installments in the District**

Collected in Fiscal Year	Annual Installments Billed	Parcels Levied	Delinquent Amount as of 2/15	Delinquent Percentage as of 2/15	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Total Annual Installments Collected
Ending 9/30 20	\$			—	—		\$

(1) Collected as of \_\_\_\_\_, 20 . Includes \$\_\_\_\_\_ attributable to Prepayments.

**ITEMS REQUIRED BY SECTIONS 4(a)(viii)-(x)**

**[Insert a line item for each applicable listing]**

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

**APPENDIX D-2**

**FORM OF LANDOWNER DISCLOSURE AGREEMENT**

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

**TRAVIS COUNTY DEVELOPMENT AUTHORITY,  
CONTRACT ASSESSMENT REVENUE BONDS, SERIES 2024  
(BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT)**

**CONTINUING DISCLOSURE AGREEMENT OF LANDOWNER**

This Continuing Disclosure Agreement of Landowner dated as of April 1, 2024 (this “Disclosure Agreement”) is executed and delivered by and among Clayton Properties Group, Inc., a Tennessee corporation doing business in Texas as Brohn Homes (as more fully defined herein, the “Landowner”), P3Works, LLC (as more fully defined herein, the “Administrator”) and Wilmington Trust, National Association, acting solely in its capacity as dissemination agent (as more fully defined herein, the “Dissemination Agent”), with respect to the “Travis County Development Authority Contract Assessment Revenue Bonds, Series 2024 (Bella Fortuna Public Improvement District)” (the “Bonds”). The Landowner, the Administrator, and the Dissemination Agent covenant and agree as follows:

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

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

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

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

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Service Plan Update” shall mean the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Dissemination Agent or the Trustee or any national holiday observed by the Trustee.

“Certification Letter” shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of April 1, 2024 executed and delivered by the Issuer, the Administrator and the Dissemination Agent.

“Dissemination Agent” shall mean Wilmington Trust, National Association, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Bella Fortuna Public Improvement District.

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

“Homebuilder(s)” shall mean any merchant homebuilder who enters into a Purchase Agreement with the Landowner, and the affiliates and/or successors and assigns of such homebuilder under such Purchase Agreement.

“Issuer” shall mean the Travis County Development Authority.

“Landowner” shall mean, Clayton Properties Group, Inc., a Tennessee corporation doing business in Texas as Brohn Homes, and each other Person, through assignment, who assumes the obligations, requirements, or covenants to construct the Public Improvements, and their designated successors and assigns.

“Landowner Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Listed Events” shall mean any of the events listed in Section 4(a) and 4(b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Owner” shall mean the registered owner of any Bonds.

“Parcel” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc. and its successors and assigns.

“Person” shall have the meaning assigned to such term in the Indenture.

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

“Public Improvements” shall have the meaning assigned to such term in the Indenture.

“Purchase Agreement” shall mean, with respect to lots or land within the District, any purchase agreement between one or more Homebuilders and/or the Landowner to purchase lots or to purchase land intended for single family residential development and use, including detached or attached single family homes or townhomes.

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning June 30, 2024.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being May 15, August 15, November 15, and February 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and consisting of the information in Exhibit A attached hereto.

“Reporting Party” shall mean, collectively, the Landowner and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Significant Homebuilder” shall mean a Homebuilder, including any affiliates of such Homebuilder, that then owns ten (10) or more single family residential lots within the District.

“Significant Homebuilder Listed Events” shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

“Trustee” shall mean Wilmington Trust, National Association, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as trustee, or any successor trustee pursuant to the Indenture.

### SECTION 3. Quarterly Reports.

(a) The Landowner and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with June 30, 2024, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the “Quarterly Information”). The Reporting Party

shall provide, or cause to be provided, such Quarterly Information until such party's obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Landowner elects, the Landowner may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Landowner shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Landowner shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to the applicable Quarterly Information or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and authorize the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report. Notwithstanding anything to the contrary in this Disclosure Agreement, the Landowner shall use commercially reasonable efforts to cause to be provided any information required by Section 3(d) regarding and in the possession of a Homebuilder that is not a Reporting Party. Without limiting the generality of the immediately preceding sentence, commercially reasonable efforts in such regard shall include, but not be limited to, ensuring that each Purchase Agreement that is executed with a Homebuilder after the date hereof contains a provision obligating the applicable Homebuilder to provide the Landowner the information required by Section 3(d) as and when required for the Landowner to comply with its obligations hereunder.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant

to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereof.

#### SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Landowner Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within the District on a Parcel owned by the Landowner; provided, however, that the exercise of any right of the Landowner as a landowner within the District to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Landowner Listed Event under this Section 4(a) nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements in the District, including the Public Improvements;

(iii) Material default by the Landowner or any of the Landowner's affiliates on any loan with respect to the, acquisition, development or permanent financing of the District undertaken by the Landowner or any of the Landowner's affiliates;

(iv) Material default by the Landowner or any of the Landowner's affiliates on any loan secured by property within the District owned by the Landowner or any of the Landowner's affiliates;

(v) The bankruptcy, insolvency or similar filing of the Landowner or any of the Landowner's affiliates or any determination that the Landowner or any of the Landowner's affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Landowner, or the sale of all or substantially all of the assets of the Landowner or any of the Landowner's affiliates, other than in the ordinary course of business, the entry into a definitive agreement to

undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages, in excess of \$1,000,000 against the Landowner or any of the Landowner's affiliates that may materially and adversely affect the completion of the development of the District or litigation that may materially and adversely affect the financial condition of the Landowner or any of the Landowner's affiliates;

(viii) Any material change in the legal structure, chief executive officer or controlling ownership of the Landowner; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 herein.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds;

(i) Failure to pay any real property taxes or Assessments levied within the District on a lot or Parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within the District to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section 4(b) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any material change in the type of legal entity, chief executive officer or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent in writing to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and

provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent within eight (8) business days of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Landowner and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Reporting Party.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB within two (2) business days after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5.      Assumption of Reporting Obligations of Landowner.

The Landowner shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Public Improvements to assume and comply with the disclosure obligations of the Landowner under this Disclosure Agreement. The Landowner shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement and assumption from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Public Improvements in substantially the form attached as Exhibit E (the “Landowner Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Landowner shall direct the Dissemination Agent to file a copy of each Landowner Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person’s delivery of written acknowledgement of assumption of Landowner’s obligations under this Disclosure Agreement as to the property transferred, the Landowner shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Landowner shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 6.      Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in the District resulting in such Homebuilder becoming a Significant Homebuilder, the Landowner may (i) cause such Significant Homebuilder to comply with the Landowner’s disclosure obligations under Section 3 and Section 4(b) hereof, with respect to such acquired real property, until such party’s disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Landowner initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Landowner may elect in the future to cause such Significant Homebuilder to comply with the Landowner’s disclosure obligations, as described in (i) above.

(b) If the Landowner elects to cause a Significant Homebuilder to comply with the Landowner’s disclosure obligations, as described in (i) above, the Landowner shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F (the “Significant Homebuilder Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Landowner shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder’s delivery of written acknowledgement of assumption of the Landowner’s obligations under this Disclosure Agreement as to the property transferred, the Landowner shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Landowner shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Landowner shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement.

#### SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Landowner or any Significant Homebuilder under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Landowner or such Significant Homebuilder, including their respective affiliates and/or successors and assigns, no longer owns ten (10) or more single family residential lots within the District, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Landowner or such Significant Homebuilder, including their respective affiliates and/or successors and assigns, respectively; provided, however, if the Landowner elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with Section 6(a) above, the reporting obligations of the Landowner under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Landowner and such Significant Homebuilder(s) (on behalf of whom the Landowner is reporting), including their respective affiliates and/or successors and assigns, collectively no longer own ten (10) or more single family residential lots within the District, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Landowner and such Significant Homebuilder(s) (on behalf of whom the Landowner is reporting), including their respective affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) of this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be Wilmington Trust, National Association. The Issuer may, from time to time, appoint or engage a successor Dissemination Agent to assist the Reporting Parties in carrying out their obligations under this Disclosure Agreement and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer

has agreed to provide written notice to each then-existing Reporting Party of any change in the identity of the Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Landowner, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Landowner or Administrator in writing), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of any Reporting Party, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Landowner shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. The Landowner shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 9 to the Issuer, the Administrator, the Dissemination Agent and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent any Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, no Reporting Party shall have an obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

SECTION 11. Content of Disclosures. In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 10 of this Disclosure Agreement.

SECTION 12. Default. In the event of a failure of a Reporting Party, Dissemination Agent or Administrator to comply with any provision of this Disclosure Agreement, any Owner or beneficial owner of the Bonds may, and the Trustee (at the written request of any Participating Underwriter or the

Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Reporting Party, Dissemination Agent and/or Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Landowner, Dissemination Agent or Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Issuer, and a default under the Disclosure Agreement of Issuer shall not be deemed a default under this Disclosure Agreement. Furthermore, a default under this Disclosure Agreement by any Reporting Party shall not be deemed a default under this Disclosure Agreement by any other Reporting Party, and no Reporting Party shall have any obligation to take any action to mitigate or cure the default of any other Reporting Party.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Landowner agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Landowner under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If any Reporting Party or the Administrator does not provide the information required by Section 3(d) hereof in a timely manner as required by Sections 3(a) or (b) hereof, or incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Landowner agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of the Landowner under this Section shall survive resignation or removal of the

Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an “obligated person” under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE LANDOWNER OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of a Reporting Party, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Reporting Party, the Administrator or Dissemination Agent in other than that person’s official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the District, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any notice, instructions, or communication, required to be given or made hereunder shall be in writing and shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If notices, instructions or communications are provided or delivered by e-mail, the sender must request a read or return receipt from the recipient confirming that the recipient received the e-mail with such notice, instruction, or communication.

If to Landowner:	Clayton Properties Group, Inc., 6720 Vaught Ranch Road, Suite 200 Austin, Texas 78730 E-mail: angelicaa@brohnhomes.com
------------------	---

If to the Dissemination Agent or Trustee:	Wilmington Trust, National Association 15950 North Dallas Parkway, Suite 200 Dallas, Texas 75248 E-mail: pmeritt@wilmingtontrust.com
---	---

If to Administrator:	P3Works, LLC 9284 Huntington Square, Ste 100 North Richland Hills, Texas 76182 E-mail: admin@p3-works.com
----------------------	--

If to the Issuer: Travis County Development Authority  
700 Lavaca Street, Suite 1560  
Austin, Texas 78701  
E-mail: Christy.Moffett@traviscountytexas.gov

If to Participating Underwriter: FMSbonds, Inc.  
5 Cowboys Way, Suite 300-25  
Frisco, Texas 75034  
E-mail: Tdavenport@fmsbonds.com

SECTION 21. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*[Signature pages follow.]*

WILMINGTON TRUST, NATIONAL  
ASSOCIATION  
(as Dissemination Agent)

By: \_\_\_\_\_  
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF LANDOWNER

CLAYTON PROPERTIES GROUP, INC.,  
a Tennessee corporation doing business in Texas as Brohn  
Homes  
(as Landowner)

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

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

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

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF LANDOWNER

P3WORKS, LLC  
(as Administrator)

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

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF LANDOWNER

**EXHIBIT A**

**TRAVIS COUNTY DEVELOPMENT AUTHORITY,  
CONTRACT ASSESSMENT REVENUE BONDS, SERIES 2024  
(BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT)**

---

**QUARTERLY REPORT**  
*[INSERT QUARTERLY ENDING DATE]*

---

Delivery Date: \_\_\_\_\_, 20\_\_

CUSIP Numbers: [Insert CUSIP Numbers]

**DISSEMINATION AGENT**

Name: Wilmington Trust, National Association  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Contact Person: \_\_\_\_\_

**I. Unit Mix in the District**

<b><u>Product Type</u></b>	<b><u>Number of Units</u></b>
Single Family 40'	
Single Family 50'	
Single Family 60'	

**II. Ownership of Lots/Units in the District**

PLANNED LOTS IN THE DISTRICT: [\_\_\_\_\_]

Of the [\_\_\_\_\_] lots in the District:

1. Number of lots owned by the Landowner: [\_\_\_\_\_]
  - a. Number of lots under contract but not closed to Homebuilder(s): [\_\_\_\_\_]

2. Number of lots owned by all Homebuilder(s): [ ]<sup>1</sup>
  - a. Number of lots owned by [*insert name of Homebuilder*]: [ ]<sup>2</sup>
  - b. Number of lots owned by [*insert name of Homebuilder*]: [ ]
3. Number of units owned by homeowners: [ ]

### **III. Lot Status in the District**

Of the lots in the District, what is the status:

1. Planned lots as of the date of issuance of the Bonds: [ ]
2. Planned lots as of the date of this Quarterly Report: [ ]
3. Number of Lots developed: [ ]
4. Expected completion date of all lots in the District (if incomplete): [ ]

### **IV. Home Sales Information in the District**

PLANNED HOMES IN THE DISTRICT: [ ]

Of the [ ] homes planned for the District:

1. How many total building permits were issued **during the current quarter**? [ ]
  - a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: [ ]<sup>2</sup>
  - b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: [ ]<sup>2</sup>
2. How many total homes have closed with homebuyers **during the current quarter**? [ ]
  - a. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: [ ]<sup>2</sup>
  - b. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: [ ]<sup>2</sup>
3. How many total homes have closed with homebuyers **cumulatively**? [ ]
  - a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: [ ]<sup>2</sup>
  - b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: [ ]<sup>2</sup>

### **V. Expenditures Paid from Accounts under Indenture**

TOTAL BUDGETED COSTS REQUIRED TO COMPLETE PUBLIC IMPROVEMENTS:  
\$[ ]

Of the budgeted costs shown in the Service and Assessment Plan for the District:

1. Actual costs drawn from the Improvement Account: \$[ ]

---

<sup>1</sup> If Landowner is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Landowner is not using EMMA filing assistance software, Landowner shall prepare a chart containing such Quarterly Information.

<sup>2</sup> Include a line item for each individual Homebuilder.

## **VI. Status of Improvements in the District**

1. [Actual/Excepted] date of completion of the Public Improvements:  
[ ]
2. If applicable, Explanation of any delay/change in projected completion date since last Quarterly Report was filed:  
[ ]

## **VII. Amenities<sup>3</sup>**

TOTAL [EXPECTED/ACTUAL] COSTS OF AMENITIES: N/A

Of the N/A [expected/actual] costs of the Amenities:

1. Amount spent as of Quarterly Ending Date: N/A
2. [Actual/Expected] completion date of Amenities: N/A

## **VIII. Material Changes**

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Landowner to any third-party

---

<sup>3</sup> An amenities section is included in the form of Quarterly Report. However, the information will be marked not-applicable, as the improvements that would be considered amenities in the District are also Public Improvements. The costs and completion date of these improvements will be reported in connection with the Public Improvements in Sections V and VI above.

Landowner/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party Landowner/land bank has executed a Landowner Acknowledgment pursuant to the Disclosure Agreement.

5. **Completion Agreement** – Is the Landowner required to provide evidence of available funds, in addition to the amounts on deposit in the Project Fund, to complete the construction of the Public Improvements? If so, identify the available sources of funding and provide the amount of funding needed to complete the Public Improvements.
6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.
7. **Other** – Provide any other material information that should be disclosed.

**EXHIBIT B**

**NOTICE TO MSRB OF FAILURE TO  
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: Travis County Development Authority  
Name of Bond Issue: Contract Assessment Revenue Bonds, Series 2024 (Bella Fortuna  
Public Improvement District)(the “Bonds”)  
CUSIP Nos. [insert CUSIP Nos.]  
Date of Delivery: \_\_\_\_\_, 20\_\_

NOTICE IS HEREBY GIVEN that \_\_\_\_\_, a  
\_\_\_\_\_ (the [“Landowner”] [“Significant Homebuilder”]) has not provided the  
[Quarterly Information][Quarterly Report] for the period ending on [Insert Quarterly Ending Date]  
with respect to the Bonds as required by the Continuing Disclosure Agreement of Landowner dated  
as of April 1, 2024, by and among Clayton Properties Group, Inc., a Tennessee corporation doing  
business in Texas as Brohn Homes (the “Landowner”), P3Works, LLC (the “Administrator”) and  
Wilmington Trust, National Association (the “Dissemination Agent”). [Landowner] [Significant  
Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be  
[provided][filed] by \_\_\_\_\_.

[NOTICE IS HEREBY GIVEN that [Quarterly Information][the Quarterly Report] for the  
period ending on [Insert Quarterly Ending Date] with respect to the Bonds as required by the  
Continuing Disclosure Agreement of Landowner dated as of April 1, 2024, by and among Clayton  
Properties Group, Inc., a Tennessee corporation doing business in Texas as Brohn Homes (the  
“Landowner”), P3Works, LLC (the “Administrator”) and Wilmington Trust, National Association  
(the “Dissemination Agent”) was not filed in a timely manner due to [\_\_\_\_\_].  
[\_\_\_\_\_, a \_\_\_\_\_ (the [“Developer”][“Significant  
Homebuilder”]) anticipates that the [Quarterly Information][Quarterly Report] will be  
[provided][filed] by \_\_\_\_\_.][The [Quarterly Information][Quarterly Report] was filed  
on [\_\_\_\_\_.]]

Dated: \_\_\_\_\_

WILMINGTON TRUST, NATIONAL  
ASSOCIATION,  
on behalf of the [Landowner] [Significant  
Homebuilder]  
(as Dissemination Agent)

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

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

cc: Travis County Development Authority

**EXHIBIT C**

**TERMINATION NOTICE**

[DATE]

Name of Issuer: Travis County Development Authority  
Name of Bond Issue: Contract Assessment Revenue Bonds, Series 2024 (Bella Fortuna  
Public Improvement District)(the “Bonds”)  
CUSIP Nos. [insert CUSIP Nos.]  
Date of Delivery: \_\_\_\_\_, 20\_\_

FMSbonds, Inc.  
5 Cowboys Way, Suite 300-25  
Frisco, Texas 75034

Clayton Properties Group, Inc.,  
6720 Vaught Ranch Road, Suite 200  
Austin, Texas 78730

Travis County Development Authority  
700 Lavaca Street, Suite 1560  
Austin, Texas 78701

[Insert Significant Homebuilder  
Contact Information]

Wilmington Trust, National Association  
15950 North Dallas Parkway, Suite 200  
Dallas, Texas 75248

NOTICE IS HEREBY GIVEN that \_\_\_\_\_, a  
\_\_\_\_\_ (the [“Landowner”] [“Significant Homebuilder”]) is no longer  
responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the  
Bonds, thereby, terminating such party’s reporting obligations under the Continuing Disclosure  
Agreement of Landowner dated as of April 1, 2024, by and among Clayton Properties Group, Inc.,  
a Tennessee corporation doing business in Texas as Brohn Homes (the “Landowner”), P3Works,  
LLC (the “Administrator”) and Wilmington Trust, National Association (the “Dissemination  
Agent”).

Dated: \_\_\_\_\_

P3Works, LLC  
on behalf of the [Landowner] [Significant  
Homebuilder]  
(as Administrator)

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

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

**EXHIBIT D**  
**CERTIFICATION LETTER**

[DATE]

Name of Issuer: Travis County Development Authority  
Name of Bond Issue: Contract Assessment Revenue Bonds, Series 2024 (Bella Fortuna  
Public Improvement District)  
CUSIP Nos. [insert CUSIP Nos.]  
Quarterly Ending Date: \_\_\_\_\_, 20\_\_

Re: Quarterly Report for Bella Fortuna Public Improvement District

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Landowner dated as of April 1, 2024, by and among Clayton Properties Group, Inc., a Tennessee corporation doing business in Texas as Brohn Homes (the “Landowner”), P3Works, LLC (the “Administrator”) and Wilmington Trust, National Association (the “Dissemination Agent”), this letter constitutes the certificate stating that the Quarterly Information, provided by [Landowner] [\_\_\_\_\_, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Landowner] [Significant Homebuilder], constitutes the portion of the Quarterly Report required to be furnished by [Landowner] [Significant Homebuilder]. Any and all Quarterly Information, provided by the [Landowner] [Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

CLAYTON PROPERTIES GROUP, INC.,  
a Tennessee corporation doing business in Texas as Brohn  
Homes  
(as Landowner)

By:

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

Title: Managing Member

OR

[SIGNIFICANT HOMEBUILDER  
(as Significant Homebuilder)

By: \_\_\_\_\_  
Title: \_\_\_\_\_]

## EXHIBIT E

### FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF LANDOWNER REPORTING OBLIGATIONS

[DATE]

Travis County Development Authority  
700 Lavaca Street, Suite 1560  
Austin, Texas 78701

P3Works, LLC  
9284 Huntington Square, Ste 100  
North Richland Hills, Texas 76182

Wilmington Trust, National Association  
15950 North Dallas Parkway, Suite 200  
Dallas, Texas 75248

#### Re: **Bella Fortuna Public Improvement District – Continuing Disclosure Obligation**

Dear \_\_\_\_\_,

Per *[Insert name of applicable agreement]*, as of \_\_\_\_\_, 20\_\_, you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Public Improvements (as defined in the Disclosure Agreement of Landowner (as defined herein) within the Bella Fortuna Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Landowner (the “Disclosure Agreement of Landowner”) by and among Clayton Properties Group, Inc., a Tennessee corporation doing business in Texas as Brohn Homes (the “Initial Landowner”), P3Works, LLC (the “Administrator”) and Wilmington Trust, National Association (the “Dissemination Agent”), with respect to the “Contract Assessment Revenue Bonds, Series 2024 (Bella Fortuna Public Improvement District)”, any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Public Improvements is defined as a Landowner.

As a Landowner, pursuant to Section 5 of the Disclosure Agreement of Landowner, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Landowner for the property which is owned as detailed in the Disclosure Agreement of Landowner, which is included herewith.

Sincerely,

CLAYTON PROPERTIES GROUP, INC.,  
a Tennessee corporation doing business in Texas as Brohn  
Homes  
(as Landowner)

By:

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

Title: Managing Member

Acknowledged by:

**[INSERT ASSIGNEE NAME]**

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

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

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

E-Mail: \_\_\_\_\_

**EXHIBIT F**

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT  
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

Travis County Development Authority  
700 Lavaca Street, Suite 1560  
Austin, Texas 78701

P3Works, LLC  
9284 Huntington Square, Ste 100  
North Richland Hills, Texas 76182

Wilmington Trust, National Association  
15950 North Dallas Parkway, Suite 200  
Dallas, Texas 75248

**Re: Bella Fortuna Public Improvement District – Continuing Disclosure Obligation**

Dear \_\_\_\_\_,

As of \_\_\_\_\_, 202\_\_, you own \_\_\_\_ single family residential lots within the Bella Fortuna Public Improvement District (the “District”). Pursuant to Section 2 of the Continuing Disclosure Agreement of the Landowner (the “Disclosure Agreement”) dated as of April 1, 2024, by and among, Clayton Properties Group, Inc., a Tennessee corporation doing business in Texas as Brohn Homes (the “Landowner”), P3Works, LLC (the “Administrator”) and Wilmington Trust, National Association (the “Dissemination Agent”), with respect to the “Contract Revenue Bonds, Series 2024 (Bella Fortuna Public Improvement District)” any entity that owns ten or more single family residential lots within the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement, you acknowledge and assume the reporting obligations under Section 3 Section 4(b) of the Disclosure Agreement for the property which is owned as detailed in the Disclosure Agreement, which is included herewith.

Sincerely,

CLAYTON PROPERTIES GROUP, INC.,  
a Tennessee corporation doing business in Texas as Brohn  
Homes

(as Landowner)

By:

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

Title: Managing Member

Acknowledged by:

**[INSERT SIGNIFICANT HOMEBUILDER NAME]**

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

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

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

E-Mail: \_\_\_\_\_

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

**APPENDIX E**  
**FINANCING AGREEMENT**

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT  
FINANCING AGREEMENT

BETWEEN

VIEWS AT ONION CREEK, LP, a Texas limited partnership

AND

TRAVIS COUNTY DEVELOPMENT AUTHORITY, a Texas local government corporation

AND

TRAVIS COUNTY, TEXAS, a political subdivision of the State of Texas

## TABLE OF CONTENTS

	<b>Page</b>
ARTICLE I SCOPE OF AGREEMENT .....	3
ARTICLE II APPORTIONMENT, LEVY AND COLLECTION OF ASSESSMENTS .....	3
Section 2.01 Preliminary Matters .....	3
Section 2.02 Apportionment and Levy of Assessments .....	4
Section 2.03 Collection of Assessments .....	5
Section 2.04 Approval and Recordation of Assessments through Landowner Agreement.....	6
Section 2.05 Actual Costs .....	7
ARTICLE III CONSTRUCTION AND ACQUISITION .....	7
Section 3.01 Acquisition of Authorized Improvements .....	7
Section 3.02 County Procurement Requirements .....	7
Section 3.03 Designation of Construction Manager; Designation of Construction Manager Subcontractor .....	8
Section 3.04 Designation of Project Engineer .....	11
Section 3.05 Real Property Interests .....	13
Section 3.06 Procurement of Construction Contracts; Change Orders.....	14
Section 3.07 Special County Provisions Applicable to Construction Contracts .....	17
Section 3.08 Construction of Authorized Improvements .....	18
Section 3.09 County Inspection .....	20
Section 3.10 Owner Completion of Authorized Improvements .....	20
Section 3.11 Construction Worker Protection Standards .....	21
Section 3.12 Project Funding and Completion .....	23
Section 3.13 Maintenance of Project; Warranties.....	24
Section 3.14 Sales and Use Tax Exemptions.....	25
Section 3.15 Public Bidding Requirements/County Cooperation in Plan Review .....	25
Section 3.16 Additional Requirements for Authorized Improvements Funded with Progress Payments .....	25
Section 3.17 Parkland Dedication.....	26
ARTICLE IV PAYMENT FOR AUTHORIZED IMPROVEMENTS.....	27
Section 4.01 Overall Requirements .....	27
Section 4.02 Payment for Authorized Improvements.....	28

ARTICLE V	PID BONDS .....	33
Section 5.01	Issuance of PID Bonds.....	33
Section 5.02	Project Fund.....	34
Section 5.03	Denomination, Maturity, Interest, and Security for Bonds.....	34
Section 5.04	Sale of PID Bonds.....	34
ARTICLE VI	ADDITIONAL COUNTY REQUIREMENTS.....	35
Section 6.01	Affordable Housing .....	35
Section 6.02	Homebuyer Disclosure.....	35
ARTICLE VII	REPRESENTATIONS, WARRANTIES, AND INDEMNIFICATION .....	35
Section 7.01	Representations and Warranties of County and TCDA.....	35
Section 7.02	Covenants, Representations, and Warranties of Owner.....	36
Section 7.03	Indemnification .....	38
ARTICLE VIII	DEFAULT AND REMEDIES .....	39
Section 8.01	Default.....	39
Section 8.02	Breach .....	39
Section 8.03	Force Majeure .....	40
Section 8.04	No Waiver .....	40
ARTICLE IX	GENERAL PROVISIONS .....	40
Section 9.01	Notices .....	40
Section 9.02	Fee Arrangement /Administration of District.....	42
Section 9.03	Assignment .....	43
Section 9.04	Term of Agreement.....	44
Section 9.05	Property Taxes and Assessments .....	44
Section 9.06	Construction of Certain Terms.....	44
Section 9.07	Table of Contents; Titles and Headings.....	45
Section 9.08	Amendments .....	45
Section 9.09	Time .....	45
Section 9.10	Counterparts .....	46
Section 9.11	Entire Agreement .....	46
Section 9.12	Severability; Waiver .....	46
Section 9.13	Owner as Independent Contractor .....	46
Section 9.14	Supplemental Agreements .....	46
Section 9.15	County's Acceptance of Authorized Improvements.....	46

Section 9.16	Audit .....	46
Section 9.17	Governing Law; Jurisdiction and Venue .....	47
Section 9.18	No Third Party Beneficiary.....	47
Section 9.19	Boycotts and Foreign Business Engagements .....	47
Section 9.20	Claims Notification.....	48
Section 9.21	Texas Public Information Act.....	48
Section 9.22	Correction of Technical Errors .....	48
Section 9.23	Exhibits .....	49

## BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT FINANCING AGREEMENT

This Bella Fortuna Public Improvement District Financing Agreement (this “**Agreement**”), dated May 28, 2019, (the “**Effective Date**”), is entered into by and among Views at Onion Creek, LP, a Texas limited partnership (including its Designated Successors and Assigns, the “**Owner**”), the Travis County Development Authority, a Texas local government corporation organized under subchapter D of Chapter 431 of the Texas Transportation Code (the “**TCDA**”), and Travis County, Texas, a political subdivision of the State of Texas (the “**County**”) (together, the “**Parties**”). Capitalized terms used in this Agreement have the meanings given to them in Exhibit “A” unless otherwise provided in this Agreement. Terms defined in Exhibit “A” that conflict with the Service and Assessment Plan shall be controlled by the most recent form of Service and Assessment Plan or the latest Service and Assessment Plan approved by Commissioners Court.

### Recitals:

1. A public improvement district (“**PID**”) is a development tool that provides for the financing of the costs of public improvements or services that benefit a definable part of the County. It allows the costs of these improvements or services to be borne by those who receive special benefits from the improvements or services because they own property in that definable area. At the same time, residents of the County who live outside the definable area may also receive some benefit from those improvements or services.
2. The Travis County Commissioners Court (the “**Commissioners Court**”) has adopted policies and procedures relating to the establishment of public improvement districts, including provisions the Commissioners Court will use to consider whether creation of a PID, a levy of special assessments, or issuance of bonds payable from special assessments (“**PID Bonds**”) is in the best interest of the County (as amended, the “**PID Policy**”). The PID Policy has been codified in Chapter 481 of the Travis County Code.
3. The Owner owns a total of approximately 158.2 acres of land located within the County and the extraterritorial jurisdiction of the City of Austin, Texas (the “**City**”) which is more particularly described in Exhibit “B” attached hereto and made a part hereof (the “**Property**”).
4. The Owner currently intends to convey the Property to Clayton Properties Group, Inc. a Tennessee corporation doing business in Texas as Brohn Homes (“**Brohn Homes**”) prior to development of the Property. Upon conveyance of the Property, the Owner intends to assign all of its rights, title, and interest under this Agreement to Brohn Homes.
5. The Owner intends to develop the Property as a mixed use development, including single family and commercial uses (the “**Project**”). The Owner currently anticipates that construction of the Project will commence in the second quarter of 2019.
6. The Commissioners Court authorized the formation of the Bella Fortuna Public Improvement District (the “**District**”) on October 31, 2017, pursuant to a resolution and in accordance with the PID Act.

7. The City did not object to the creation of the District within thirty (30) days as permitted by Section 372.003(d) of the PID Act.
8. This Agreement is drafted in accordance with, and the Project meets the requirements of, the PID Policy.
9. Pursuant to the terms of this Agreement, the County and the TCDA both have agreed to allow financing of certain public improvements conferring special benefits to the Property through the District.
10. On April 24, 2018, pursuant to the PID Act and Subchapter D of Chapter 431, Texas Transportation Code, as amended (the “**LGC Act**”), the County and the TCDA entered into a Contract for Management and Administrative Services (the “**Management Contract**”) under which the TCDA agreed to manage and administer public improvement districts created by the Commissioners Court, including the District.
11. The Owner proposes to construct certain improvements to serve the Property (or portions thereof), which improvements will be more fully described in the Service and Assessment Plan (the “**Authorized Improvements**”). A draft of the Form Service and Assessment Plan is attached hereto as Exhibit “I”.
12. The County and TCDA have agreed, in accordance with the terms of this Agreement, (i) to effect conveyance of the Authorized Improvements to the County, City, or other public entity acceptable to the County (each of the foregoing, an “**Entity**”) in accordance with the terms and provisions of this Agreement and the Land Development Code and (ii) to pay or reimburse the Owner for the Actual Costs of the Authorized Improvements with the proceeds of PID Bonds or special assessment revenues derived from the District.
13. In furtherance of the foregoing, concurrently with this Agreement, the Parties intend to enter into that certain Bella Fortuna Public Improvement Acquisition and Reimbursement Agreement (the “**Acquisition and Reimbursement Agreement**”).
14. At the request of Owner through a Levy Assessment Request (defined herein), the Parties intend that (i) the County will consider the adoption of an order (an “**Assessment Order**”) approving the Service and Assessment Plan that identifies, among other things, the costs of the Authorized Improvements and the special assessments to be levied on Parcels within the District receiving a benefit from such Authorized Improvements (the “**Assessments**”), and levying said Assessments; and (ii) upon a written request from the Owner, the County will consider a resolution consenting to the issuance of PID Bonds by the TCDA and, upon such consent by the County, the TCDA will consider the adoption of a resolution authorizing the issuance of PID Bonds, the proceeds of which PID Bonds will be used to (a) pay or reimburse the Owner for the Actual Costs of the Authorized Improvements (b) pay capitalized interest, if any, (c) fund any reserve funds, and (d) pay costs of issuance.
15. Subject to the limitations of the PID Act and the articles of incorporation of the TCDA, the TCDA has the authority to issue, from time to time, one or more series of PID Bonds, the proceeds of which will be used for the purposes stated in paragraph 14 above.

16. The County and the TCDA have determined that it is in their best interests to contract with the Owner for the construction and/or acquisition of the Authorized Improvements, which will result in the efficient and effective implementation of the Service and Assessment Plan.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the Parties hereto agree as follows:

## **ARTICLE I SCOPE OF AGREEMENT**

This Agreement establishes provisions for:

1. the apportionment, levying, and collection of Assessments on the Property (Article II);
2. the construction of Authorized Improvements to be acquired by, conveyed to, or otherwise dedicated to the County or City, as applicable (Article III);
3. payment for Authorized Improvements within the District (Article IV);
4. the issuance of PID Bonds for the financing of the Authorized Improvements (Article V);
5. additional County requirements (Article VI);
6. representations, warranties, and indemnification (Article VII);
7. events of default and remedies (Article VIII); and
8. general provisions (Article IX).

## **ARTICLE II APPORTIONMENT, LEVY AND COLLECTION OF ASSESSMENTS**

### **Section 2.01 Preliminary Matters**

- (a) The Recitals set forth in the preamble of this Agreement are hereby incorporated into this Agreement as if fully set forth herein.
- (b) The Parties expressly intend that the terms and procedures of each Article of this Agreement shall apply uniformly to the entire Property. Unless otherwise specified, the Travis County Office of Economic Development & Strategic Investments shall be the designated recipient of documents and related materials that are designated to be delivered to the County.
- (c) The Parties agree that the Service and Assessment Plan must meet the requirements of Texas Local Government Code Sections 372.013 and 372.014, and be presented to the Commissioners Court for review and approval before (i) the Commissioners Court will consider approval of an Assessment Order and a resolution consenting to the issuance of

the PID Bonds by the TCDA and (ii) the TCDA will consider a resolution authorizing the issuance of PID Bonds. The Service and Assessment Plan will be updated by the TCDA or its Administrator at least once per year, and will be submitted to the Commissioners Court for review and approval.

- (d) The Service and Assessment Plan may need to be amended over time if there are any changes to the specification or plans relating to an Authorized Improvement.
- (e) Actual Costs for the Authorized Improvements are anticipated to be initially funded by the Owner and then reimbursed from the Contract Assessment Revenues (derived from the Assessments levied by the County upon the Assessed Property and transferred to the TCDA as further described in Section 2.03 hereof) and from the proceeds of PID Bonds. Parity Bonds may be issued to reimburse Owner for any Actual Costs for the Authorized Improvements that remain unreimbursed after issuance of the initial series of PID Bonds. The County or TCDA in its sole discretion may determine whether to issue Parity Bonds. If Parity Bonds are not issued, any remaining reimbursement obligation under the Acquisition and Reimbursement Agreement shall be paid to the Owner on a cash-flow basis.
- (f) After the issuance of PID Bonds, the payment of any reimbursement obligation remaining under the Acquisition and Reimbursement Agreement shall be subordinate to the payment of the PID Bonds.
- (g) Assessments will bear a direct, proportional relationship to, and be less than or equal to, the special benefit conferred from the Authorized Improvements on the applicable Assessed Property.
- (h) Parcels within the District may also be subject to an Owners' Association assessment.
- (i) Prior to the issuance of PID Bonds, the Owner shall provide or cause to be provided an Appraisal of the Property to the TCDA for its review and approval. The TCDA shall have final approval of the selection of the appraiser, in consultation with the County, the Owner, and the Underwriter, and all fees of the Appraisal shall be paid from an escrow account held by the TCDA Depository Bank and funded by the Owner.
- (j) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, THE OWNER SHALL BE RESPONSIBLE FOR ALL COST OVERRUNS FOR THE AUTHORIZED IMPROVEMENTS AND SHALL BEAR ONE HUNDRED PERCENT (100%) OF THE ACTUAL COSTS OF CONSTRUCTING THE AUTHORIZED IMPROVEMENTS NOT PAID FROM THE PROCEEDS OF PID BONDS, ASSESSMENT REVENUES, OR CONTRACT ASSESSMENT REVENUES.

## **Section 2.02 Apportionment and Levy of Assessments**

- (a) The County intends to levy Assessments on Parcels within the District in accordance with this Agreement and the Service and Assessment Plan. The Parties agree that an allocation proposed in the attached draft Form of Service and Assessment Plan may be adjusted to

reflect the lot count and type at the time of finalization. The County's apportionment and levy of Assessments will be made in accordance with the PID Act.

- (b) The County will, in accordance with Section 4.02(c), consider the adoption of an Assessment Order that (i) approves the Service and Assessment Plan, which will identify the costs of the Authorized Improvements and the Assessments, and (ii) levies said Assessments.

### **Section 2.03 Collection of Assessments**

- (a) Subject to the terms and conditions of this Agreement, the County covenants and agrees that it shall, as authorized by the PID Act and other applicable law, continuously collect or cause to be collected the Assessments levied pursuant to the Service and Assessment Plan during the term of this Agreement in the manner and to the maximum extent permitted by applicable law. The County covenants and agrees that to the extent permitted by applicable law, it will not permit a reduction, abatement, or exemption in the Assessments due on any Assessed Property until (i) all PID Bonds are no longer outstanding, whether as a result of payment in full or in part, defeasance, or otherwise, and (ii) the Owner has been reimbursed for the unreimbursed Actual Costs eligible to be paid from the Contract Assessments Revenues in accordance with the Acquisition and Reimbursement Agreement. The County shall collect, or cause to be collected, the Assessments consistent with the County's policies and standard practices applicable to the collection of County taxes and assessments, as permitted by law.
- (b) Notwithstanding anything to the contrary contained herein or in the Service and Assessment Plan, the County will collect the Assessments in annual installments. Pursuant to the Funding Agreement, the County will transfer or cause to be transferred the Assessment Revenues to the TCDA. The TCDA will deposit or cause to be deposited the Contract Assessment Revenues into a segregated account to be held by the TCDA Depository Bank, or if PID Bonds have been issued, then transferred to the Bond Trustee and deposited in the funds and accounts in the priority set forth in the Indenture.
- (c) It is hereby acknowledged that Contract Assessment Revenues can be used for the following purposes: (i) prior to the issuance of PID Bonds and after completion of all or a portion of the Authorized Improvements, the Owner will be reimbursed for Actual Costs of the Authorized Improvements, or portion thereof, from Contract Assessment Revenues, and (ii) after the issuance of PID Bonds, the Contract Assessment Revenues will be used, first, to fund debt service on PID Bonds, debt service reserves, prepayment and delinquency reserves, and Annual Collection Costs payable for such year pursuant to the Indenture, and, second, to the extent any such Contract Assessment Revenues are remaining, to reimburse Owner for any Actual Costs not reimbursed by the PID Bonds, subject to the use of Contract Assessment Revenues to secure Parity Bonds (if any) as provided herein.
  - (1) The use of Contract Assessment Revenues to pay a reimbursement obligation to the Owner under the Acquisition and Reimbursement Agreement will be subordinate

to use of Contract Assessment Revenues for payment of applicable PID Bonds as provided in the Indenture.

- (2) The Acquisition and Reimbursement Agreement will terminate immediately at the earlier of:
  - (A) the date that the Owner has been reimbursed for all reimbursable Actual Costs of the Authorized Improvements;
  - (B) the date that all Contract Assessment Revenues are pledged to PID Bonds; or
  - (C) the date one year after the last Annual Installment of Assessments is collected.
- (d) The County or the TCDA, as applicable, covenants and agrees to use best efforts to contract with the Travis County Tax Assessor-Collector for the collection of the Assessments such that the Assessments will be included on the ad valorem tax bill(s) for the Assessed Property and will be collected as part of and in the same manner as ad valorem taxes.

#### **Section 2.04 Approval and Recordation of Assessments through Landowner Agreement**

- (a) Concurrently with the adoption of the Assessment Order and the levy of the Assessments, the Owner shall execute (and shall cause any other owner of any land within the District that at the time of execution will be subject to Assessments to execute) a Landowner Agreement (the form of which is attached hereto as Exhibit "J") in which the Owner shall approve and accept the apportionment of assessments in the Service and Assessment Plan and the levy of the Assessments by the County.
- (b) The Landowner Agreement further shall:
  - (1) evidence the Owner's intent that the Assessments be covenants running with the land that:
    - (A) will bind any and all current and successor owners of Assessed Property to the Assessments, including applicable interest thereon, as and when due and payable thereunder, and
    - (B) provide that subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Assessments; and
  - (2) provide that the liens created by the levy of the Assessments are a first and prior lien on the Assessed Property, subject only to liens or claims for state, county, school district, or municipality ad valorem taxes.
- (c) The Owner shall file the Landowner Agreement in the Official Public Records of the County.

## **Section 2.05 Actual Costs**

- (a) Notwithstanding anything to the contrary contained herein, the Parties hereby acknowledge and agree that the Actual Costs expended by Owner may not be fully reimbursed from the Contract Assessment Revenues or initial PID Bonds. The Actual Costs expended by Owner, but not funded by the initial series of PID Bonds, are payable solely from (i) available Contract Assessment Revenue pursuant to the applicable Acquisition and Reimbursement Agreement and (ii) from Parity Bonds, if issued, provided that sufficient Contract Assessment Revenues are available to make the payments.
- (b) The Owner reimbursement provisions contained in this Section 2.05 shall not, under any circumstances, give rise to or create (i) a charge against the general credit or taxing power of the County or TCDA or (ii) a debt or other obligation of the County or TCDA payable from any source other than proceeds from the PID Bonds and Contract Assessment Revenues.

## **ARTICLE III CONSTRUCTION AND ACQUISITION**

### **Section 3.01 Acquisition of Authorized Improvements**

- (a) Owner will convey and dedicate Authorized Improvements identified in the Service and Assessment Plan to the County or applicable Entity, after confirmation by the County Construction Representative that the Authorized Improvements have been completed in accordance with this Agreement, and, with respect to Authorized Improvements that are to be conveyed or dedicated to the City, after confirmation by the City's construction representative that the Authorized Improvements have been completed in accordance with the City's requirements for those Authorized Improvements. Applicable County and City requirements shall govern the procedure for inspection, dedication, and acceptance of the Authorized Improvements that are to be conveyed to the County and City, respectively.
- (b) Exhibit "E-1" lists each of the Authorized Improvements that will be constructed or acquired pursuant to this Agreement, the Entity to which each Authorized Improvement will be conveyed or dedicated, the type of interest that will be conveyed, the entity that will be responsible for maintenance of the Authorized Improvement, the estimated cost of designing and constructing the Authorized Improvements, and the estimated date of completion of the Authorized Improvement.

### **Section 3.02 County Procurement Requirements**

- (a) For all Authorized Improvements which are subject to financing or reimbursement from Assessment Revenues, Contract Assessment Revenues, or PID Bonds, including those Authorized Improvements to be acquired by the City or the County, the Owner and its contractors and subcontractors must comply with the requirements of the County's PID Policy, the requirements of the applicable Entity, and Title 30 throughout the process of bidding, design, and construction.

- (b) The Parties acknowledge that the County's PID Policy requires that contracts for design and construction of Authorized Improvements must substantially conform to the County's requirements for constructing roads built pursuant to public/private participation agreements, including requirements regarding the use of historically underutilized businesses, provision of performance and payment bonds, and worker protection standards (as provided for in Exhibits "G-1", "G-2," and "G-3").
- (c) The Owner agrees to comply with the Professional Services Procurement Act (Texas Government Code Chapter 2254) in procuring "professional services," as that term is defined in Texas Government Code Chapter 2254 and to not award contracts for professional services on the basis of competitive bids but instead on the basis of demonstrated competence and qualifications.
- (d) The Owner will not be reimbursed for any Authorized Improvement for which the Owner has materially failed to comply with any aspect of the County's PID Policy.
- (e) Notwithstanding any provision to the contrary, with respect to Authorized Improvements that are intended to be conveyed or dedicated to the City, and if the City's procurement requirements or worker protection requirements are different from the County's requirements:
  - (1) the procurement requirements that are more stringent will apply and the worker protection requirements that provide greater worker protection will apply;
  - (2) the Owner's compliance with the stricter or more protective requirements will not be deemed to be a violation of the County's PID Policy; and
  - (3) if there is a dispute as to whether the County's requirements are more stringent or protective than the City's requirements, the County's Construction Representative will determine which standards will apply.

**Section 3.03 Designation of Construction Manager; Designation of Construction Manager Subcontractor**

- (a) The County hereby designates the Owner, or its assignees, as the Construction Manager with full responsibility for the design, the designation of easement locations, facilities site designations and acquisitions, supervision of construction, and the bidding and letting of construction contracts for the construction of the Authorized Improvements in accordance with this Agreement.
- (b) The Owner shall be entitled to a separate Construction Management Fee for the construction of each Authorized Improvement as described in the Service and Assessment Plan, unless Owner contracts with a third party to act as the Construction Manager with respect to some or all of the duties of Construction Manager to construct the Authorized Improvements as described in Subsection (d) below.
- (c) The County shall cooperate with the Owner in connection with its services as Construction Manager.

- (d) Owner's Construction Manager Subcontractor.
- (1) The County acknowledges and agrees that Owner may subcontract out all or some of the duties of Construction Manager to a related or affiliated entity. The Owner may subcontract out all or some of the duties of Construction Manager to an unrelated or unaffiliated third party with the written consent of the County, such consent not to be unreasonably withheld. Owner may designate an individual, company, partnership, or other entity as a subcontractor for construction management services for one or more Authorized Improvements, or portion thereof, provided that such designee has the technical capacity, experience and expertise to perform such construction management duties or obligations. Owner may make such designation under the same terms as set out in Section 9.03(a) of this Agreement.
  - (2) If the Owner desires to replace the Construction Manager with a different professional services firm or if the County requires that the Owner replace the current Construction Manager with a different professional services firm, the Owner must comply with
  - (3) the Professional Services Procurement Act (Texas Government Code Chapter 2254) in procuring "professional services," as that term is defined in Texas Government Code Chapter 2254 and not award contracts for professional services on the basis of competitive bids but instead on the basis of demonstrated competence and qualifications;
  - (4) the County's Historically Underutilized Business ("HUB") Program policy by making a "good faith effort" to achieve HUB Program goals and other applicable HUB Program requirements as set forth in Exhibit "K".
- (e) Prior to executing a contract with a new Project Engineer, the Owner shall submit the contract to the County for review and approval. The County shall have ten business days after such submission within which to make any comments on the contract, and if no such comments are received by Owner within such ten-day period, the County shall be deemed to have approved the form of contract. The Owner shall ensure that its contract with the Project Engineer contains a provision that the Project Engineer will look solely to the Owner for all sums coming due thereunder and that the County will have no obligation to the Project Engineer, but will only be obligated to pay the Owner as required by this Agreement. Within five business days after executing a contract with the Project Engineer, the Owner shall provide a copy of the executed contract to the County.
- (f) The Construction Manager, in coordination with the Project Engineer, will ensure timely and satisfactory completion of the applicable Authorized Improvements, including:
- (1) performing construction administration services listed in Exhibit G-3;
  - (2) assuring the project scope is accurately defined and adhered to;

- (3) identifying and planning for all obstacles to the completion of the applicable Authorized Improvements;
  - (4) planning and conducting preconstruction conferences;
  - (5) monitoring and reporting on construction schedules and budgets;
  - (6) monitoring and reporting on the design and construction quality;
  - (7) reviewing contractor's pay requests;
  - (8) providing the County with prior notice of major items of work during construction;
  - (9) otherwise coordinating between the Parties and other persons and entities involved in the applicable Authorized Improvements on an ongoing basis; and
  - (10) generally ensuring that the applicable Authorized Improvements are satisfactorily completed in accordance with approved plans and specifications on time and within budget (collectively, "**Construction Management Services**").
- (g) The Owner agrees that if the Owner or the Owner's subcontractor acts as the Construction Manager for an Authorized Improvement, the Owner must ensure that tasks that have been marked with an asterisk in Exhibit "G-3" are performed or provided by a Texas licensed professional engineer.
- (h) This subsection applies if the Owner subcontracts all or some of the duties of Construction Manager.
- (1) Prior to executing a contract with the Construction Manager Subcontractor, the Owner shall submit the contract to the County for review and approval. The County shall have ten business days after such submission within which to make any comments on the contract, and if no such comments are received by Owner within said ten-day period, the County shall be deemed to have approved the form of contract. The Owner shall provide in the contract that the Construction Manager Subcontractor acknowledges that the applicable Authorized Improvements are a public works project on public property and agrees that the Construction Manager Subcontractor will look solely to the Owner for all sums due thereunder and that the County will have no obligation to the Construction Manager Subcontractor, but will only be obligated to pay the Owner as required by this Agreement. Within five business days after executing a contract with the Construction Manager Subcontractor, Owner shall provide a copy of the executed contract to the County.
  - (2) The Owner shall obtain from the Construction Manager Subcontractor and provide to the County a collateral assignment of the Owner's rights under the contract with the Construction Manager Subcontractor, attached as Exhibit "G-1", which authorizes the County to utilize the services of the Construction Manager Subcontractor if the Owner fails to do so as provided in this Agreement.

- (3) The County may require the Owner to replace the Construction Manager Subcontractor if, in the County's opinion, the Construction Manager Subcontractor is not satisfactorily performing its responsibilities related to the applicable Authorized Improvements.

#### **Section 3.04 Designation of Project Engineer**

- (a) The Owner shall designate the Project Engineer for each Authorized Improvement for the compensation specified by the Owner. Any fees paid to Project Engineers must be reasonable and customary and approved by the County Construction Representative.
- (b) The Parties acknowledge that, prior to the effective date of this Agreement, the Owner entered into a contract with Doucet & Associates, a professional engineering firm, as the Project Engineer for the Project. The Owner's designation of Doucet & Associates as the Project Engineer shall not be construed to be a violation of the County's PID Policy. No later than five business days after this Agreement takes effect, the Owner will provide the County a copy of the Owner's contract with the Project Engineer and a statement as to whether the Project Engineer is a historically underutilized business and whether the Project Engineer's subconsultants would or could be historically underutilized businesses.
- (c) If the Owner desires to replace the Project Engineer with a different professional engineering firm or if the County requires that the Owner replace the current Project Engineer with a different professional engineering firm, the Owner must comply with:
  - (1) the Professional Services Procurement Act (Texas Government Code Chapter 2254) in procuring "professional services," as that term is defined in Texas Government Code Chapter 2254 and not award contracts for professional services on the basis of competitive bids but instead on the basis of demonstrated competence and qualifications; and
  - (2) the County's **HUB** Program policy by making a "good faith effort" to achieve HUB Program goals and other applicable HUB Program requirements as set forth in Exhibit "K".
- (d) Prior to executing a contract with a new Project Engineer, the Owner shall submit the contract to the County for review and approval. The County shall have ten business days after such submission within which to make any comments on the contract, and if no such comments are received by Owner within such ten-day period, the County shall be deemed to have approved the form of contract. The Owner shall ensure that its contract with the Project Engineer contains a provision that the Project Engineer will look solely to the Owner for all sums coming due thereunder and that the County will have no obligation to the Project Engineer, but will only be obligated to pay the Owner as required by this Agreement. Within five business days after executing a contract with the Project Engineer, the Owner shall provide a copy of the executed contract to the County.
- (e) The Owner shall obtain from the Project Engineer, and will provide to the County, a collateral assignment of the Owner's rights under the contract with the Project Engineer, attached as Exhibit "G-1", which authorizes the County to utilize the services of the Project

Engineer to complete the applicable Authorized Improvements if the Owner fails to do so as provided in this Agreement.

- (f) Notwithstanding any provision to the contrary, the design of the applicable Authorized Improvements will be subject to approval by the County or any other governmental entities or governmental agencies with jurisdiction over the Authorized Improvements.
- (g) The Owner shall cause the Project Engineer to produce and provide to Owner, the applicable Entity, and in instances where the Entity is not the County, then to the County upon County's request, all engineering services and deliverables to the extent necessary to complete the applicable Authorized Improvements with the required design features for the applicable Authorized Improvements, including:
  - (1) completed specific work product/plan stage documents for review;
  - (2) final bid-ready plan sets and project manual with specifications ("**Final Plans and Specifications**");
  - (3) geotechnical report;
  - (4) engineer's opinion of construction costs, project schedule, and critical path method, updated and submitted with each submittal;
  - (5) record drawings (as-builts) for the final project within thirty business days after completion of the construction of the Project or the Project Engineer's contract;
  - (6) all required permits to start and complete the Project;
  - (7) metes and bounds descriptions, required tracts' schematic, and parcel drawings and right-of-way strip map for right of way and easement acquisitions;
  - (8) survey services with electronic copy of survey on NAD 83 or as determined by the County;
  - (9) environmental report(s), and copies of all such reports used in the design of the applicable Authorized Improvements shall be submitted to the County;
  - (10) engineering and drainage study report;
  - (11) design calculations;
  - (12) electronic copy of above deliverables, where applicable (all drawings and electronic files must be in a format compatible with City or County CAD applications, as applicable, and text documents must be in Microsoft Word format or other format acceptable to the City or County, as applicable);

- (13) complete project file within thirty (30) business days after completion of the construction of the applicable Authorized Improvements or the Project Engineer's contract;
  - (14) the services and deliverables required by Exhibit "G-2"; and
  - (15) any other service or producing any other deliverable necessary to complete the applicable Authorized Improvements with the required design features for the applicable Authorized Improvements, taking into consideration the customary requirements for projects of a similar nature as the applicable Authorized Improvements or special requirements based on any unique aspects of the applicable Authorized Improvements (collectively, "**Engineering Services and Deliverables**").
- (h) All Engineering Services and Deliverables shall meet customary professional standards applicable to the service or deliverable or the applicable Authorized Improvements, based on the applicable Authorized Improvements' nature and location and participants, and are subject to approval by the County based on compliance with this Agreement, cost effectiveness, sound engineering principles and practices, and applicable legal requirements, which approval shall not be unreasonably denied, delayed, or conditioned. The County shall use reasonable efforts to respond to a request for approval: within ten (10) business days after any such Engineering Services and Deliverables are submitted and shall notify the other Parties in writing if an Engineering Service and Deliverable is not satisfactory. All Engineering Services and Deliverables will become the property of the City or County, as applicable
- (i) The Owner shall cause the Project Engineer and any subcontractor of the Project Engineer performing work on the applicable Authorized Improvements to purchase professional errors and omissions liability insurance (contractual liability included) with a limit of at least Two Million Dollars (\$2,000,000) including the cost of claims and that covers claims arising from errors and omissions in the design and engineering of the applicable Authorized Improvements for claims asserted within a period of five (5) years of the completion of the applicable Authorized Improvements. Notwithstanding any provision to the contrary, the County Construction Representative has discretion to require different levels of insurance as long as the requirements are similar to the insurance requirements for similar County public works projects. Owner shall provide the County with a copy of the insurance policy or a certificate. The policy shall name the County, the TCDA, and, if applicable, the City, as additional insureds.
- (j) The County may require the Owner to replace the Project Engineer if the County determines that the Project Engineer is not satisfactorily performing all responsibilities related to the applicable Authorized Improvements.

### **Section 3.05 Real Property Interests**

- (a) The Authorized Improvements shall be constructed in public rights-of-way and/or easements ("**Real Property Interests**") conveyed to the County, or to another public entity

acceptable to County. The Owner hereby grants the County the right to enter the Property for purposes of implementing this Agreement. The Owner must cause the Real Property Interests to be conveyed as soon as reasonably practicable after the execution of this Agreement, but no later than thirty (30) days before commencement of construction; provided, however, notwithstanding the foregoing, even though all of the Real Property Interests may not have been conveyed, the Owner may commence construction of an Authorized Improvement, or portion thereof, so long as all Real Property Interests relating to that Authorized Improvement, or portion thereof, have been conveyed to the County (or to another public entity acceptable to County, as applicable) prior to the commencement of construction of that phase of the applicable Authorized Improvements. Under no circumstances will Owner be reimbursed for construction performed on property that has not been conveyed to the County or other Entity until such time as the conveyance of such property to the County (or to another Entity) has been completed.

- (b) The Owner shall cause all Real Property Interests necessary to construct each phase of the Authorized Improvements to be conveyed free of all liens, encumbrances, and title defects unacceptable to County in its reasonable discretion and at no cost to County or Entity. All Real Property Interests shall be conveyed by deeds or other instruments acceptable to County (or applicable Entity) in its reasonable discretion accompanied by an owner's policy of title insurance, the cost of which shall be borne by the Owner, issued by a title company selected by the Owner and acceptable to County (or applicable Entity) in its reasonable discretion. The form of deed to convey the Real Property Interests shall be in a form that is acceptable to the County (or applicable Entity). The policy shall list County (or applicable Entity) as an insured party and shall be for an amount based upon the fair market value of the interests conveyed as reasonably determined by the County. Owner shall pay the cost of owner's title policy premium and any endorsements requested by County (or applicable Entity), and Owner shall pay the cost to change the language in Item 2 of Schedule B of the Owner Policy to read "shortages in area" only.
- (c) All title insurance premium fees, costs to cure title defects, closing costs, and other acquisition costs shall be borne solely by Owner.
- (d) If a Real Property Interest is subordinate to existing easements for utilities or other facilities, the Owner shall, in addition to conveying the Real Property Interests, coordinate the execution of a joint use agreement between the County and the owner of the existing easement in a form that is acceptable to the County (or applicable Entity).

### **Section 3.06 Procurement of Construction Contracts; Change Orders**

- (a) For each Authorized Improvement, the Owner will obtain from the Project Engineer an estimate of the total construction Costs necessary to complete that Authorized Improvement, and if approved by the County (and if applicable the City), this estimate will be the agreed limit for construction costs for that Authorized Improvement (the "**Agreed Limit**") For each construction contract for Authorized Improvements, the Owner shall solicit bids for the contract in compliance with the standard competitive bidding requirements of the County for construction projects, all applicable City and County rules and policies, and this Agreement.

- (b) Each invitation for bids shall include the Final Plans and Specifications approved by the County (or if applicable, the City) and written notice of the requirements of Section 3.07. The Owner shall submit the invitation for bids and a list of proposed bidders to the County for approval in advance. The invitation for bids shall be solicited within the latest to occur of thirty days after the City or County's approval of the Final Plans and Specifications unless the Parties agree in writing, or the County determines (solely in its discretion), that market forces or other factors warrant a delay in soliciting bids, in which case the solicitation will be delayed until such time agreed to by the Parties or determined by the County, respectively. The Owner shall provide the County with all responses to the bid solicitation.
- (c) If the bid determined by the Owner and the County to be acceptable as the lowest responsive and responsible bid exceeds the Agreed Limit for the applicable Authorized Improvements either the County or the Owner may reject all bids as excessive and require the Construction Manager to cause to employ value engineering (as defined below) principles to modify the Final Plans and Specifications, in consultation with the County and the Owner, to secure a lower bid, provided, however, notwithstanding the foregoing, at the Owner's election, such bid will be accepted and the Owner may award a bidder a construction contract that exceeds the Agreed Limit if the Owner:
  - (1) agrees to pay one hundred percent (100%) of the amount by which the bid exceeds the Agreed Limit without reimbursement from the County, the TCDA, Assessment Revenues, Contract Assessment Revenues, or PID Bonds, and
  - (2) posts fiscal security with the Entity, in a form acceptable to the Entity, for the amount the winning bid exceeds the Agreed Limit.
- (d) **"Value engineering"** means:
  - (1) to analyze the applicable Authorized Improvements features and material selections for the purpose of achieving essential functions at the lowest life cycle cost consistent with required performance, quality, reliability, safety, and applicable regulatory and legal requirements, and
  - (2) to modify the applicable Authorized Improvements while maintaining its functionality and adhering to sound engineering principles and practices.
- (e) The modified Final Plans and Specifications shall be subject to approval by the City or County as applicable, and Owner, which approval shall not be unreasonably denied, delayed, or conditioned. Based on the modified Final Plans and Specifications, the Owner shall repeat the bid solicitation in an effort to secure a lower acceptable bid. If the second bid solicitation fails to produce an acceptable bid not exceeding the Agreed Limit, either of the Parties may mutually agree to repeat the bid solicitation and value engineering process until an acceptable bid is received, or the Owner may choose to pay one hundred percent (100%) of the amount by which the lowest responsive and responsible bid exceeds the Agreed Limit without reimbursement from the County, the TCDA, Assessment Revenues, Contract Assessment Revenues, or PID Bonds by giving written notice thereof

to the County and the TCDA and posting fiscal security with the applicable Entity for the amount the winning bid exceeds the Agreed Limit.

- (f) Any deadline in this Agreement affected by a value engineering and rebidding process shall be extended by the amount of time required for that process. The Owner is responsible for payment to the Project Engineer for value engineering, without reimbursement from the County, the TCDA, Assessment Revenues, contract Assessment Revenues, or from PID Bonds, and resulting changes to the construction documents, shall be subject to approval by the City (in those instances where the Authorized Improvement will be maintained by the City) or County as applicable, and Owner, which approval shall not be unreasonably denied, delayed, or conditioned.
- (g) The Owner shall select the lowest responsive and responsible bidder and submit copies of the proposed construction contract to the County for approval. The County shall have ten business days after such submission within which to make any comments on the contract, and if no such comments are received by Owner within said ten-day period, the County shall be deemed to have approved the contract. The Owner shall execute the approved contract, which shall be referred to herein as the “**Construction Contract.**” The contractor under the Construction Contract shall be referred to herein as the “**Construction Contractor.**”
- (h) No later than five business days after execution of the Construction Contract, the Owner will provide to the County a copy of the executed Construction Contract and any related documents, including any assignment, certificate, or other documents required under this Article III. The Owner will also provide the County copies of any subsequent documents amending or otherwise relating to the Construction Contract no later than five business days after execution; provided however, the Owner must obtain County approval, which approval shall not be unreasonably denied, delayed, or conditioned, with respect to all amendments to the Construction Contract and those change orders to which the provisions of Section 3.06(i) are applicable.
- (i) Change Orders that Require County Approval
  - (1) After construction contracts have been executed for the applicable Authorized Improvements, the Owner and the Construction Manager must obtain written approval from the County Construction Representative, and, if applicable, the City Construction Representative, which approval shall not be unreasonably denied, delayed, or conditioned, for any change order that would:
    - (A) Cause the Actual Costs of the Authorized Improvements to exceed the amount of the proceeds of the PID Bonds, Assessment Revenues, or Contract Assessment Revenues allocated for those Authorized Improvements, or
    - (B) Result in a substantial change (as defined in this Subsection) to the character or nature of an Authorized Improvement that will be conveyed or dedicated to the County or the City, respectively.

- (2) In this Subsection, “substantial” change” means a modification to an Authorized Improvement such that it constitutes an Authorized Improvement beyond the scope of this Agreement.
- (3) The Owner shall bear one hundred percent (100%) of costs resulting from change orders that are due to errors or omissions by the Owner’s Project Engineer, Construction Manager, or Construction Manager Subcontractor.
- (j) Notwithstanding the foregoing, each party shall be responsible for funding change orders that it requests for its own benefit. All change orders or other modifications to the Construction Contract are subject to the approval of the Owner, the County, and, if applicable, the City of Austin, no later than ten (10) business days after receipt of notice of the proposed changes to the Construction Contract, which approval will not be unreasonably denied, delayed, or conditioned. If neither the County nor the City responds to a notice of a change order within ten business days, the change order is deemed to be approved.
- (k) If a change order would cause the amount for which the Owner is financially obligated under this Agreement to exceed any fiscal security deposited with the applicable Entity the Owner shall deposit the necessary amount with the applicable Entity within twenty (20) business days after the change order is approved by the Parties, or within the time-frame required by the applicable Entity’s rules and regulations.
- (l) The Construction Manager shall provide copies of all approved change orders to the County, the TCDA, the City (if applicable), the Underwriter, and the Bond Trustee no later than five business days after approval.

### **Section 3.07 Special County Provisions Applicable to Construction Contracts**

- (a) For each Construction Contract, the Owner will obtain from the Construction Contractor and provide to the County a collateral assignment of the Owner’s rights under the Construction Contract, in the form attached as Exhibit “G-1”, which authorizes the County to exercise the Owner’s rights under the Construction Contract and to complete the applicable Authorized Improvements if the Owner fails to do so as provided in this Agreement.
- (b) The Parties acknowledge and agree that the applicable Authorized Improvements involves construction of public improvements. Accordingly, the applicable Authorized Improvements will be constructed, and all right-of-way, easements, equipment, materials and supplies will be acquired, in the name of or on behalf of either the County or the City. However, the Owner shall ensure that all construction contracts and other agreements contain a provision that each contractor, materialman, or supplier will look solely to the Owner for payment of all sums coming due thereunder and that neither the City, County or TCDA will have any obligation to any such party, but will only be obligated to reimburse the Owner in the time and manner required under this Agreement.
- (c) The Owner shall include the HUB Program goals with the invitation for bid and Final Plans and Specifications and ensure that they are part of the bids. The Owner must make a “good

faith effort” to achieve the County’s HUB Program goals and comply with the other HUB Program requirements described in Exhibit “K”.

- (d) The Owner shall ensure that payment and performance bonds are obtained and kept in place for the applicable Authorized Improvements in compliance with Chapter 2253, Texas Government Code.
- (e) The Owner acknowledges that the County is a political subdivision of the State of Texas and is subject to the provisions of Chapter 2258, Subchapter B, Texas Government Code, pertaining to prevailing wage rates. The Owner will ensure that the Construction Contractor pays not less than the prevailing wage rates established by the County to workers employed on the applicable Authorized Improvements and complies with all applicable provisions of Chapter 2258, Subchapter B, Texas Government Code, including the recordkeeping required therein.
- (f) The Owner will ensure that the Construction Contractor provides worker’s compensation insurance coverage for workers employed on the applicable Authorized Improvements and obtains a certificate from each subcontractor, relating to the coverage of the subcontractor’s employees, in accordance with Section 406.096, Texas Labor Code. The Owner will ensure that the Construction Contractor maintains a comprehensive general liability and automobile liability insurance policy naming the County, TCDA, and the City as additional insureds, with a waiver of subrogation in favor of the County, and with minimum limits of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the aggregate. Notwithstanding any provision to the contrary, the County Construction Representative has discretion to require different levels of insurance as long as the requirements are similar to the insurance requirements for similar County public works projects. The Owner shall cause the Construction Contractor to provide the County with written certificates of compliance with the foregoing requirements.
- (g) The Construction Contractor will be required to implement and maintain all applicable or customary safety precautions and programs in connection with the construction of the applicable Authorized Improvements.
- (h) The Owner shall require the Construction Contractor to immediately take any appropriate remedial action to correct any deficiencies identified by the County or the City during construction or during any applicable warranty period.

### **Section 3.08 Construction of Authorized Improvements**

- (a) Before beginning construction on an applicable Authorized Improvements, the Owner will:
  - (1) except as otherwise provided in one or more Acquisition and Reimbursement Agreements, cause to be conveyed or dedicated to County or the City, as applicable, all the Real Property Interests necessary to the applicable Authorized Improvements;

- (2) submit to the applicable Entity payment and performance bonds, insurance certificates, collateral assignments, and all other documents required to be submitted under this Agreement; and
  - (3) deposit with the applicable Entity any fiscal security required for construction of the applicable Authorized Improvements.
- (b) Subject to its rights to be reimbursed as provided in this Agreement, the Owner will: construct, and require its Construction Contractor and subcontractors to diligently pursue construction of, all applicable Authorized Improvements in a good and workmanlike manner and, in all material respects, in accordance with this Agreement and the approved Final Plans and Specifications and all applicable laws, regulations, orders, and ordinances.
- (c) The Owner assumes the risk for design and construction of the applicable Authorized Improvements in a good and workmanlike manner for the amount of the Construction Contract, unless otherwise provided in a separate cost-sharing agreement between the Owner, the County, and, if applicable, the City, and all work and material used in the construction must be free from defects and fit for its intended purpose. Any modifications that would substantially change (as defined in this Subsection) the Final Plans and Specifications or the amount of the Construction Contract will be subject to the Owner's, County's, and, if applicable, City's approval within ten (10) business days after receipt of notice of the proposed changes, which approval will not be unreasonably denied, delayed, or conditioned. If the County and Owner determine that, through no fault of the Owner and based on cost effectiveness, sound engineering principles and practices, or applicable legal requirements, it is not possible to complete the applicable Authorized Improvement, without modifications to the approved Final Plans and Specifications or the amount of the Construction Contract, the Owner will, in coordination with the County and, if applicable, the City, cause to be prepared any required changes to the Final Plans and Specifications and any required change orders to the Construction Contract.
- (d) In this subsection, "substantially change" means to modify the Final Plans and Specifications for an Authorized Improvement such that the Authorized Improvement would constitute a new Authorized Improvement beyond the scope of this Agreement.
- (e) Notwithstanding the foregoing, the Parties acknowledge that, prior to the effective date of this Agreement, the Owner intend to enter into a contract with Cash Construction, Inc. for construction of one or more Authorized Improvements, specifically sanitary sewer collection system improvements. The Parties acknowledge that Cash Construction, Inc. has the technical capacity, experience, and expertise to construct such improvements. The Owner's contract with Cash Construction, Inc. shall not be construed to be a violation of the County's PID Policy. No later than five business days after this Agreement takes effect, the Owner will provide the County a copy of the Owner's contract with Cash Construction, Inc. and a statement as to whether Cash Construction, Inc. is a historically underutilized business and whether Cash Construction's subcontractors would or could be historically underutilized businesses.

### **Section 3.09 County Inspection**

- (a) The County may observe or inspect all work done and materials furnished at times and places and using procedures determined by the County. The County will notify the Owner and Construction Manager if any observation reveals that any part of the applicable Authorized Improvements to be dedicated to the County is not constructed or completed in accordance with the final approved Final Plans and Specifications or this Agreement or is otherwise materially defective. This notice will specifically detail any deficiencies. If such notice indicates that work or material may not comply with the final approved Final Plans and Specifications or the requirements of this Agreement, the County may require the Owner to require the Construction Contractor to suspend work until the County is satisfied any defect is or will be remedied, which suspension and remedial work will be without delay damages, remobilization costs, or other additional costs to the Owner or the County.
- (b) Inspection of the construction of any Authorized Improvement being conveyed to the County will be by the County Construction Representative or its designee. Any inspection of an Authorized Improvement being conveyed to the City will be in accordance with any requirements of the City and by the City Construction Representative or its designee. The Owner agrees to notify the County within 72 hours of being notified of a scheduled City inspection, and the Owner's notice to the County must include any design or construction-related documents to be used as part of the inspection. The Owner agrees that the County Construction Representative has the right to be present at any City inspection, and the Owner will ensure that the County Construction Representative is informed of the date, time, and location of each City inspection.

### **Section 3.10 Owner Completion of Authorized Improvements**

- (a) The Construction Manager will prepare a written notice of substantial completion and certify that the applicable Authorized Improvements has been constructed in accordance with the approved construction documents and forward the notice to the Owner and County. The County will conduct a final inspection of the applicable Authorized Improvements within ten (10) business days after receiving the written notice of substantial completion. If completed in accordance with the terms of the final approved Final Plans and Specifications and this Agreement in all material respects, the County will certify the Authorized Improvement as being in compliance and issue a notice of final approval to the Owner. With respect to the Authorized Improvements for which the City will be responsible for maintenance, the County will certify the Authorized Improvement as being in compliance and issue a notice of final acceptance to the Owner after the Owner provides evidence to the County that the City has accepted the Authorized Improvement for operation and maintenance.
- (b) Upon final acceptance of the applicable Authorized Improvements by the County, all warranties for the applicable Authorized Improvements will be transferred to the County, or as applicable, the City, and the Owner will execute any documents reasonably required to evidence such assignment.

- (c) The Construction Contractor will be responsible for any defects in workmanship or materials (ordinary wear and tear excepted) in the applicable Authorized Improvements for one year following acceptance by the Entity. The Owner must provide or cause the Construction Contractor to provide the appropriate Entity with a one (1) year Construction Contractor's warranty and maintenance bond as a condition to final acceptance of the applicable Authorized Improvements, which will be in a form approved by the Entity, such approval not to be unreasonably denied, delayed, or conditioned.
- (d) Within thirty (30) days of final acceptance of the applicable Authorized Improvements by the Entity, the Owner and the Construction Manager will deliver all plans including as-built plans, specifications, and files pertaining to the applicable Authorized Improvements, which materials will be the property of the Entity (with a copy to the County if the County is not the applicable Entity).
- (e) Conveyance of the applicable Authorized Improvements to the Entity will not relieve the Owner of liability for satisfaction of any claim for unpaid materials or labor. Neither the County nor the TCDA will be under any obligation to challenge any claim for unpaid labor or materials; however, if the Owner fails to promptly resolve any claim, the County may elect to do so and, in this event, will have full rights of subrogation.

### **Section 3.11 Construction Worker Protection Standards**

- (a) PID Policy. The Owner and its contractors and subcontractors must comply with the construction worker protection standards set forth in the County's PID Policy, including the following:
  - (1) Payment of the prevailing wage to construction workers, provided the Travis County living wage is preferred when it is the higher of the two.
  - (2) Provide OSHA-10 training for construction workers and OSHA-30 for construction safety managers.
  - (3) Provide workers compensation insurance for construction workers.
  - (4) Provide independent monitoring of the construction sites by on-site monitors approved by the County.
  - (5) Recruit 30% of the construction workforce from local, Department of Labor-certified apprenticeship programs that provide bilingual instruction or other training programs that provide bilingual instruction approved by the County.
- (b) Owner's Certifications. The Owner must complete the following certifications and submit them to the County Purchasing Office's Contract Compliance Program as set forth in Exhibit "H-1":
  - (1) The Living Wage Certification, attached as Exhibit "H-2", which must be submitted before construction commences on any Authorized Improvement for which the Owner will seek reimbursement; and

- (2) The Workforce Training Program Certification, attached as Exhibit “H-3”, which must be submitted before construction commences on any Authorized Improvement for which the Owner will seek reimbursement.
- (c) Contractor Certifications. The Owner must cause its contractors to complete the following certifications and submit them to the County Purchasing Office’s Contract Compliance Program before construction commences on any Authorized Improvement for which the Owner will seek reimbursement:
- (1) The Employee Classification Certification, attached as Exhibit “H-4”;
  - (2) The Apprentice Designation Certification, attached as Exhibit “H-5”;
  - (3) The Workforce Training Program Certification, attached as Exhibit “H-3”;
  - (4) An OSHA Training Certification, attached as Exhibit “H-6”;
  - (5) A site-specific OSHA-compliant safety and health plan for the Project; and
  - (6) Either:
    - (A) All OSHA 300 and 300A Logs and Summaries for the previous three years for all of the contractor’s jobsites; or
    - (B) The OSHA 300/300A Certification, attached as Exhibit “H-7”, if the contractor has been in existence for three years or less.
- (d) Subcontractor Certifications. The Owner must cause its contractors to require their subcontractors to complete the following certifications and submit them to the County Purchasing Office’s Contract Compliance Program before construction commences on any Authorized Improvement for which the Owner will seek reimbursement in accordance with Exhibit “H-8”:
- (1) The Employee Classification Certification, attached as Exhibit “H-9”;
  - (2) The Apprentice Designation Certification, attached as Exhibit “H-10”;
  - (3) An OSHA Training Certification, attached as Exhibit “H-11”;
  - (4) A site-specific OSHA compliant safety and health plan for the Project; and
  - (5) Either:
    - (A) All OSHA 300 and 300A Logs and Summaries for the previous three years for all of the subcontractor’s jobsites; or
    - (B) The OSHA 300/300A Certification, attached as Exhibit “H-12”, if the subcontractor has been in existence for three years or less.

### **Section 3.12 Project Funding and Completion**

- (a) If prior to commencement of construction of a given Authorized Improvement, there are funds within the Project Fund of the Indenture sufficient to pay for completion of that Authorized Improvement, it is intended that the Owner not be required to post fiscal security for the applicable Authorized Improvement. If at any time there are not sufficient funds in the Project Fund to complete the Authorized Improvement, the Owner will post fiscal security for the incremental cost difference between the budgeted cost to complete the Authorized Improvement assumed to be complete in the Appraisal and the proceeds of the PID Bonds on deposit in the Project Fund. The County acknowledges that it will accept fiscal security, if required, for the Authorized Improvements in the form of an irrevocable letter of credit, surety bond, cash deposit, or other security acceptable to the County. If no such account exists or such account is not appropriately funded, then the Owner shall be required to post fiscal security for Authorized Improvements in accordance with applicable Entity's regulations.
- (b) If subcontractors providing labor or materials for the Authorized Improvements file claims or otherwise give notice asserting failure to receive payment for such labor or materials, the Owner shall post a payment bond for the estimated cost of constructing the Authorized Improvements unless the claims or notices described above are for costs for which a Payment Request has been submitted to the TCDA and approval is pending. The Owner shall give the County a copy of any such claims within three (3) business days of receipt of the claim.
- (c) County Completion of Authorized Improvements.
  - (1) If the Owner commences construction but fails or refuses to diligently pursue timely completion of the construction of a particular Authorized Improvement in accordance with the terms and conditions set forth in this Agreement, such failure or refusal will be considered an event of default and, after giving notice of default and reasonable opportunity to cure as herein provided, the County will have the right, but not the obligation, to instruct the TCDA to draw on funds within the Project Fund and/or any fiscal security posted by the Owner and complete (or cause the completion of) the applicable Authorized Improvement either pursuant to the Construction Contract and the collateral assignments or otherwise.
  - (2) If the County elects to complete an Authorized Improvement, all plans and specifications, designs, easements, real and personal property, and improvements acquired, produced, or installed in aid of completing such component of the Authorized Improvement by the Owner or its engineers or contractors before such default described in paragraph (1) above, will become the property of the County. In such event, the Owner will provide, no later than five (5) business days after the County's request, documentation to the County that the above-listed items have been conveyed and have become the property of the County. Notwithstanding anything to the contrary contained herein if the Owner fails or refuses to timely complete the construction of an Authorized Improvement and such default cannot reasonably be cured in 30 days, Owner will have such additional time as the County

determines is reasonably necessary to cure as long as the Owner commences the cure within 30 days and diligently pursues the same to completion. If Owner has still not completed the applicable component of the Authorized Improvement after the notice and cure periods provided for above, the County may:

- (A) Assume the construction management role and direct the completion of the applicable Authorized Improvement;
  - (B) Assume the construction management role and direct the closeout of the applicable Authorized Improvement; or
  - (C) Institute an action or proceeding at law or in equity to secure the specific performance of the covenants and agreements herein contained and/or an action for mandamus as and if appropriate.
- (3) In the event the County assumes the construction management role for a given Authorized Improvement (as provided above) then the Owner agrees as follows:
- (A) The County may draw on funds within the Project Fund and/or any fiscal security posted by the Owner to complete the Authorized Improvement in question;
  - (B) All construction contracts, related completion bonds, payment bonds, warranties, plans and specifications, designs, easements, and improvements acquired, produced, or installed in connection with completing such Authorized Improvement by the Owner or its engineers, contractors, or other consultants, and all other personal property and rights associated with the applicable component of the Authorized Improvement, will automatically become the property of the County, and in such event, the Owner will provide, no later than five (5) business days after the County's request, documentation to the County that the above-listed items have been conveyed and have become the property of the County; and
  - (C) The Owner will automatically forgo and release any claims or rights to those items listed in (B) above.

### **Section 3.13 Maintenance of Project; Warranties**

Unless otherwise provided for, the Owner shall maintain each Authorized Improvement in good and safe condition until such Authorized Improvement is accepted by the Entity. The Entity's acceptance of Authorized Improvements shall be in accordance with the Entity's standard rules and procedures for the type of improvements being constructed. Prior to such acceptance, the Owner shall be responsible for performing any required maintenance on such Authorized Improvement. On or before the acceptance by the Entity of an Authorized Improvement, the Owner shall assign to the Entity all of the Owner's rights in any warranties, guarantees, maintenance obligations, or other evidences of contingent obligations of third persons with respect to such Authorized Improvement. Prior to or concurrently with the Entity's acceptance of an Authorized Improvement, Owner shall provide a two-year maintenance bond (which must be in a

form approved by the Entity, such approval not to be unreasonably denied, delayed, or conditioned) for that Authorized Improvement. If the City and/or County is co-funding an Authorized Improvement, the Owner must still post the full bond amount but will be reimbursed for its pro rata share of the costs of the Authorized Improvement.

### **Section 3.14 Sales and Use Tax Exemptions**

- (a) The Parties agree that, as the Authorized Improvements will be acquired by the County or the City, as applicable, all costs of materials, other properties and services used in constructing the Authorized Improvements to be acquired by the Entity are exempt under the Texas Tax Code from sales and use taxes levied by the State of Texas, or by any city, county, special district, or other political subdivision of the State, as set forth in Texas Tax Code Section 151.309.
- (b) The County will provide such certifications to the Owner and/or to suppliers and contractors as may be required to assure the exemptions claimed herein.
- (c) The County and the Owner shall cooperate in structuring the construction contracts for the Authorized Improvements to comply with requirements (including those set forth in Texas Tax Code Section 151.309) for exemption from sales and use taxes.

### **Section 3.15 Public Bidding Requirements/County Cooperation in Plan Review**

- (a) There is currently no County analog to Texas Local Government Code Section 252.022(a)(9), which allows construction of the Authorized Improvements to be exempt from any municipal public bidding or other municipal purchasing and procurement policies for “paving drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through Assessments levied on property that will benefit from the improvements.” It is agreed that if statutory authorization is enacted by the Texas Legislature which would make such an exemption applicable to County purchasing and procurement policies for construction of Authorized Improvements under this Agreement, the County will review the enacted statute and, if the County determines the statute is applicable to this Agreement, the County may, but is not required to, apply the new County exemption statute.
- (b) The County Construction Representative agrees to cooperate with the Owner to the extent reasonably possible without detriment to proper engineering review, comment, and revision on the review and approval of the engineering, design, plans, and specifications of all Authorized Improvements submitted by the Owner.

### **Section 3.16 Additional Requirements for Authorized Improvements Funded with Progress Payments**

The following additional requirements are applicable to Authorized Improvements funded in accordance with the procedures set forth in Section 4.02:

- (a) Project Engineer’s Certification of Sufficient Fiscal Security. Prior to the later to occur of (1) the Effective Date, or (2) the date construction commences for any Authorized

Improvements, the Project Engineer shall review all plans and specifications, construction contracts, and related materials for the applicable Authorized Improvements, and, upon the County Construction Representative's approval of the costs of the Authorized Improvements, the Project Engineer shall certify to the Owner, the County, the TCDA, and the Bond Trustee that the amount of fiscal security referenced in Section 3.12 (which is titled "Project Funding and Completion") above is sufficient to fund the full cost of design and construction of the applicable Authorized Improvements (but excluding any Construction Management Fees as set forth in the Service and Assessment Plan). If the Project Engineer determines that additional fiscal security is required, the Owner must provide the additional fiscal security no later than 30 days after the Project Engineer's determination.

- (b) Monthly Accounting. The Construction Manager will maintain an ongoing monthly updated accounting of funds disbursed, work progress, and remaining funding needed to complete each applicable Authorized Improvement. Such accounting will include a reconciliation of any unadvanced amounts out of the segregated accounts in the Project Fund under the applicable Indenture and/or private funding as compared to the remaining costs to complete each applicable Authorized Improvements. The Construction Manager will provide such monthly reports on or before the twentieth day of each month to the Owner, the County Construction Representative, the TCDA Representative, and the Bond Trustee.

### **Section 3.17 Parkland Dedication**

- (a) Upon the approval of the final plat for the Bella Fortuna Subdivision, City of Austin Case Number C8J-2017-0235, the Owner shall dedicate parkland, open space, and trails to the City in accordance with the approved final plat. The parkland shall be conveyed to the City in accordance with the City's requirements (including the City's requirements regarding timing and method of conveyance) and at no cost to the City, the County, or the TCDA.
- (b) The predominant focus of the open space and parkland dedication is to use it for passive recreational activities and trails, with some areas being dedicated for playscapes and other active recreational activities. The ± 2 mile trail network will be designed with connectivity to the Onion Creek regional trail plans and Pleasant Valley Road project, and the Owner's development team will work closely with the City to identify connection points to help ensure the park and open space dedication are dedicated and developed to promote the regional trail network.
- (c) The Owner shall, at no cost to the County, or the TCDA, install, construct, operate, maintain, repair, modify, upgrade, monitor, inspect, replace, make connections with, and remove improvements appropriate for parkland, including, but not limited to, the clearing of vegetation, management of wildlife populations, invasive plant and animal species control, fuel mitigation, planting of native vegetation, and establishment of a concrete multi-use trail system (including ten-foot-wide concrete trails in recreational open space areas). Notwithstanding any provision to the contrary, the Parties agrees that the City has

reasonable discretion to determine the type, size, materials, location, and schedule for construction and maintenance of improvements on the parkland.

- (d) With respect to the parkland and the improvements thereon, unless the City requires otherwise:
- (1) The Owner shall be obligated to maintain, at no cost to the County, or TCDA, the parkland and improvements thereon, to a like or better condition as other similar parks maintained by the City;
  - (2) The Owner shall be responsible for such maintenance unless the City elects to take over such maintenance responsibility;
  - (3) In the event Owner does not perform the required maintenance obligations, the Owner will indemnify the City for all City costs necessary for the maintenance; and
  - (4) The Owner may, if the City permits, enter into an agreement with a third party regarding the maintenance obligations, but in no other event shall the agreement with the third party release Owner from its obligations to the City, the County, or the TCDA under this Agreement.

#### **ARTICLE IV PAYMENT FOR AUTHORIZED IMPROVEMENTS**

##### **Section 4.01 Overall Requirements**

- (a) Any payment obligation of the County or the TCDA hereunder shall be payable solely from Assessment Revenues or Contract Assessment Revenues, respectively, or, if PID Bonds are issued, the proceeds of such bonds. Unless approved by the County or the TCDA, no other funds, revenues, taxes, or income of any kind other than the Assessment Revenues or Contract Assessment Revenues, respectively, or, if PID Bonds are issued, the proceeds of such bonds, shall be used to pay the County or the TCDA's obligations hereunder. The obligations of the County and the TCDA under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the County or the City or constitute a debt or other obligation of the County, the TCDA, or the City payable from any source other than the Assessment Revenues or Contract Assessment Revenues, as applicable or, if PID Bonds are issued, the proceeds of such bonds. None of the County, the TCDA, the City, or any of their elected or appointed officials or any of their respective officers, employees, consultants, or representatives shall incur any liability hereunder to the Owner or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.
- (b) Neither the County nor the TCDA warrants, either express or implied, that the proceeds of the PID Bonds and the Assessment Revenues or Contract Assessment Revenues available for the payment of the Actual Cost of the Authorized Improvements to be constructed for or acquired by the County or the City, as applicable, will be sufficient for the construction or acquisition of all of those particular Authorized Improvements. The

Parties anticipate that the Actual Cost to construct the Authorized Improvements may be greater than the proceeds of the PID Bonds or the Contract Assessment Revenues, as applicable, available for Authorized Improvements. The Owner shall bear one hundred percent (100%) of the Actual Costs of constructing the Authorized Improvements not paid from the proceeds of the PID Bonds, Assessment Revenues, or Contract Assessment Revenues.

- (c) Upon written acceptance of an Authorized Improvement, and subject to any applicable maintenance-bond period, the County (or other applicable Entity) shall be responsible for all operation and maintenance of such Authorized Improvement, including all costs thereof and relating thereto.
- (d) The procedures set forth in Section 4.02(e) below shall apply to all Certifications for Payment regardless of which account within the applicable Project Fund the actual funds are being paid from.

#### **Section 4.02 Payment for Authorized Improvements**

- (a) Upon completion of an Authorized Improvement, the Owner shall dedicate or convey, and the applicable Entity shall accept or acquire, as more particularly described in Article III above, the given Authorized Improvement for the Actual Cost, after such Authorized Improvement is completed and has been accepted by the applicable Entity. The general process for funding of Authorized Improvements is detailed in this Section 4.02.
- (b) Acquisition and Reimbursement Agreement; Assessment Order. Concurrently with the execution of this Agreement, the Owner, County, and TCDA shall enter into the Acquisition and Reimbursement Agreement. Within 30 days of receipt of a written request by the Owner for the levy of Assessments on the Property (an “**Assessment Levy Request**”) the County will consider the adoption of the Assessment Order that (i) approves the Service and Assessment Plan identifying the costs of the Authorized Improvements and the Assessments and (ii) levies said Assessments. The County will levy and collect such Assessments in accordance with the approved Service and Assessment Plan, as amended or updated, and the applicable Assessment Order as further provided above in Section 2.02 and Section 2.03 of this Agreement.
- (c) **Payment Pursuant to Acquisition and Reimbursement Agreement**
  - (1) The costs of the Authorized Improvements will be initially financed through the Acquisition and Reimbursement Agreement. Pursuant to the terms of such Acquisition and Reimbursement Agreement, the Owner shall dedicate or convey, and the County or applicable Entity shall accept or acquire, as more particularly described in Article III of the Agreement, the applicable Authorized Improvement for the Actual Cost thereof, after such Authorized Improvement is completed and has been accepted by the County or applicable Entity. The general process for funding the Authorized Improvements before the issuance of PID Bonds is described in this Section 4.02(c), and more specifically described in the Acquisition and Reimbursement Agreement.

- (2) Pursuant to the Acquisition and Reimbursement Agreement, the TCDA will reimburse the Owner for Actual Costs incurred in connection with the applicable Authorized Improvements until PID Bonds (including Parity Bonds if necessary), are issued in an amount necessary to reimburse Owner for the Actual Costs of the applicable Authorized Improvements less any amounts already reimbursed to Owner pursuant to applicable Acquisition and Reimbursement Agreement. The Owner will be reimbursed for only those Actual Costs for which Contract Assessment Revenues or PID Bond proceeds are available.
  - (3) Following receipt of the Assessment Levy Request the County shall consider adoption of an Assessment Order, which order shall (i) approve the Service and Assessment Plan, including the costs of the Authorized Improvements and the Assessments, and (ii) levy the Assessments for the payment of such Authorized Improvements. The County will collect the Assessments for its Authorized Improvements in accordance with the Service and Assessment Plan and the applicable Assessment Order. Upon collection of such Assessments and in accordance with the Funding Agreement, the County will transfer or cause to be transferred the Assessment Revenues to the TCDA to be held in a designated account separate from the TCDA's other accounts (the "**Operating Account**"), such funds to be used to reimburse Owner for the Actual Costs of the applicable Authorized Improvements pursuant to the terms of the Acquisition and Reimbursement Agreement.
  - (4) Pursuant to the Acquisition and Reimbursement Agreement, and as more fully described therein, the Owner may submit a Certification for Payment, substantially in the form provided in Exhibit "C" to the TCDA for payment of the Actual Costs of an Authorized Improvement from funds then available in the appropriate subaccount of the Operating Account held by the TCDA Depository Bank.
- (d) PID Bond Issuance; Payment from PID Bonds Proceeds at Issuance
- (1) Upon completion of some or all of the Authorized Improvements, the Owner may submit to the County and the TCDA a written request to issue PID Bonds (a Bond Issuance Request"). Subject to meeting the requirements and conditions stated in Article V of this Agreement, the County will consider the adoption of a resolution consenting to the issuance of PID Bonds by the TCDA. Upon consent by the County, the TCDA will consider the adoption of a resolution authorizing the issuance of such PID Bonds, the proceeds of such PID Bonds to be used to reimburse the Owner for the Actual Costs of the Authorized Improvements, less any amounts already reimbursed to Owner pursuant to the Acquisition and Reimbursement Agreement. Following consent of by the County, the TCDA shall commence the documentation and preparation for sale of the PID Bonds in accordance with the Bond Issuance Request from the Owner.
  - (2) At least thirty (30) days prior to the closing of a series of PID Bonds, the Owner may submit a Closing Disbursement Request, substantially in the form provided in Exhibit "D" to this Agreement, to the TCDA to be reimbursed for those Owner

Expended Funds accrued to date and not previously reimbursed pursuant to the Acquisition and Reimbursement Agreement. Prior to disbursement of proceeds, the TCDA shall review the Closing Disbursement Request, and if owner's expenses are qualifying expenses, sign the Closing Disbursement Request and deliver that Closing Disbursement Request to the Bond Trustee. At the closing of the applicable PID Bonds, Owner shall be reimbursed an amount equal to the applicable Owner Expended Funds and such amount shall be distributed by the Bond Trustee to the Owner or the Owner's designee. If payment of all or a portion of the Owner Expended Funds is to be paid to the Owner's designee, the Owner shall provide written notice thereof in the Closing Disbursement Request.

- (3) At least forty-five (45) days prior to the closing of a series of PID Bonds, the Owner may submit a Certification for Payment, substantially in the form provided in Exhibit "C" (as well as the other items described in Section 4.02(c)(4) above) to this Agreement, to the TCDA to be reimbursed at the time of PID Bond issuance for those Actual Costs incurred to date and not previously reimbursed pursuant to the Acquisition and Reimbursement Agreement.

(e) Progress Payments Following PID Bond Issuance

- (1) If any of the Authorized Improvements have not been completed by Owner and accepted by the County or applicable Entity by the time the PID Bonds are issued, then payments will be made to Owner, or applicable subcontractor, periodically, but no more than one (1) per month as construction progresses. The procedures for such progress payments are contained in this Section 4.02(e) and the Indenture.
- (2) The proceeds from the issuance of the PID Bonds remaining after payment of amounts under Section 4.02(d) of this Agreement will be held by the Bond Trustee in various segregated accounts under the Project Fund established pursuant to the Indenture. Those sums held in the various segregated accounts will be advanced to the Owner by the Bond Trustee to fund the Actual Costs of the Authorized Improvements (as more particularly specified herein and in the Service and Assessment Plan) upon receipt of a completed Certification for Payment substantially in the form as attached hereto in Exhibit "C".
  - (A) Except as provided for in subsections (3) and (4) below, and as will be set forth in the Indenture, progress payments shall be made by the Bond Trustee on a monthly basis within five (5) business days after receiving the signed Certification for Payment. Upon receipt of the Certification for Payment and required submittal items from the Owner pursuant to this Section 4.02(e), the TCDA Representative shall sign the Certification for Payment and forward the same to the Bond Trustee within fifteen (15) calendar days after receiving the signed Certification for Payment. If TCDA disapproves any Certification for Payment, TCDA shall provide a written explanation of the reasons for such disapproval so that if the Certification for Payment is revised in accordance with TCDA's comments, the Certification for Payment can be approved. Upon receipt of such revised

Certification for Payment, the TCDA shall thereafter have an additional ten (10) calendar days to forward the executed, revised Certification for Payment to the Bond Trustee for payment.

- (B) For any Authorized Improvement to be funded by PID Bonds under this Section 4.02(e), Owner shall be entitled to receive draws from the available proceeds of such PID Bond (not to exceed one (1) per month) based on the Actual Cost of the construction completed. The TCDA is not obligated to authorize a construction payment until such time that the County (or other applicable Entity) has approved the plans and specifications for the applicable Authorized Improvement (if such approval is required pursuant to this Agreement).
- (3) Final Payment for Authorized Improvements Accepted by County. In addition to the submitted items required in Section 4.02(e)(2), to obtain the final payment for an Authorized Improvement funded by the PID Bonds pursuant to this Section 4.02, the following are required:
  - (A) The Owner shall have provided to the County, or other Entity, as applicable, an assignment of the warranties and guaranties, if applicable, for the Authorized Improvement;
  - (B) Final Certification for Payment. Before the final Certification for Payment is submitted to the County and the TCDA, the Project Engineer shall conduct a review for the County, the City, and the TCDA to confirm that such Authorized Improvement was constructed in accordance with the plans therefor, and the Project Engineer will verify and approve the Actual Cost of such Authorized Improvement specified in such Certification for Payment. The Owner shall require each such review be completed by the Project Engineer before the Owner submits the final Certification for Payment to the County;
  - (C) Upon confirmation by the Project Engineer to the County Construction Representative and the TCDA Representative and the submission of the final Certification for Payment indicating that such Authorized Improvement has been constructed in accordance with the plans therefor, and verification and approval of the Actual Cost of such Authorized Improvement and concurrence by the County Construction Representative of such Actual Costs, the County Construction Representative shall within ten (10) business days thereafter conduct a final inspection of the Authorized Improvement, and if the County Construction Representative finds that the Authorized Improvement has been completed in accordance with the terms of the final approved Final Plans and Specifications and this Agreement in all material respects, the County Construction Representative shall sign the Certification for Payment and forward the same to the TCDA Representative; and

- (D) The Owner shall not be delinquent on any Assessments or County ad valorem taxes due and payable with respect to land owned by the Owner within the District.
- (4) Final Payment for Authorized Improvements accepted by Non-County Entity. With respect to the Authorized Improvements that are to be dedicated to and accepted by the City or an Entity other than the County, the terms, conditions, and procedures set forth in Article III of this Agreement shall apply except as set forth below:
  - (A) The City or applicable Entity (not the County) will be accepting such Authorized Improvements;
  - (B) The City or applicable Entity (not the County) will be approving the plans and specifications for such Authorized Improvements;
  - (C) The City or other Entity (not the County) will be inspecting such Authorized Improvements subject to County participation as described in Section 3.09 of this Agreement; and
  - (D) In order to obtain the final payment for such Authorized Improvements, the Owner will obtain from the City or other Entity, and provide to the Administrator, a written acknowledgement that all requirements for acceptance of such Authorized Improvements (save and except any applicable maintenance-bond period) have been complied with. Upon receipt of such written acknowledgment of the City, the Administrator, within fifteen (15) business days thereafter, shall sign the Certification for Payment and forward the same to the TCDA Representative. The TCDA Representative shall then have up to five (5) business days to forward the executed Certification for Payment to the Bond Trustee for payment.

(f) Parity Bonds

- (1) Any Actual Costs of the Authorized Improvements not paid or reimbursed from the proceeds of the initial series of PID Bonds may be paid or reimbursed from the proceeds of Parity Bonds. The County or TCDA in its sole discretion, may determine whether to issue Parity Bonds.
- (2) If the initial series of PID Bonds and the Parity Bonds, if issued, are sufficient to fully reimburse Owner for the unreimbursed Actual Costs, then Owner's right under the Acquisition and Reimbursement Agreement to receive any portion of the Contract Assessment Revenues for such purposes shall automatically terminate. However, if the aggregate proceeds of the initial series of PID Bonds and the Parity Bonds, if issued, are not sufficient to reimburse Owner for the unreimbursed Actual Costs eligible to be paid from Contract Assessment Revenues available after the payment of debt service on the initial series of PID Bonds and the Parity Bonds, if issued, the Owner shall continue to be paid the unreimbursed Actual Costs from

Contract Assessment Revenues on a cash-flow basis under the Acquisition and Reimbursement Agreement.

## **ARTICLE V PID BONDS**

### **Section 5.01 Issuance of PID Bonds**

- (a) Subject to the terms and conditions set forth in this Article V, the County intends to pay for the Authorized Improvements, by PID Bonds issued by the TCDA in one or more series.
- (b) Procedure. Upon the receipt of a Bond Issuance Request, the County will consider a resolution consenting to the issuance of PID Bonds by the TCDA, and TCDA will use diligent, good faith efforts to authorize issuance of the PID Bonds within four to six months after receiving a Bond Issuance Request to finance the Actual Costs of the Authorized Improvements, subject to the following conditions:
  - (1) Owner can reasonably demonstrate to the County, the TCDA, and the County and the TCDA's respective financial advisors that:
    - (A) the Owner has met or will meet the requirements of the County's PID Policy, except as modified by this Agreement;
    - (B) there is sufficient security for the PID Bonds, based upon the bond market conditions existing at the time of such proposed sale, and
    - (C) solely for the purposes of Parity Bonds, the applicable Additional Bonds Test, if any, has been satisfied.
  - (2) In addition to the criteria outlined in the applicable Additional Bonds Test, the County may consider additional requirements prior to authorizing the issuance of any PID Bonds, including but not limited to a market condition assessment (including market study update), development of the District, the current status of Owner, and related builder positions.
  - (3) The TCDA may require a recommendation from County staff, advisors, and consultants.
  - (4) The Owner is not delinquent on any County assessments or ad valorem taxes due and payable for the Property.
- (c) The aggregate principal amount of PID Bonds required to be issued hereunder shall not exceed an amount sufficient to fund: (i) the Actual Costs of the Authorized Improvements, (ii) required reserves and capitalized interest during the period of construction and not more than 12 months after the completion of construction of the applicable Authorized Improvements funded by the PID Bond issue in question and in no event for a period greater than 24 months from the date of the initial delivery of the applicable PID Bonds, and (iii) District Formation and Bond Issuance Costs. Notwithstanding any provision to

the contrary, to the extent the law(s) which limit the period of capitalized interest to 12 months after completion of construction change, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of future PID Bond issuances and be applicable to such future bond issuances.

- (d) The final maturity for any series of PID Bonds (including Parity Bonds) shall occur no later than the earlier of (i) 30 years from the issuance date of said PID Bonds, or (ii) the levy of the Assessments.
- (e) The minimum appraised value to lien ratio of any series of PID Bonds shall be at least 3 to 1.
- (f) Notwithstanding any provision in this Agreement to the contrary, in connection with the issuance of PID Bonds, the Owner shall execute and deliver any documents, agreements, or certificates requested by the TCDA, counsel to the TCDA, the Underwriter, or Underwriter's counsel to order to demonstrate that the PID Bonds will be issued in compliance with State and federal law.

#### **Section 5.02 Project Fund**

The County and the TCDA hereby covenant and agree that if PID Bonds are issued, the Indenture will establish a Project Fund as a separate fund to be held by the Bond Trustee under the Indenture. The portion of the proceeds of the PID Bonds issued to pay Actual Costs of Authorized Improvements and District Formation and Bond Issuance Costs shall be deposited as described in such Indenture.

#### **Section 5.03 Denomination, Maturity, Interest, and Security for Bonds**

- (a) The PID Bonds, including Parity Bonds, shall be finally authorized by the TCDA and shall be issued in the denominations, mature and be prepaid, bear interest, and be secured by and payable solely from the PID Bond Security, all to be as described and provided in the PID Bond Resolution or Indenture, as applicable.
- (b) The final and adopted versions of the PID Bond Resolution and the Indenture (and all documents incorporated or approved therein) will contain provisions relating to the withdrawal, application, and uses of the proceeds of the PID Bonds when and as issued and delivered and otherwise contain such terms and provisions approved by the TCDA.

#### **Section 5.04 Sale of PID Bonds**

The PID Bonds, if issued by the TCDA, shall be marketed and sold by an Underwriter from the TCDA's approved Underwriter pool, selected by the TCDA with the cooperation and assistance of the Owner and the County, or such other method of sale mutually agreed upon by the TCDA, the County, and the Owner. In the event that the Parties cannot mutually agree to the method of sale, the TCDA shall designate the method of sale. The Owner agrees to fully cooperate with the TCDA and the County with respect to the preparation of marketing/offering documents, such as preliminary and final official statements.

## **ARTICLE VI ADDITIONAL COUNTY REQUIREMENTS**

### **Section 6.01 Affordable Housing**

- (a) The Commissioners Court has determined that, as of the Effective Date of this Agreement, the District is located in a Low Opportunity Area of the County.
- (b) In accordance with the County's PID Policy, the Owner agrees to pay to the Capital Economic Progress Corporation a PID Community Benefit Fee that is equal to 10% of Net PID Bond Proceeds of the PID Bond being issued at that time.
- (c) The Owner must pay the PID Community Benefit Fee via ACH or check to the Capital Economic Progress Corporation on or before the last business day before the closing date of the applicable PID Bonds.

### **Section 6.02 Homebuyer Disclosure**

- (a) The Owner shall comply with, and shall contractually obligate (and promptly provide written evidence of such contractual provisions to the County) any party who purchases any Assessed Property owned by such Owner, or any portion thereof, for the purpose of constructing residential properties that are eligible for "homestead" designations under State law, to comply with, the Homebuyer Education Program described on Exhibit "F" to this Agreement. Such compliance obligation shall terminate as to each Lot (as defined in the Service and Assessment Plan) if, and when there is a sale of a Lot to an individual homebuyer, it being the intent of the undersigned that the Homebuyer Education Program shall apply only to a commercial builder who is in the business of constructing and/or selling residences to individual home buyers (a "**Builder**") but not to subsequent sales of such residence and Lot by an individual home buyer after the initial sale by a Builder.
- (b) The Owner shall contractually obligate each Builder who purchases any Assessed Property owned by the Owner, or any portion thereof, for the purpose of constructing residential properties that are eligible for "homestead" designations under State law, to provide individual home buyers written notice, at or before closing, that the home buyer may ask the home buyer's mortgage company to include the Annual Installments in the home buyer's monthly escrow payment. The notice that must be provided to individual home buyers is attached as Exhibit "F-1".

## **ARTICLE VII REPRESENTATIONS, WARRANTIES, AND INDEMNIFICATION**

### **Section 7.01 Representations and Warranties of County and TCDA**

The County and the TCDA make the following covenants, representations, and warranties for the benefit of the Owner.

- (a) The TCDA will deliver, prior to the issuance of any PID Bonds, a certificate relating to the PID Bonds (such certificate, as it may be amended and supplemented from time to time,

being referred to herein as the “**Tax Certificate**”) containing covenants and agreements designed to satisfy the requirements of Sections 103 and 141 through 150, inclusive, of the Tax Code and the income tax regulations issued thereunder relating to the use of the proceeds of the PID Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the PID Bonds within the meaning of Section 148 of the Tax Code.

- (b) The County represents and warrants that the County is a political subdivision of the State of Texas and has full legal right, power and authority under the PID Act and other applicable law (i) to enter into, execute and deliver this Agreement, (ii) to adopt the Assessment Order, and (iii) to carry out and consummate the transactions contemplated by this Agreement.
- (c) The TCDA represents and warrants that the TCDA is nonprofit corporation created by the County pursuant to the LGC Act, incorporated, organized, and existing under the general laws of the State, and has full legal right, power, and authority under the LGC Act to:
  - (1) enter into, execute, and deliver this Agreement; and
  - (2) carry out and consummate the transactions contemplated by this Agreement.

#### **Section 7.02 Covenants, Representations, and Warranties of Owner**

The Owner makes the following representations, warranties and covenants for the benefit of the County and the TCDA:

- (a) The Owner represents and warrants that the Owner is a limited partnership duly organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.
- (b) The Owner represents and warrants that the Owner has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Owner.
- (c) Community Benefits
  - (1) As required by the County’s PID Policy, attached hereto as Exhibit “E-2” is a list of community benefits to be provided by the Project.
  - (2) The Owner acknowledges that the Commissioners Court was willing to create the District because the petitioners for creation of the District had represented to the County that the District would provide for community benefits to a degree that is superior to the level of community benefits typically generated by real estate development projects that do not involve PID financing.

- (3) The Owner represents and warrants that it will act in good faith to expeditiously provide the community benefits listed in Exhibit "E-2".
- (4) By March 31 of each year following the issuance of any PID Bonds, the Owner will provide a written report to the Commissioners Court as to whether the community benefits listed in Exhibit "E-2" have been achieved during the calendar year preceding that March 31. Notwithstanding the foregoing, the Owner agrees to provide information relating to the status of the District's community benefits, including, if requested, supporting information relating to the written report, no later than ten business days after receiving a written request from the Commissioners Court or the TCDA. This obligation shall terminate when all community benefits have been achieved, as determined by mutual agreement of the County and Owner, such agreement to not be unreasonably withheld or conditioned. This obligation shall also terminate if it is reasonably determined by the County and Owner that a particular community benefit is no longer reasonably attainable.
- (d) The Owner represents and warrants that this Agreement is valid and enforceable obligation of the Owner and is enforceable against the Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.
- (e) The Owner covenants that once it commences construction of an Authorized Improvement it will use its diligent, good faith efforts to do all things which may be lawfully required of it in order to cause such Authorized Improvements to be completed in accordance with this Agreement.
- (f) The Owner covenants that it will not commit or knowingly permit any act in, upon, or to the Property or the Project in violation of any law, order, ordinance, rule, regulation, or order of any governmental authority or any covenant, condition, or restriction now or hereafter affecting the Property or the Project.
- (g) The Owner covenants that it will not commit or knowingly permit any act in, upon, or to the Property or the Project in violation of any law, order, ordinance, rule, regulation, or order of any governmental authority or any covenant, condition, or restriction now or hereafter materially affecting the Property or the Project.
- (h) For a period of four (4) years after (i) the final Acceptance Date of each applicable Authorized Improvement, or (ii) claims filed upon completion, whichever is later, the Owner covenants to maintain proper books of record and account for the Authorized Improvements and all costs related thereto. The Owner shall provide copies (including electronic copies in a form acceptable to the County and the TCDA if electronic copies are requested) of such records to the County and the TCDA upon written request to the Owner, and those copies shall be provided no later than ten business days after receipt of a written request from the County or the TCDA at a cost that is no more than the rates applicable to copies provided pursuant to the Texas Public Information Act.

- (i) The Owner agrees to provide the information required pursuant to the Owner Continuing Disclosure Agreement executed by the Owner in connection with the public issuance of the PID Bonds.
- (j) The Owner covenants to provide, or cause to be provided, such facts and estimates as the County or the TCDA reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Owner further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the PID Bonds and will be, to the best of the knowledge of the officers of the Owner providing such facts and estimates, true, correct and complete as of that date, and (ii) the Owner will make reasonable inquiries to ensure such truth, correctness and completeness. The Owner covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the bond proceeds that would cause any of the covenants or agreements of the TCDA contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.
- (k) The Owner certifies that:
  - (1) it is not in receivership and does not contemplate same,
  - (2) it has not filed for bankruptcy, and
  - (3) it is not currently delinquent with respect to payment of property taxes within Travis County.

### **Section 7.03 Indemnification**

- (a) THE OWNER WILL (WITHOUT USING ANY ASSESSMENT REVENUES, CONTRACT ASSESSMENT REVENUES, OR PID BOND PROCEEDS) DEFEND, INDEMNIFY, AND HOLD HARMLESS THE COUNTY, THE TCDA, AND THEIR OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES, AND AGENTS (INDIVIDUALLY, AN “**INDEMNIFIED PARTY**,” AND COLLECTIVELY, THE “**INDEMNIFIED PARTIES**”) AGAINST AND FROM, AND WILL PAY TO THE INDEMNIFIED PARTIES, ALL WITHOUT WAIVING ANY SOVEREIGN OR GOVERNMENTAL IMMUNITY AVAILABLE TO ANY INDEMNIFIED PARTY UNDER TEXAS OR FEDERAL LAW, AND WITHOUT WAIVING ANY DEFENSES OR REMEDIES UNDER TEXAS OR FEDERAL LAW, THE AMOUNT OF, ALL ACTIONS, DAMAGES, CLAIMS, LOSSES, FEES, FINES, PENALTIES, OR EXPENSE OF ANY TYPE, WHETHER OR NOT INVOLVING A THIRD-PARTY CLAIM (COLLECTIVELY, “**DAMAGES**”), ARISING DIRECTLY OR INDIRECTLY, FROM:
  - (1) THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE OWNER;

- (2) THE OWNER'S NONPAYMENT UNDER CONTRACTS WITH THE GENERAL CONTRACTOR OR SUBCONTRACTORS FOR ANY AUTHORIZED IMPROVEMENT UNDER THIS AGREEMENT;
- (3) ANY THIRD PARTY CLAIMS RELATING TO EVENTS OCCURRING DURING THE CONSTRUCTION OF ANY AUTHORIZED IMPROVEMENT ACQUIRED UNDER THIS AGREEMENT.
- (b) THE OWNER WILL DEFEND THE INDEMNIFIED PARTIES AGAINST ALL CLAIMS DESCRIBED IN THIS SECTION, AND THE INDEMNIFIED PARTIES WILL REASONABLY COOPERATE AND ASSIST IN PROVIDING SUCH DEFENSE.
- (c) THE INDEMNIFIED PARTIES WILL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY THE OWNER IN FULFILLING ITS OBLIGATIONS HEREUNDER.
- (d) THE INDEMNIFIED PARTIES RESERVE THE RIGHT, BUT ARE NOT REQUIRED, TO PROVIDE A PORTION OR ALL OF THEIR OWN DEFENSE AT THEIR OWN EXPENSE.
- (e) THE OWNER SHALL RETAIN INDEMNIFIED PARTY-APPROVED DEFENSE COUNSEL WITHIN 10 BUSINESS DAYS OF WRITTEN NOTICE THAT THE COUNTY, THE TCDA, OR THE CITY IS INVOKING ITS RIGHT TO INDEMNIFICATION, AND IF THE OWNER DOES NOT DO SO, THE INDEMNIFIED PARTY MAY RETAIN ITS OWN DEFENSE COUNSEL AND THE OWNER WILL BE LIABLE FOR ALL SUCH COSTS.
- (f) THIS SECTION SURVIVES THE TERMINATION OF THIS AGREEMENT INDEFINITELY, SUBJECT TO APPROPRIATE STATUTES OF LIMITATIONS, AS THEY MAY BE TOLLED OR EXTENDED BY AGREEMENT OR OPERATION OF LAW.

## **ARTICLE VIII DEFAULT AND REMEDIES**

### **Section 8.01 Default**

A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

### **Section 8.02 Breach**

Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable

satisfaction of the complaining Party within thirty (30) days of the receipt of such notice (or five (5) days in the case of a monetary default). Upon a breach of this Agreement, the non-defaulting Party in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained (and/or an action for mandamus as and if appropriate). Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Article VIII or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and nonexclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other Party. Notwithstanding any provision contained herein to the contrary, the Owner shall not be required to construct any portion of the Authorized Improvements (or take any other action related to or in furtherance of same) while the County or the TCDA is in default under this Agreement).

### **Section 8.03 Force Majeure**

Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending litigation (but not pending litigation between the Parties), acts of God, war, acts of civil disobedience, widespread pestilence, fire or other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or tornadoes, labor action, strikes, changes in the law affecting the obligations of the Parties hereunder, or similar acts), the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing "force majeure" events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a "force majeure" event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Article.

### **Section 8.04 No Waiver**

No provision of this Agreement shall affect or waive any sovereign or governmental immunity available to the County or the TCDA and/or its elected officials, officers, employees and agents under Federal or Texas law not waive any defenses or remedies at law available to the County or the TCDA and/or its elected officials, employees and agents under Federal or Texas law.

## **ARTICLE IX GENERAL PROVISIONS**

### **Section 9.01 Notices**

Any notice, communication, or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the

addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent, and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to County: County Judge Sarah Eckhardt, Travis County

Street Address: 700 Lavaca, Suite 2.300  
Austin, Texas 78701

Mailing Address: PO Box 1748  
Austin, Texas 78767  
Email: [sarah.eckhardt@traviscountytexas.gov](mailto:sarah.eckhardt@traviscountytexas.gov)  
Facsimile: (512) 854-9535

With a Copy to: Travis County, Texas  
Attn: Diana Ramirez,  
Economic Development & Strategic Investment Director  
700 Lavaca, Suite 1560  
Austin, Texas 78701  
Email: [diana.ramirez@traviscountytexas.gov](mailto:diana.ramirez@traviscountytexas.gov)  
Facsimile: (512) 854-4210

With a Copy to: Office of the Travis County Attorney  
Attn: Tom Nuckols, Assistant County Attorney  
314 W. 11<sup>th</sup> St., Suite 500  
Austin, Texas 78701  
Email: [tom.nuckols@traviscountytexas.gov](mailto:tom.nuckols@traviscountytexas.gov)  
Facsimile: (512) 854-4808

If to TCDA: Travis County Corporations  
Attn: Karen Thigpen, Project and Program Manager  
700 Lavaca Street, Suite 1560  
Austin, Texas 78701  
Email: [Karen.Thigpen@traviscountytexas.gov](mailto:Karen.Thigpen@traviscountytexas.gov)  
Facsimile: (512) 854-4210

If to Owner: Views at Onion Creek, LP  
Attn: Eric Willis  
11612 FM 2244  
Building 1, Suite 140  
Austin, Texas 78738

With a copy to: Metcalfe Wolff Stuart & Williams, LLP  
Attn: Steve Metcalfe  
221 W. 6th, Suite 1300  
Austin, Texas 78701  
Email: [SMetcalfe@MWSWTexas.com](mailto:SMetcalfe@MWSWTexas.com)

With a copy to: Clayton Properties Group, Inc. d/b/a Brohn Homes  
Attn: Adam B. Boenig  
6720 Vaught Ranch Road, Suite 200  
Austin, Texas 78730  
Email: [adamb@brohnhomes.com](mailto:adamb@brohnhomes.com)

## **Section 9.02 Fee Arrangement /Administration of District**

### **(a) Payment of County and TCDA's Expenses.**

- (1) The Owner agrees that it will pay all of the County's and the TCDA's costs and expenses (including the County's and the TCDA's respective third party advisors, attorneys, and consultants) related to the creation and administration of the District, as well as costs and expenses relating to the development and review of the Service and Assessment Plan, the Acquisition and Reimbursement Agreement, and this Agreement ("**County and TCDA PID Costs**") pursuant to the terms of that certain First Amendment to Escrow Agreement Regarding Payment of Expenses Related to the Bella Fortuna Public Improvement District.
- (2) Prior to the Effective Date hereof, the Owner established an escrow account with the TCDA Depository Bank as "Escrow Agent".
- (3) The Owner, the County and the TCDA will make best efforts to agree to a budget for the County and the TCDA's costs and expenses, which amount the Owner shall fund into the escrow account.
- (4) Prior to the issuance of PID Bonds and pursuant to the terms of the applicable escrow agreement, the TCDA shall:
  - (A) submit to the Escrow Agent (with copies to Owner) invoices and other supporting documentation evidencing County and TCDA PID Costs, and
  - (B) direct the Escrow Agent to pay these fees, as applicable, to the County and the TCDA or on behalf of the County and the TCDA, from funds on deposit in the escrow account, subject to review and approval by Owner.
- (5) In addition to any County and TCDA PID Costs pursuant to the preceding sentences, all fees of the County and the TCDA financial advisory and legal counsel related to the issuance of the PID Bonds, including fees for the preparation of the offering document and the customary bond documents and the obtaining of Attorney General approval for the PID Bonds, will be paid at closing from proceeds of the PID Bonds subject to review and approval by Owner.

- (6) Notwithstanding any provision to the contrary, if the amount of proceeds of the PID Bonds that can be used by the TCDA to pay the costs of issuance of the PID Bonds may be limited under the Internal Revenue Code, or the regulations relating thereto, the costs of issuance not paid from the proceeds of the PID Bonds (the “**Remaining Costs of Issuance**”) shall be paid by the Owner.
  - (7) On or before the closing date of a series of PID Bonds, the Owner shall deposit funds in the escrow account with the TCDA Depository Bank in an amount sufficient to pay the Remaining Costs of Issuance.
  - (8) The Owner agrees that it will be responsible for paying the Annual Collection Costs not paid through the District.
  - (9) Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.
- (b) The County and the TCDA may enter into a separate agreement with an Administrator to administer the District. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts set forth in the Service and Assessment Plan.

### **Section 9.03 Assignment**

- (a) Owner may, in its sole and absolute discretion, assign this Agreement with respect to all or part of the Project from time to time so long as the assigned rights and obligations are assumed without modifications to this Agreement. Owner shall provide the County and the TCDA thirty (30) days prior written notice of any such assignment, which notice must include the name, address, and facsimile number for the Designated Successor or Assign or assignee. Upon such assignment or partial assignment, Owner will be fully released from any and all obligations under this Agreement and will have no further liability with respect to this Agreement for the part of the Project so assigned, subject to Section 9.03(d) below.
- (b) The County and the TCDA hereby acknowledge and agree that Owner shall have the right to make a collateral assignment of any reimbursements and/or proceeds under this Agreement to any lender on the Project and the County and the TCDA shall execute any documentation reasonably requested by such lender evidencing such fact.
- (c) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a sale or assignment to a Designated Successor or Assign unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to a Designated Successor or Assign.
- (d) Upon a sale of a portion of the Property or assignment of any right hereunder, neither the TCDA nor any applicable Entity shall be required to release fiscal security to the Owner until the assignee provides the TCDA evidence that the assignee has posted replacement fiscal security in the form and amount required by the applicable Entity to secure the completion of Authorized Improvements.

- (e) Notwithstanding anything to the contrary contained in this Section 9.03, the TCDA and the County hereby consent to the Owner's assignment of all of its rights under this Agreement to Brohn Homes concurrently with Brohn Homes' purchase of the Property. ("**Brohn Transaction**"). Within five (5) business days of the date of the occurrence of the Brohn Transaction, Owner shall provide the TCDA and the County with written notice that the Brohn Transaction has occurred and Brohn Homes has been assigned all of owner's rights under this Agreement.
- (f) Any transfer of Owner's rights to receive PID Bond proceeds or Contract Assessment Revenues (not involving an assignment of this Agreement) are addressed in the Acquisition and Reimbursement Agreement.

#### **Section 9.04 Term of Agreement**

This Agreement will terminate on the date on which the County, the TCDA and Owner discharge all of their obligations hereunder. In the case of any termination of this Agreement and/or dissolution of the District, the obligation of any Party to pay any Project Costs expended prior to the termination of this Agreement and/or dissolution of the District and remaining unpaid will survive such termination and/or dissolution; provided however, that any payment obligation of the County or the TCDA shall be payable solely from Assessment Revenues or Contract Assessment Revenues, respectively, or, if PID Bonds are issued, the proceeds of such bonds.

#### **Section 9.05 Property Taxes and Assessments**

Notwithstanding anything to the contrary in this Agreement, if any Owner is delinquent in the payment of property taxes or assessments at the time payment is to be made to Owner pursuant to this Agreement, the Owner assigns any payments to be made hereunder to the Travis County Tax Assessor-Collector for the payment of the delinquent taxes or assessments.

#### **Section 9.06 Construction of Certain Terms**

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

- (a) Words importing a gender include either gender.
- (b) Words importing the singular include the plural and vice versa.
- (c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.
- (d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.

- (e) A reference to any Party includes, with respect to Owner, its Designated Successors and Assigns, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually
- (f) All references in this Agreement to designated “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to “Exhibits” are to the designated Exhibits to this Agreement.
- (g) The words “herein,” “hereof,” “hereto,” “hereby,” “hereunder,” and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.
- (h) The words “including” and “includes,” and words of similar import, are deemed to be followed by the phrase “without limitation.”
- (i) Unless the context otherwise requires, a reference to the “Property,” the “Authorized Improvements,” or the “District” is deemed to be followed by the phrase “or a portion thereof.”
- (j) Every “request,” “order,” “demand,” “direction,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” “approval,” “waiver,” “identification,” or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.
- (k) The Parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Agreement.

#### **Section 9.07 Table of Contents; Titles and Headings**

The titles of the articles, and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

#### **Section 9.08 Amendments**

This Agreement may be amended, modified, revised, or changed by written instrument executed by the Parties and approved by the Commissioners Court and the board of directors of the TCDA.

#### **Section 9.09 Time**

In computing the number of days for purposes of this Agreement, if a final day falls on a day that has been designated as a holiday by the Commissioners Court, the final day will be deemed to be the next day that is not a Saturday, Sunday, or a day designated as a holiday by the Commissioners

court. "Business day" does not include Saturdays, Sundays, or any day that has been designated as a holiday by the Commissioners Court.

#### **Section 9.10 Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

#### **Section 9.11 Entire Agreement**

This Agreement contains the entire agreement of the Parties.

#### **Section 9.12 Severability; Waiver**

- (a) If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.
- (b) Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

#### **Section 9.13 Owner as Independent Contractor**

In performing under this Agreement, it is mutually understood that the Owner is acting as an independent contractor, and not an agent of the County or the TCDA.

#### **Section 9.14 Supplemental Agreements**

Other agreements and details concerning the obligations of the Parties under and with respect to this Agreement are/or will be included in the Service and Assessment Plan, the Assessment Order, Bond Resolution and/or Indenture. The Owner will provide any continuing disclosures required under the Indenture and will execute a separate agreement outlining Owner's continuing disclosure obligations, if required.

#### **Section 9.15 County's Acceptance of Authorized Improvements**

The County hereby agrees that it will not unreasonably withhold the final acceptance of any of the Authorized Improvements which are to be conveyed to the County and will work with the Owner in good faith to expedite review and acceptance of such Authorized Improvements.

#### **Section 9.16 Audit**

The County Construction Representative (or a finance officer of the County) and the TCDA Representative will have the right, during normal business hours and upon the giving of three

(3) business days' prior written notice to the Owner, to review and make copies of all books and records of the Owner pertaining to costs and expenses incurred by the Owner with respect to any of the Authorized Improvements and any bids taken or received for the construction thereof or materials therefor.

#### **Section 9.17 Governing Law; Jurisdiction and Venue**

This Agreement shall be construed under and in accordance with the laws of the State of Texas. All obligations of the parties created hereunder are performable in Travis County, Texas and venue for any action arising hereunder shall be in Travis County, Texas.

#### **Section 9.18 No Third Party Beneficiary**

This Agreement is solely for the benefit of the Parties, and neither the TCDA, the County, nor Owner intends by any provision of this Agreement to create any rights in any third-party beneficiaries or to confer any benefit upon or enforceable rights under this Agreement or otherwise upon anyone other than the County, the TCDA and Owner.

#### **Section 9.19 Boycotts and Foreign Business Engagements**

- (a) In *Amawi v. Pflugerville Independent School District* (1:18-cv-01091), the United States District Court for the Western District of Texas issued a preliminary injunction (the “**NBI Injunction**”) preventing the defendants (including the State) from enforcement of Texas Government Code §2270.001 et. seq. or any “No Boycott of Israel” clause in any governmental entity contract. On May 7, 2019, H.B. 793, 86th Texas Legislature, Regular Session, became law, amending Texas Government Code, §2270.001 et. seq. On May 10, 2019, the State Attorney General filed a Motion to Stay the NBI Injunction with the United States Court of Appeals for the Fifth Circuit. In light of the foregoing recent developments, the following representation is provided by the Owner to avoid any uncertainty regarding the authority of the County or the TCDA to enter into this Agreement.

The Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, ‘boycott Israel’ means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Owner understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

- (b) The Owner represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of

such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Owner and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Owner understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

## **Section 9.20 Claims Notification**

If any Party receives notice or becomes aware of any claim or other action, including proceedings before an administrative agency, which is made or brought by any person, firm, corporation, or other entity against a Party in relation to this Agreement, the Party receiving such notice must give written notice to the other Parties of the claim or other action within three business days after being notified of it or the threat of it; the name and address of the person, firm, corporation or other entity that made or threatened to make a claim or that instituted or threatened to institute any type of action or proceeding; the basis of the claim, action, or proceeding; the court or administrative tribunal, if any, where the claim, action, or proceeding was instituted; and the name or names of any person against whom this claim is being made or threatened. This written notice must be given in the manner provided in this Agreement. Except as otherwise directed, the notifying Party must furnish to the other Parties copies of all pertinent papers received by that Party with respect to these claims or actions.

## **Section 9.21 Texas Public Information Act**

The Parties agree that this Agreement, all performance under this Agreement, and all information obtained by County in connection with this Agreement is subject to applicable provisions of the Texas Public Information Act, Texas Government Code Chapter 552, and all legal authorities relating to the Texas Public Information Act, including decisions and letter rulings issued by the Texas Attorney General's Office; and Owner agrees to provide County, citizens, public agencies, and other interested parties with reasonable access to all records pertaining to this Agreement subject to and in accordance with the Texas Public Information Act. Notwithstanding any provision to the contrary, nothing in this Agreement requires a Party to waive any applicable exceptions to disclosure under the Texas Public Information Act.

## **Section 9.22 Correction of Technical Errors**

If, by reason of inadvertence, and contrary to the intention of the Parties, errors are made in this Agreement in the legal descriptions or the references thereto or within any exhibit with respect to the legal descriptions, in the boundaries of any parcel in any map or drawing which is an exhibit, or in the typing of this Agreement or any of its exhibits or any other similar matters, the Parties by mutual agreement may correct such error by memorandum executed by them without the necessity of amendment of this Agreement.

### **Section 9.23 Exhibits**

The following exhibits are attached to and incorporated into this Agreement for all purposes:

Exhibit “A”	-	Definitions
Exhibit “B”	-	Property
Exhibit “C”	-	Form of Certification for Payment
Exhibit “D”	-	Form of Closing Disbursement Request
Exhibit “E-1”	-	Table of Authorized Improvements
Exhibit “E-2”	-	Community Benefits
Exhibit “F”	-	Home Buyer Disclosure Program
Exhibit “F-1”	-	Home Buyer Disclosure
Exhibits “G-1” to “G-3”		County’s Procurement Requirements
Exhibits “H-1” to “H-12”		County’s Worker Protection Requirements
Exhibit “I”	-	Form of Service and Assessment Plan
Exhibit “J”	-	Form of Landowner Agreement
Exhibit “K”	-	HUB Requirements

**[Signature Pages to Follow]**

**COUNTY:**

**Travis County, Texas,**  
a political subdivision of the State of Texas

By: 

Name: SARAH ECKHARDT

Title: COUNTY JUDGE

**TCDA:**

**Travis County Development Authority,**  
a Texas local government corporation

By: 

Name: SARAH ECKHARDT

Title: PRESIDENT

**OWNER:**

**Views at Onion Creek, LP**  
a Texas limited partnership

By: Views at Onion Creek, GP, LLC,  
a Texas limited liability company  
General Partner

By: BCP GP, LLC,  
a Texas limited liability Company  
Managing Member

By: 

Name: Edward S. Butler

Title: Manager

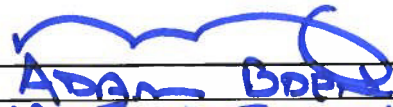
The undersigned entity is executing this Agreement only as a consenting party, solely due to the fact that the Owner, as defined in this Agreement, currently intends to convey the Property to the undersigned entity, who is acknowledging the terms herein.

**Consenting Party:**

**Clayton Properties Group, Inc.**

a Tennessee corporation doing business in Texas as

Brohn Homes

By:   
Name: ADAM BOHN  
Title: VICE - PRESIDENT

Signature Page of Consenting Party

## Exhibit “A” to Financing Agreement

### DEFINITIONS

Unless the context requires otherwise, and in addition to the terms defined above, each of the following terms and phrases used in this Agreement has the meaning ascribed thereto below:

**“Acceptance Date”** means, with respect to an Authorized Improvement, the date that the Actual Cost thereof is paid to the Owner pursuant to the terms hereof.

**“Acquisition and Reimbursement Agreement”** means that certain Bella Fortuna Public Improvement District Acquisition and Reimbursement Agreement, whereby the Actual Costs will be paid to the Owner from Contract Assessment Revenues to reimburse the Owner for Actual Costs paid by the Owner, plus interest until PID Bonds are issued, and thereafter will pay for the portion of the Actual Costs not paid for from PID Bond proceeds.

**“Actual Cost(s)”** means, with respect to each Authorized Improvement, the Owner’s demonstrated, reasonable, allocable, and allowable costs of constructing the Authorized Improvement, as specified in a payment request in a form that has been reviewed and approved by the County or the TCDA and in an amount not to exceed the amount for the Authorized Improvement as set forth in the Service and Assessment Plan. Actual Costs may include:

- (1) the costs incurred by or on behalf of the Owner (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction, and/or implementation of the Authorized Improvement,
- (2) the fees paid for obtaining permits, licenses or other governmental approvals for the Authorized Improvement,
- (3) Construction Management Fees,
- (4) the costs incurred by or on behalf of the Owner 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,
- (5) all labor, bonds and materials, including equipment and fixtures, by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvements, and
- (6) all related permitting and public approval expenses, architectural, engineering, and consulting fees, taxes, governmental fees and charges, insurance premiums, and all payments for Annual Collection Costs after the date of a resolution authorizing such reimbursement.

**“Additional Bonds Test”** means the conditions that must be met prior to the County considering to consent to the issuance of a Parity Bond, with such conditions to be described in an Indenture for the initial PID Bonds.

**“Administrator”** means an employee or designee of the County who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the County related to the duties and responsibilities of the administration of the District.

**“Affiliate”** means entity which is controlled by, controls, or is under common control with Owner.

**“Affordable Housing”** means, in general, housing for which the occupant is paying no more than 30 percent of his or her gross income for housing costs, including utilities, as established by the United States Department of Housing and Urban Development.

**“Agreed Limit”** has the meaning given in Section 3.06(a) of this Agreement.

**“Agreement”** has the meaning given in the recitals to this Agreement.

**“Annual Collection Costs”** means the actual or budgeted costs and expenses related to the creation and operation of the District, the issuance and sale of PID Bonds, and the construction, operation, and maintenance of the Authorized Improvements, including, but not limited to costs and expenses for:

- (1) the Administrator;
- (2) County staff;
- (3) TCDA staff;
- (4) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the County and the TCDA;
- (5) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments;
- (6) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates;
- (7) issuing, paying, and redeeming PID Bonds;
- (8) investing or depositing Assessments, Contract Assessment Revenues, and Annual Installments;
- (9) complying with the Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements;
- (10) the paying agent/registrar and Bond Trustee in connection with PID Bonds, including their respective legal counsel; and
- (11) administering the construction of the Authorized Improvements.

**“Annual Installment”** shall have the meaning given in the Service and Assessment Plan.

**“Appraisal”** means an appraisal of the Property, as may be required by Section 2.01(i) hereof.

**“Assessed Property”** shall have the meaning given in the Service and Assessment Plan.

**“Assessments”** means the assessments levied against properties in the District, as provided for in the applicable Assessment Order and in the Service and Assessment Plan, including any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

**“Assessment Order”** means an order adopted by the Commissioners Court in accordance with the PID Act that levies the Assessments.

**“Assessment Revenues”** means money collected by or on behalf of the County from any one or more of the following:

- (1) an Assessment levied against the Assessed Property as defined in the Service and Assessment Plan, or Annual Installment payment thereof, including any interest on such Assessment or Annual Installment thereof during any period of delinquency,
- (2) a Prepayment,
- (3) Delinquent Collection Costs (as defined in the Indenture), and
- (4) Foreclosure Proceeds (as defined in the Indenture).

**“Attorney General”** means the Texas Attorney General’s Office.

**“Authorized Improvements”** shall have the meaning ascribed to it in the Service and Assessment Plan.

**“Bond Counsel”** means Orrick, Herrington & Sutcliffe LLP or a successor bond counsel firm selected by the TCDA.

**“Bond Resolution”** means the resolution, resolutions, of the Board of Directors of the TCDA that will authorize and approve the issuance and sale of the PID Bonds and provide for their security and payment, either by the terms of the Bond Resolution or an Indenture related to the PID Bonds.

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

**“Brohn Homes”** means Clayton Properties Group, Inc., a Tennessee corporation doing business in Texas as Brohn Homes.

**“Capital Economic Progress Corporation”** means the Texas nonprofit corporation formed by the Commissioners Court.

**“Certification for Payment”** means the certificate (whether one or more) in substantially the same form as Exhibit “C” attached hereto.

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

**“City Construction Representative”** means the person selected by the City to oversee the construction of the Authorized Improvements on behalf of the City.

**“Closing Disbursement Request”** means the request (whether one or more) in substantially the same form as Exhibit “D” attached hereto.

**“Commissioners Court”** means the Commissioners Court of Travis County, Texas.

**“Construction Costs”** means the actual cost for a selected construction contractor to construct an Authorized Improvement, excluding Preconstruction Costs, Contract Management Fees, and Non-Eligible Costs.

**“Construction Management Fee”** means the costs, incurred by or on behalf of Owner or a third party construction manager, for general oversight of preconstruction and construction of an Authorized Improvement, including testing and materials, inspection, quality assurance/quality control, permitting, change order and claim investigations and resolutions, warranty period monitoring and reporting of deficiencies, and other construction management services and is equal to four percent of Construction Costs.

**“Construction Manager”** means initially the Owner, and thereafter subject to change in accordance with Section 3.03 of this Agreement. The County acknowledges and agrees that (i) the Owner intends to subcontract out the duties of Construction Manager to a third party and (ii) Owner’s hiring of the initial subcontractor to serve as the Construction Manager shall not be deemed a change in the Construction Manager pursuant to the terms and conditions of Section 3.03.

**“Construction Manager Subcontractor”** means an unrelated or unaffiliated third party to whom some or all of the duties of the Construction Manager have been subcontracted to pursuant to Section 3.03.

**“Contract Assessment Revenue”** means the Assessment Revenues required to be paid by the County to the TCDA pursuant to the provisions of the Funding Agreement for deposit into a segregated account held by the TCDA Depository Bank for the payment of Actual Costs of the Authorized Improvements, or if PID Bonds are issued, for deposit into a segregated fund held by the Bond Trustee for the payment of PID Bonds under the Indenture.

**“Cost of Issuance Account”** shall have the meaning given in the Indenture.

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

**“County and TCDA PID Costs”** shall have the meaning given in Section 9.02 of this Agreement.

**“County Construction Representative”** means the County Engineer or such other person selected by the County to review draws for Authorized Improvements.

**“Delivery Date Expenses”** means the sum of the cost of issuance and underwriter’s discount, except for capitalized interest or reserve funds.

**“Designated Successors and Assigns”** means (i) any entity which is the successor by merger or otherwise to all or substantially all of Owner’s assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (ii) any entity which may have acquired all of the outstanding stock or ownership of assets of Owner.

**“District”** has the meaning given in the recitals to this Agreement.

**“District Formation and Bond Issuance Costs”** means the costs associated with forming the District and issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, County costs, capitalized interest, reserve fund requirements, first-year District administration reserves, underwriter discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the establishment of the District and/or the issuance of PID Bonds.

**“Effective Date”** has the meaning given in the recitals to this Agreement.

**“Entity”** has the meaning given in paragraph 12 of the Recitals of this Agreement.

**“Force Majeure”** shall mean delays due to strikes, acts of God, inability to obtain labor or materials, litigation, enemy action, civil commotion, fire, rain or windstorm, governmental action or inaction, or similar causes, provided such similar causes are beyond the reasonable control of the party whose obligations are affected by such acts.

**“Funding Agreement”** means the funding agreement by and between the County and TCDA and relating to the District under which the County will make or cause to be made payments of Contract Assessment Revenues to TCDA.

**“Indenture”** means any Indenture of Trust entered into in connection with the issuance of the PID Bonds, as amended from time to time, between the TCDA and the Bond Trustee setting forth terms and conditions related to the PID Bonds.

**“Issue Date”** means the date of the initial delivery of any of the PID Bonds.

**“Land Development Code”** means the joint land development code of the County and the City, Title 30 of the County Code and Title 30 of the City Code, as amended, governing development of land within the County and the extraterritorial jurisdiction of the City.

**“LGC Act”** means subchapter D of Chapter 431 of the Texas Transportation Code, as amended.

**“Management Contract”** means the Contract for Management and Administrative Services between Travis County and the TCDA entered into dated April 24, 2018 pursuant to which the TCDA agrees to manage and administer public improvement districts established by the County.

**“Net PID Bond Proceeds”** means the par amount of the PID Bonds less Delivery Date Expenses.

**“Non-Benefited Property”** means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements. Property identified as Non-Benefited Property at the time the Special Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel is not assessed.

**“Non-Eligible Costs”** means the cost of improvements that are not Actual Costs.

**“Operating Account”** shall have the meaning given in Section 4.02(c) of this Agreement.

**“Owner”** has the meaning given in the recitals to this Agreement.

**“Owner Continuing Disclosure Agreement”** shall have the meaning given in any purchase agreement relating to the sale of the PID Bonds.

**“Owner Expended Funds”** means any qualified District Formation and Bond Issuance Costs approved by the County and TCDA, which costs may be paid pursuant to a Closing Disbursement Request.

**“Owners’ Association”** means a homeowner’s association or property owner’s association.

**“Owners’ Association Property”** means property within the boundaries of the District that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, an Owner’s Association established for the benefit of a group of homeowners or property owners within the District.

**“Parties”** means collectively, the Owner, the TCDA, and the County.

**“Party”** means the Owner, the TCDA, or the County, as parties to this Agreement.

**“PID”** means Public Improvement District.

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

**“PID Bonds”** means the bonds expected to be issued by the TCDA, including the Parity Bonds, and to be secured by Contract Assessment Revenue received by the TCDA pursuant to the Funding Agreement.

**“PID Bond Resolution”** means and refers to the resolution(s) of the Board of Directors of the TCDA that will authorize and approve the issuance and sale of the PID Bonds and provide for their security and payment, either under the terms of the bond resolution or a trust indenture related to the PID Bonds.

**“PID Bond Security”** means the funds that are to be pledged in or pursuant to the PID Bond Resolution or the Indenture to the payment of the debt service requirements on the PID Bonds, consisting of all or a portion of the Contract Assessment Revenues, including earnings and income derived from the investment or deposit of Contract Assessment Revenues in the special funds or accounts created and established for the payment and security of the PID Bonds, unless such earnings are required to be deposited into a rebate fund for payment to the federal government.

**“PID Community Benefit Fee”** means a fee paid by the Owner in lieu of providing on-site Affordable Housing.

**“Pledged Revenue Fund”** means the separate and unique fund established by the TCDA under such name pursuant to the Indenture wherein the Assessment Revenues are deposited.

**“Preconstruction Costs”** means those costs determined by the County to be reasonably necessary to complete the engineering, geotechnical, environmental, survey, utility adjustment, right-of-way-acquisition, submittal fees, recording fees, inspection fees, stormwater pollution prevention plan costs, and similar costs and services that are required before construction of an Authorized Improvement can begin.

**“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”** has the meaning given in the recitals to this Agreement.

**“Project Costs”** means the total of all Actual Costs.

**“Project Engineer”** means the civil engineer or firm of civil engineers selected by the Owner to perform the duties set forth herein. Subject to the requirements of Article III of this Agreement and County’s approval, Owner reserves the right to replace the Project Engineer at any time in Owner’s sole discretion.

**“Project Fund”** means the separate and unique fund established by the County under such name pursuant to the Indenture as described in Section 5.02 hereof.

**“Property”** has the meaning given in the recitals to this Agreement.

**“Regulatory Requirements”** means the requirements and provisions of the County over the Authorized Improvements.

**“Service and Assessment Plan”** means the Bella Fortuna Public Improvement District Service and Assessment Plan (as such plan is amended, supplemented and updated from time to time), to be approved by the County and TCDA substantially in the form of Exhibit “I” attached hereto.

**“State”** means the State of Texas.

**“Tax Certificate”** shall have the meaning given in Section 7.01 of this Agreement.

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

**“TCDA”** means the Travis County Development Authority, a Texas local government corporation organized under the LGC Act, its successors and assigns.

**“TCDA Depository Bank”** means the depository bank selected by the TCDA.

**“TCDA Representative”** means the person selected by the TCDA to oversee the issuance of PID Bonds and the use of Contract Assessment Revenues or the proceeds of PID Bonds to pay the Actual Costs of the Authorized Improvements on behalf of the County.

**“Underwriter”** means a duly qualified bond underwriter selected by the County and/or TCDA.

**“Very Low to Low Opportunity Area”** and **“Low Opportunity Area”** mean a community as defined by the Kirwan Institute maps or their equivalent/replacement with a combination of:

- (1) poor to fair access to jobs, amenities, social and medical services, transit, and high-performing schools
- (2) high crime rates, and
- (3) environmental hazards.

**Exhibit "B" to Financing Agreement**

**PROPERTY DESCRIPTION FOR PROJECT**

**DESCRIPTION**

**For a 158.2-Acre [6,889,825 Square Feet]  
Tract**

**BEING A 158.2-ACRE [6,889,825 SQUARE FEET] TRACT OUT OF THE SANTIAGO DEL VALLE 10-LEAGUE GRANT, ABSTRACT NUMBER 24, TRAVIS COUNTY, TEXAS, SAID TRACT BEING A REMAINDER PORTION OF THAT CALLED 164-ACRE TRACT CONVEYED BY DEED TO JOHN MICHAEL BURATTI IN VOLUME 5393, PAGE 1594 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS [D.R.T.C.T.] AND DAVEY LEWIS BURATTI IN VOLUME 3944, PAGE 560 D.R.T.C.T., SAID REMAINDER TRACT BEING FURTHER DESCRIBED AS "FIRST TRACT", THAT CALLED 100-ACRE TRACT, AND "SECOND TRACT" THAT CALLED 110-ACRE TRACT, IN VOLUME 333, PAGE 415 D.R.T.C.T, SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:**

**BEGINNING** at a 1/2-inch rod found for an angle point in the west right-of-way line of Bradshaw Road, a varying width right-of-way, no record information found, same being an angle point in the east line of Onion Creek Addition, a subdivision according to the plat of record in Volume 93, Page 230 of the Plat Records of Travis County, Texas, and the north corner of said 164-acre tract and the north corner of the tract described herein;

**THENCE** with said west right-of-way line of Bradshaw Road, same being the northeast line of said 164-acre tract, the following three courses and distances:

- 1) South 61°04'16" East, a distance of 1,196.10 feet to a 1/2-inch iron rod found for a point of curvature of a tangent circular curve to the right,
- 2) With the arc of said curve to the right a distance of 448.29 feet, said curve having a radius of 291.64 feet, a central angle of 88°04'20" and a chord bearing South 17°02'06" East, a distance of 405.44 feet to a 1/2-inch iron rod found for a point of tangency, and
- 3) South 27°04'05" West, a distance of 2,486.42 feet to a 1/2-inch iron rod with cap marked "DOUCET" found in the north line of that tract to HFH Investments LP (no record information found) further described as "Tract B1-B2-B3-, Heep Ranch" in "Exhibit D", that called 449.05-acre tract to Turnersville Development, LTD as recorded in Document Number 2000089761 of the Official Public Records of Travis County, Texas [O.P.R.T.C.T.], for the south corner of said 164-acre tract and the south corner of the tract described herein;

**THENCE** leaving said west right-of-way line of Bradshaw Road, with said north line of said 449.05-acre tract, same being the south line of said 164-acre tract, the following four (4) courses and distances:

- 1) North 66°06'26" West, a distance of 954.83 feet to a 1/2-inch iron rod found,
- 2) North 60°13'39" West, a distance of 192.85 feet to a 1/2-inch iron rod found,
- 3) North 59°58'39" West, a distance of 350.54 feet to a 1/2-inch iron rod found, and
- 4) South 28°01'59" West, a distance of 462.96 feet to a point in the center of a dry creek for the east corner of that called 254.90-acre tract conveyed by deed to Spillmann Properties, LTD., as recorded in Document Number 2009124581 O.P.R.T.C.T., same being the southwest corner of said 164-acre tract, the southwest corner of the tract described herein, and the southerly terminus of a Boundary Line Agreement as recorded in Document Number 1999116083 O.P.R.T.C.T.;

**THENCE** with the west line of said 164-acre tract, same being the east line of said 254.90-acre tract and the common line of the Boundary Line Agreement, the following sixty-three (63) courses and distances:

- 1) North 47°05'54" West, a distance of 78.10 feet to a point,
- 2) North 0°51'53" West, a distance of 101.25 feet to a point,
- 3) North 53°01'53" West, a distance of 104.40 feet to a point,
- 4) North 36°38'54" West, a distance of 91.98 feet to a point,
- 5) North 31°29'07" East, a distance of 78.25 feet to a point,
- 6) North 9°23'07" East, a distance of 32.79 feet to a point,
- 7) North 20°14'54" West, a distance of 19.79 feet to a point,
- 8) North 58°13'54" West, a distance of 49.63 feet to a point,
- 9) North 9°22'53" West, a distance of 80.15 feet to a point,
- 10) North 27°57'53" West, a distance of 113.53 feet to a point,
- 11) North 4°00'54" West, a distance of 87.58 feet to a point,
- 12) North 21°31'54" West, a distance of 118.99 feet to a point,
- 13) North 54°37'54" West, a distance of 101.05 feet to a point,
- 14) North 52°29'54" West, a distance of 105.24 feet to a point,
- 15) North 1°57'54" West, a distance of 36.53 feet to a point,
- 16) North 29°52'54" West, a distance of 78.20 feet to a point,
- 17) North 40°01'54" West, a distance of 122.77 feet to a point,
- 18) North 9°12'06" East, a distance of 33.34 feet to a point,
- 19) North 43°04'07" East, a distance of 95.84 feet to a point,
- 20) North 6°06'54" West, a distance of 99.38 feet to a point,
- 21) North 56°25'06" East, a distance of 38.00 feet to a point,
- 22) North 43°20'07" East, a distance of 70.29 feet to a point,
- 23) North 4°06'54" West, a distance of 51.59 feet to a point,
- 24) North 13°00'07" East, a distance of 101.02 feet to a point,
- 25) North 6°38'54" West, a distance of 106.12 feet to a point,
- 26) North 21°17'06" East, a distance of 47.92 feet to a point,
- 27) South 86°50'54" East, a distance of 35.80 feet to a point,
- 28) South 70°20'54" East, a distance of 59.23 feet to a point,
- 29) South 84°51'54" East, a distance of 48.63 feet to a point,
- 30) North 54°01'07" East, a distance of 125.15 feet to a point,
- 31) South 72°31'54" East, a distance of 48.10 feet to a point,

- 32) North 81°19'06" East, a distance of 27.37 feet to a point,
- 33) North 36°41'06" East, a distance of 26.28 feet to a point,
- 34) North 11°49'54" West, a distance of 31.90 feet to a point,
- 35) North 31°34'32" West, a distance of 48.46 feet to a point,
- 36) North 5°59'49" East, a distance of 56.71 feet to a point,
- 37) North 58°06'49" East, a distance of 142.23 feet to a point,
- 38) North 10°37'07" East, a distance of 43.88 feet to a point,
- 39) North 22°12'54" West, a distance of 43.38 feet to a point,
- 40) North 0°49'17" East, a distance of 88.63 feet to a point,
- 41) North 66°56'44" West, a distance of 136.88 feet to a point,
- 42) North 18°35'44" West, a distance of 30.93 feet to a point,
- 43) North 49°20'16" East, a distance of 44.81 feet to a point,
- 44) North 9°47'17" East, a distance of 47.82 feet to a point,
- 45) North 31°15'44" West, a distance of 18.82 feet to a point,
- 46) North 66°10'44" West, a distance of 76.55 feet to a point,
- 47) North 36°50'00" West, a distance of 31.90 feet to a point,
- 48) North 16°18'11" East, a distance of 149.85 feet to a point,
- 49) North 63°55'55" East, a distance of 21.23 feet to a point,
- 50) South 72°23'51" East, a distance of 40.26 feet to a point,
- 51) North 68°36'17" East, a distance of 15.32 feet to a point,
- 52) North 31°55'13" East, a distance of 31.78 feet to a point,
- 53) North 5°19'17" East, a distance of 20.92 feet to a point,
- 54) North 17°04'19" West, a distance of 54.94 feet to a point,
- 55) South 88°08'49" West, a distance of 45.46 feet to a point,
- 56) North 37°15'45" West, a distance of 14.17 feet to a point,
- 57) North 18°37'31" East, a distance of 14.49 feet to a point,
- 58) North 49°35'31" East, a distance of 22.85 feet to a point,
- 59) North 63°19'31" East, a distance of 178.91 feet to a point,
- 60) North 41°34'15" East, a distance of 32.32 feet to a point,
- 61) North 15°30'44" West, a distance of 92.50 feet to a point,
- 62) North 15°30'54" West, a distance of 43.58 feet to a point, and
- 63) North 16°28'14" East, a distance of 90.12 feet to a point, in the center of Onion Creek for the northwest corner of said 164-acre tract, the northeast corner of said 254.90-acre tract and the northerly terminus of said Boundary Line Agreement, same being an angle point in the south line of that called 140.788-acre tract described as "Exhibit A-1, Tract 3" to Onion Creek Golf Group, LLC, as recorded in Document Number 2006079292 O.P.R.T.C.T.;

**THENCE** continuing with said west line of said 164-acre tract, with said south line of the 140.788-acre tract, North 59°15'14" East, a distance of 77.12 feet to the west corner of that tract described as "Exhibit A-1, Tract 1" described to Onion Creek Golf Group, LLC in said Document Number 2006079292 O.P.R.T.C.T., same being the north corner of said 164-acre tract and the north corner of the tract described herein;

**THENCE** with the south line of said Onion Creek Golf Group LLC Tract 1, with the south line of said Onion Creek Addition, same being the north line of said 164-acre tract, the following five (5) courses and distances:

- 1) South 68°18'14" East, a distance of 218.30 feet to 1/2-inch iron rod with cap marked "DOUCET" found,
- 2) South 68°06'38" East, a distance of 67.38 feet to a 1/2-inch iron rod found,
- 3) South 68°04'32" East, a distance of 538.49 feet to a 1/2-inch iron rod found,
- 4) South 68°19'16" East, a distance of 469.61 feet to a 1/2-inch iron rod found, and
- 5) North 28°35'02" East, a distance of 447.90 feet to said **POINT OF BEGINNING** of the tract described herein, and containing 158.2 acres [6,889,825 square feet].

Basis of bearings is the Texas Coordinate System, Central Zone [4203], NAD83 (2011), Epoch 2010.  
Units: U.S. Survey Feet.

This survey was performed with the benefit of a title commitment prepared by Steward Title Guaranty Company, G.F. No. 258714, effective May 8, 2019 and issued May 17, 2019. The Surveyor has relied solely upon said title commitment for depiction of easements, restrictions and other matters affecting this property. No additional research was performed for the purpose of this survey.

I, Edward A. Prince, Registered Professional Land Surveyor, hereby certify that this property description and accompanying plat of even date represent an actual survey performed on the ground under my supervision.

  
\_\_\_\_\_  
Edward A. Prince  
Registered Professional Land Surveyor  
Texas Registration No. 6465  
Doucet & Associates, Inc.  
EPrince@DoucetEngineers.com  
TBPLS Firm Registration No. 10105800

5/22/2019  
Date



## Exhibit "C" to Financing Agreement

### FORM OF CERTIFICATION FOR PAYMENT (Bella Fortuna Public Improvement District)

\_\_\_\_\_ ("Construction Manager") hereby requests payment (a) for the percentage of design costs completed (the "Design Costs"), as further described in Attachment A-1 attached hereto and (b) of the Actual Cost of the work (the "Construction Draw Costs"), as further described in Attachment A-2 attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in Bella Fortuna Public Improvement District Financing Agreement between Views at Onion Creek, LP, Travis County, Texas (the "County") and the Travis County Development Authority, a Texas local government corporation (the "TCDA"), dated as of \_\_\_\_\_. In connection with this Certification for Payment, the undersigned, in his or her capacity as the \_\_\_\_\_ of Construction Manager, to his or her knowledge, hereby represents and warrants to the County and the TCDA as follows:

1. The undersigned is an authorized representative of Construction Manager, is qualified to execute this request for payment on behalf of the Construction Manager and is knowledgeable as to the matters forth herein.
2. The true and correct (a) Design Costs for which payment is requested is set forth in Attachment A-1 and (b) Construction Draw Costs for which payment is requested is set forth in Attachment A-2, and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.
3. The amount listed for the Authorized Improvements below is a true and accurate representation of the Actual Costs associated with the creation, acquisition, or construction of those Authorized Improvements and such costs are in compliance with (a) the PID Financing Agreement, and (b) the Service and Assessment Plan.
4. The Owner is in compliance with the terms and provisions of the PID Financing Agreement and the Service and Assessment Plan.
5. The Owner has timely paid all ad valorem taxes and Annual Installments of Assessments it owes, or that entity under common control with the Owner owes, located in the Bella Fortuna Public Improvement District and has no outstanding delinquencies for such assessments.
6. The work with respect to the Authorized Improvements referenced below has been completed in accordance with the plans therefor, and the City of Austin, Texas (the "City") or the County, as applicable has inspected such Authorized Improvements. The design work described in Attachment A-1 has been completed in the percentages stated therein.
7. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for the Authorized Improvements identified may be paid until the work with respect to such

Authorized Improvements has been completed and the City or the County, as applicable, has accepted such Authorized Improvements. One hundred percent (100%) of soft costs (e.g. engineering costs, inspection fees, and the like) may be paid prior to the City or County acceptance of such Authorized Improvement.

8. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed (a) design work described in Attachment A-1 and/or (b) work on an Authorized Improvement described in Attachment A-2 has been paid in full for all work completed through the previous Certification for Payment.

9. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the County to verify the (a) Construction Draw Costs of each Authorized Improvement and/or (b) Design Costs for which payment is requested.

10. Attached hereto as Attachment D is proof of Owner's compliance with Section 3.07 (Special County Provisions Applicable to Construction Contracts).

11. Attached hereto as Attachment E is documentation that proves Owner's compliance with Section 3.11 (Construction Worker Protection Standards).

12. Attached hereto as Attachment F is documentation that proves Owner's compliance with the County's HUB Program goals.

13. Attached are waivers of liens for work on the applicable Authorized Improvements through the previous Certification for Payment and receipts for payment from the Contractor and, if requested by the County, any subcontractors for the current Certification for Payment.

14. Payments previously requested and paid under prior Certifications for Payment are as follows:

<u>Request No.</u>	<u>Date Approved</u> <u>by TCDA Representative</u>	<u>Amount Requested</u>	<u>Amount Paid</u>
--------------------	---	-------------------------	--------------------

[Signature Page Follows]

SIGNATURE PAGE TO  
FORM OF CERTIFICATION FOR PAYMENT

Date : \_\_\_\_\_

[Construction Manager Signature Block to be  
added]

## 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.

\_\_\_\_\_  
Name of Project Engineer

\_\_\_\_\_  
*[Signature of Person Signing on Behalf of Project Engineer]*

Name of Individual Signing on Behalf of Project Engineer: \_\_\_\_\_

Title of Individual Signing on Behalf of Project Engineer \_\_\_\_\_

Date: \_\_\_\_\_

## APPROVAL BY THE COUNTY

The Design Costs described in Attachment A-1 have been reviewed, verified and approved by the County Construction Representative. Payment of the Design Costs is hereby approved.

The Construction Draw Costs of each Authorized Improvement described in Attachment A-2 have been reviewed, verified and approved by the County Construction Representative. Payment of the Construction Draw Costs of each such Authorized Improvement is hereby approved.

Date: \_\_\_\_\_

### **TRAVIS COUNTY, TEXAS**

a political subdivision of the State of Texas

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

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

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

**ATTACHMENT A-1 TO CERTIFICATION FOR PAYMENT (DESIGN)**

Jurisdiction Name: Travis County  
Bella Fortuna Public Improvement District  
Certification of Payment \$:  
Date:

[illegible]

**ATTACHMENT A-2 TO CERTIFICATION FOR PAYMENT (CONSTRUCTION)**

Jurisdiction Name: Travis County  
Bella Fortuna Public Improvement District  
Certification of Payment \$:  
Date:

Reimbursement Detail						Required Documents <small>(Completed By Administrator)</small>			Allocation to Project Accounts		
Vendor	Description of Work	Invoice Number	Check Number	Date Paid	Amount	Invoice	Canceled Check	Lien Release or All Bills Paid Affidavit	Project Category #1	Project Category #2	Project Category #3
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
<b>Total</b>								(1)	\$ -	\$ -	\$ -
<b>Original Budget</b>								(2)	\$ -	\$ -	\$ -
<b>Budget Revisions</b>								(3)	\$ -	\$ -	\$ -
<b>Revised Budger</b>								(4) = (2) + (3)	\$ -	\$ -	\$ -
<b>LESS: Drawn to Date</b>								(5)	\$ -	\$ -	\$ -
<b>= (1)</b>									\$ -	\$ -	\$ -
<b>Remaining Budget</b>								(6) = (4) - (5) - (1)	\$ -	\$ -	\$ -

**ATTACHMENT B TO CERTIFICATION FOR PAYMENT**

**[attached – bills paid affidavit]**

## ATTACHMENT C TO CERTIFICATION FOR PAYMENT

[attached – receipts]

## ATTACHMENT D TO CERTIFICATION FOR PAYMENT

[attached – documentation proving Owner’s compliance with Section 3.07 (Special County Provisions Applicable to Construction Contracts)]

## ATTACHMENT E TO CERTIFICATION FOR PAYMENT

[attached – documentation proving Owner’s compliance with Section 3.11 (Construction Worker Protection Standards)]

The Contract Compliance Program has confirmed the Owner’s compliance with all worker protection standards for the period of construction covered by the Owner’s Certification for Payment.

Travis County Purchasing Office Contract Compliance Program

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

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

E-mail Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## ATTACHMENT F TO CERTIFICATION FOR PAYMENT

The HUB Program has confirmed the Owner's compliance with all HUB requirements for the period covered by the Owner's Certification for Payment.

### Travis County Purchasing Office HUB Program

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

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

E-mail Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

### **APPROVAL FOR PAYMENT BY TCDA REPRESENTATIVE**

The TCDA is in receipt of the attached Certification for Payment, acknowledges such Certification for Payment that the Authorized Improvements (or completed portion thereof) covered by such Certification for Payment have been inspected by the County or the City, as applicable, and the County Construction Representative finds such Certification for Payment to be in order. After reviewing such Certification for Payment, the TCDA approves the attached Certification for Payment and directs payments to be made from the Authorized Improvement Account of the Project Fund to the Owner or payee(s) set forth in such Certification for Payment.

Date: \_\_\_\_\_

**TRAVIS COUNTY, DEVELOPMENT  
AUTHORITY, a local government corporation**

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

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

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

**Exhibit "D" to Financing Agreement**

**FORM OF CLOSING DISBURSEMENT REQUEST**

The undersigned is a lawfully authorized representative for \_\_\_\_\_ (the "**Owner**") and requests payment from the [Costs of Issuance Account of the Project Fund] (as defined in Bella Fortuna Public Improvement District Financing Agreement) from \_\_\_\_\_ (the "**Bond Trustee**") in the amount of \_\_\_\_\_ (\$ \_\_\_\_\_) to be transferred from the [Cost of Issuance Account of the Project Fund] upon the delivery of the [\_\_\_\_\_ Bonds] for costs incurred relating to the issuance and sale of the Bonds for the Bella Fortuna Public Improvement District (the "**District**"), as follows.

In connection to the above referenced payment, the Owner represents and warrants to the County as follows:

1. The undersigned is a duly authorized officer of the Owner, is qualified to execute this Closing Disbursement Request on behalf of the Owner, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced costs of issuance at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the County.

3. The amount listed for the below itemized costs is a true and accurate representation of the District Formation and Bond Issuance Costs incurred by Owner at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan. The itemized costs are as follows:

*[insert itemized list of costs here]*

TOTAL REQUESTED: \$ \_\_\_\_\_

4. The Owner is in compliance with the terms and provisions of Bella Fortuna Public Improvement District Financing Agreement, the Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture and [the Reimbursement Agreement for \_\_\_\_\_] for the payment hereby requested have been satisfied.

6. The Owner agrees to cooperate with the TCDA and/or the County in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the County and/or the TCDA to complete its review.

**Payments requested hereunder shall be made as directed below:**

[Information regarding Payee, amount, and deposit instructions]

I hereby declare that the above representations and warranties are true and correct.

**[OWNER SIGNATURE]**

**APPROVAL OF REQUEST BY TCDA**

The TCDA is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the TCDA approves the Closing Disbursement Request and shall include said payments in the TCDA Certificate submitted to the Bond Trustee directing payments to be made from [Costs of Issuance Account of the Project Fund] upon delivery of the Bonds.

**TRAVIS COUNTY DEVELOPMENT  
AUTHORITY, a Texas local government  
corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## Exhibit "E-1" to Financing Agreement

### Table of Authorized Improvements

<b>General Description of Authorized Improvement</b>	<b>Entity to which Authorized Improvement will be conveyed or dedicated</b>	<b>Type of Interest that Owner will convey (e.g., fee simple, easement, etc.)</b>	<b>Maintenance Responsibility</b>	<b>Estimated Cost of Design and Construction of Authorized Improvement</b>	<b>Estimated Date of Completion</b>
<b>Roadway Improvements</b>	Travis County	Fee Simple, easement, and/or other interest, all as determined by the County	Travis County	\$768,114	Fourth Quarter 2021
<b>Water Distribution system Improvements</b>	City of Austin	Easement and/or other interest, all as determined by the City of Austin	City of Austin	\$457,638	Fourth Quarter 2021
<b>Sanitary sewer collection system improvements</b>	City of Austin	Easement and/or other interest, all as determined by the City of Austin	City of Austin	\$2,323,338	First Quarter 2020
<b>Water quality and drainage ponds</b>	City of Austin	Fee Simple or Easement, as determined by the City of Austin	City of Austin	\$2,135,331	Fourth Quarter 2020
<b>Recreational parks and trails</b>	City of Austin	Fee Simple or Easement, all as determined by the City of Austin	Homeowners Association	\$1,266,677	Fourth Quarter 2021

## **Exhibit “E-2” to Financing Agreement**

### **COMMUNITY BENEFITS**

The Owner represents and warrants that it will act in good faith to expeditiously provide the following community benefits that are superior to the level of community benefits typically generated by real estate development projects that do not involve public improvement district financing:

- Installation of approximately 6100 linear feet of 18 inch diameter regional wastewater main from the Rinard Creek 30 inch tunnel to the southernmost intersection of the Pleasant Valley Road project and Bradshaw Road. The main will be oversized, solely at the Owner’s expense, to serve the City’s projected development of the entire sewer shed and will provide for connection of future development in the sewer shed to the wastewater main installed by the Owner.
- Dedicating to the City approximately 16.344 more acres of parkland above and beyond the minimum 5.236 acres required by the City pursuant to Title 30, Austin/Travis County Subdivision Regulations and perpetually operating and maintaining all parkland and improvements thereon, at no cost to the City, the County, or the TCDA
- Payment of an community benefit fee in accordance with Travis County Code Chapter 481.
- Compliance with Travis County Code Section 481.005(h) with respect to the County’s requirements for use of historically underutilized businesses, requirements for provision of payment and performance bonds, and other requirements that conform substantially to the requirements the County applies to design and construction contracts for roads built pursuant to public/private participation agreements.
- Compliance with the worker protection requirements listed in Travis County Code Section 481.005(i).

**Exhibit “F” to Financing Agreement**

**BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT  
- LOT TYPE  
HOMEBUYER DISCLOSURE**

**HOME BUYER DISCLOSURE PROGRAM**

1. A Builder<sup>1</sup> for an Assessed Property shall provide each residential homebuyer with the “Notice of Obligation to Pay Public Improvement District Assessment to Travis County”, the form of which is attached hereto as Exhibit “F-1”.
2. A Builder for an Assessed Property shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the County upon receipt of written request by the County or the Builder which sets forth the County’s mailing address and other contact information.
3. A Builder for an Assessed Property shall prominently display signage provided by the Owner or the PID Administrator in the Builder’s model homes, if any, located within the Property.
4. If prepared and provided by the County and approved by Owner (such approval not to be unreasonably withheld), a Builder for an Assessed Property shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
5. A Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers for an Assessed Property.
6. The Owner must post signage along the main entry/exits located at the boundaries of the District that identifies the area as a public improvement district. All signage shall be clearly visible to all motorists entering and exiting the District.

---

<sup>1</sup>“Builder” means a commercial builder who is in the business of constructing and/or selling residences to individual home buyers.

Exhibit "F-1" to Financing Agreement

BELLA FORTUNA PID – LOT TYPE [ ]: HOMEBUYER DISCLOSURE

NOTICE OF OBLIGATION TO PAY  
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS  
TO TRAVIS COUNTY, TEXAS

CONCERNING THE PROPERTY AT:

STREET ADDRESS

OUTSTANDING PRINCIPAL OF ASSESSMENT FOR AUTHORIZED  
IMPROVEMENT: \$[ ]

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to Travis County, Texas, for the costs of a portion of public improvements (the "*Authorized Improvements*"), undertaken for the benefit of the property within the "*Bella Fortuna Public Improvement District*" (the "*District*"), also known as "Views at Onion Creek", created under Subchapter A, Chapter 372, Local Government Code, as amended.

**THE OUTSTANDING PRINCIPAL OF THE ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS [\$ ], WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH MAY VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.**

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change**. The exact amount of the annual installments, including the annual installments thereof, will be approved each year by the Travis County Commissioners Court in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from Travis County.

You may ask your mortgage company to include the Annual Installments in your monthly escrow payment.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate on the date specified below my signature.

**PURCHASER:**

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

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

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

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

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

***[Individual Homebuyer]***

STATE OF TEXAS §

COUNTY OF TRAVIS §

The foregoing instrument was acknowledged before me by \_\_\_\_\_.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

***[Alternate for Entity Purchaser]***

STATE OF TEXAS §

COUNTY OF TRAVIS §

The foregoing instrument was acknowledged before me by \_\_\_\_\_,  
[Title] of [Entity] a [State] [Type of Entity] on behalf of that [Type of Entity].

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

**PROJECTED ANNUAL INSTALLMENTS – LOT TYPE [ ]**

[WILL INSERT SCHEDULE OF PROJECTED ANNUAL INSTALLMENTS ONCE  
FINALIZED]

**Exhibit "G-1" to Financing Agreement**

**COLLATERAL ASSIGNMENT**  
**COLLATERAL ASSIGNMENT OF CONTRACT AND CONTRACT RIGHTS**

**DATE:** \_\_\_\_\_, 20\_\_

**ASSIGNOR:** \_\_\_\_\_

**ASSIGNOR'S ADDRESS:**

**BENEFICIARY:** Travis County, Texas

**BENEFICIARY'S ADDRESS:** P.O. Box 1748, Austin, Texas 78767

**FINANCING AGREEMENT:** The Financing Agreement between Assignor and Beneficiary dated \_\_\_\_\_, 20\_\_.

**CONTRACT:** One or more of the following described contracts (collectively, the "Contracts"):

- (a) The Construction Contract between \_\_\_\_\_ and Assignor dated as of \_\_\_\_\_, 20\_\_, a copy of which is attached hereto as Exhibit 1;
- (b) The Engineering Contract between \_\_\_\_\_ and Assignor dated as of \_\_\_\_\_, 20\_\_, a copy of which is attached as Exhibit 2; and
- (c) The Project Construction Management Contract between \_\_\_\_\_ and Assignor dated as of \_\_\_\_\_, 20\_\_, a copy of which is attached as Exhibit 3.

1. **Agreement.** To the extent authorized by law and subject to the terms and conditions of this Collateral Assignment of Contract and Contract Rights (this "Assignment"), in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which Assignor acknowledges, Assignor hereby grants, assigns, transfers, and conveys to Beneficiary the Contracts, and all powers, benefits, right, title, and interest accruing and to accrue to Assignor and to which Assignor is or may hereafter become entitled to by virtue of the Contracts.
2. **Secured Obligations.** This assignment is made to Beneficiary to secure the performance by Assignor of all of Assignor's duties and obligations under the Financing Agreement.
3. **License.** Assignor hereby grants to Beneficiary a limited license (the "License") to exercise and enjoy all of Assignor's rights and benefits under the Contracts. Upon the occurrence of an Event of Default (as defined below), Beneficiary will have the complete right, power and authority hereunder, then or thereafter, to terminate this License, in its own name or in the name of Assignor, and to exercise, assume, and enjoy all of Assignor's rights, title, interest, and benefits under the Contracts.

4. **Assumption Date.** Upon the occurrence of an Event of Default, as defined below, Beneficiary may, at its option, given written notice to Assignor and assume Assignor's rights, duties and obligations under the Contracts, subject to the terms and conditions of this Assignment, as of the date of such notice (the "**Assumption Date**").
- (a) After the Assumption Date, all of Assignor's rights and benefits under the Contracts will terminate without notice of any kind to Assignor, and Beneficiary will succeed to all of Assignor's rights, benefits, duties and obligations under the Contracts EXCEPT THAT ASSIGNOR SHALL REMAIN RESPONSIBLE FOR ALL COSTS, CLAIMS, LIABILITIES, AND EXPENSES THAT AROSE ON OR BEFORE THE ASSUMPTION DATE.
  - (b) The other parties to the Contracts will recognize and attorn to Beneficiary as if Beneficiary had originally been a party to such Contracts. In the event of a conflict between the terms of the Contracts and the terms of the Financing Agreement, the terms of the Financing Agreement will control.
5. **Assignor's Representations and Warranties and Related Covenants.** Assignor represents and warrants to Beneficiary as follows:
- (a) Assignor's execution, delivery and performance of this Assignment does not require the consent or approval of any governmental body and are not in contravention of, or in conflict with, any law or regulation or any term or provision of the Contracts. This Assignment is a valid, binding and legally enforceable obligation of Assignor in accordance with its terms, except to the extent, if any, that enforceability may be affected or limited by creditors' rights, legislation and court decisions of general application.
  - (b) The execution and delivery of this Assignment is not, and the performance of this Assignment will not be, in contravention of, or in conflict with, any agreement, indenture or undertaking to which Assignor is a party or by which Assignor or any of its property is or may be bound or affected, and do not and will not cause any security interest, lien or other encumbrance to be created or imposed or accelerated upon or in connection with any such property.
  - (c) To the Assignor's current actual knowledge, there is no litigation or other proceeding pending against or affecting Assignor or its properties which, if determined adversely to Assignor, would have a materially adverse effect on Assignor's financial condition, properties or operations. Assignor is not in default in any materially adverse manner with respect to any law, restriction, order, writ, injunction, decree or demand of any court or other governmental or regulatory authority or with respect to any agreement, indenture or undertaking to which it or any of its property is bound or affected.

- (d) Except for this Assignment (which Assignor has authority to grant): Assignor has not previously assigned, transferred, conveyed, sold, pledged or hypothecated any of the Contracts.

6. **Assignor's Agreements.** Assignor agrees as follows:

- (a) To perform all of its obligations under the Financing Agreement.
- (b) To perform or cause to be performed each and every obligation and duty imposed upon Assignor by the Contracts and to not do any act or not omit to do any act which would constitute a breach of, default under or noncompliance with the Contracts.
- (c) Not to execute any amendment or modification of the Contracts or otherwise change or alter any of the terms and provisions of the Contracts without Beneficiary's prior written consent.
- (d) To promptly notify Beneficiary of the occurrence of any event which constitutes a breach of, default under, or noncompliance with, or which with the passage of time, notice, or both, will constitute a breach of, default under, or noncompliance with any of the terms and provisions of the Contracts.
- (e) To send, with reasonable promptness, to Beneficiary copies of any and all notices of default, breach or material alteration sent or received by Assignor under the Contracts or in connection with Assignor's interest in the Contracts.

7. **Events of Default.** Any one or more of the following events or conditions constitutes an "Event of Default" for purposes of this Assignment:

- (a) Any event of default which occurs under the Financing Agreement which is not cured within any applicable grace or notice and opportunity to cure period;
- (b) Material breach of, noncompliance with, or default under any of the terms and provisions of the Contracts which is not cured within any applicable grace or notice and opportunity to cure period.

8. **Beneficiary's Rights and Remedies.**

- (a) To the extent authorized by law and subject to the terms and conditions set forth herein, Assignor hereby irrevocably appoints Beneficiary as Assignor's true and lawful agent and attorney-in-fact, with full power of substitution, in Beneficiary's own name or in the name of Assignor, for Beneficiary's sole use and benefit, but at Assignor's cost and expense, to exercise, upon the occurrence of an Event of Default, all or any of the following powers and rights with respect to the Contracts (without any

obligation on the part of Beneficiary to exercise any of the following powers and rights): (1) to demand, receive, collect, sue and give acquittance for, settle, compromise, compound, prosecute or defend any action or proceeding with respect to the Contracts; (2) to exercise, enforce, enjoy, carry out, receive, and/or perform any and all rights, powers, duties, benefits, obligations and remedies of Assignor with respect to and arising under the Contracts, provided, however, Beneficiary's exercise of or Beneficiary's failure to exercise any such authority will in no manner affect Assignor's liability hereunder or under the Financing Agreement, and provided, further, that Beneficiary will be under no obligation or duty to exercise any of the powers hereby conferred upon it and will be without liability for any act or failure to act in connection with the preservation of any rights under, any of the Contracts. To the extent authorized by law, the agency and authority hereby granted and created is an agency coupled with an interest.

- (b) Upon the occurrence of an Event of Default and at any time thereafter, Beneficiary will have the rights and remedies provided by law. After the Assumption Date, Assignor shall be without further duty, obligation, or liability of any kind with respect to the Contracts, including any costs arising thereunder except that Assignor shall remain liable for those obligations, liabilities, and costs incurred on or before the Assumption Date. After the Assumption Date, Beneficiary shall assume sole and absolute responsibility for performance of Assignor's obligations under the Contracts, and Assignor shall have no duty, liability or responsibility for any costs, claims, or expenses arising out of or related to the Contracts, including payment to any other parties to the Contracts, except for those costs, claims, and expenses incurred on or before the Assumption Date, or for personal injury or property damage arising out of the services that are the subject of the Contracts, except for personal injury or property damage arising out of services that were rendered on or before the Assumption Date.
- (c) All recitals in any instrument of assignment or any other instrument executed by Beneficiary incident to the Contracts or any part thereof will be full proof of the matters stated therein and no other proof will be requisite to establish full legal propriety of the action taken by Beneficiary or of any fact, condition or thing incident thereto, and all prerequisites of such action will be presumed conclusively to have been performed or to have occurred.
- (d) Assignor waives demand, notice, protest, and all demands and notices of any action taken by Beneficiary under this Assignment. The provisions of this section shall survive termination of the Contracts and Financing Agreement.

9. **General.** Assignor and Beneficiary agree as follows:

- (a) Upon the full performance of Assignor's obligations under the Financing Agreement, this Assignment and the interests created hereby will automatically terminate. Upon termination of this Assignment, Beneficiary will, at Assignor's sole cost and expense, execute and deliver to Assignor such documents as Assignor may reasonably request to evidence such termination.
- (b) Beneficiary is not, by entering into this Assignment or accepting the assignment of and security interest in the Contracts, assuming or agreeing to assume any obligation or liabilities on the part of Assignor under the Contracts.
- (c) Beneficiary's remedies hereunder are cumulative, and the exercise of any one or more of the remedies provided for herein will not be construed as a waiver of any of Beneficiary's other remedies.
- (d) Notice mailed to Assignor's address as reflected above, or to Assignor's most recent changed address on file with Beneficiary, at least ten days prior to the related action, will be deemed reasonable.
- (e) THIS ASSIGNMENT HAS BEEN MADE IN, AND THE INTEREST GRANTED HEREBY IS GRANTED IN, AND BOTH WILL BE GOVERNED BY, THE LAWS OF THE STATE OF TEXAS IN ALL RESPECTS, INCLUDING WITHOUT LIMITATION MATTERS OF CONSTRUCTION, VALIDITY, ENFORCEMENT, AND PERFORMANCE. This Assignment may not be modified, altered or amended except in writing duly signed by an authorized representative of Beneficiary and by Assignor. If any provision of this Assignment is rendered or declared illegal or unenforceable by reason of any existing or subsequently enacted statute, rule or regulation, or by order of or judgment of a court, any and all other terms and provisions of this Assignment will remain in full force and effect as stated and set forth herein.
- (f) All notices, demands, requests and other communications required or permitted hereunder will be in writing and may be personally served or sent by mail, and if given by personal service, it will be deemed to have been given upon receipt, and if sent by mail, it will be deemed to have been given upon its deposit in the mail, postage prepaid, registered or certified, return receipt requested, addressed to Assignor or Beneficiary, as the case may be. The addresses of the parties to this Assignment are set forth on page 1 of this Assignment. Any of the parties to this Assignment will have the right to change their respective addresses by designating a new address in a written notice to the other parties as herein required.
- (g) This Assignment may be executed in multiple original counterparts.

- (h) In the event of a conflict between the terms of this Assignment and the Financing Agreement, the Financing Agreement shall control.

In Witness Whereof, the Beneficiary and the Assignor have executed this Assignment effective as of the later date of signing as indicated below.

BENEFICIARY:

TRAVIS COUNTY, TEXAS

By: \_\_\_\_\_  
Sarah Eckhardt, County Judge

Date: \_\_\_\_\_

ASSIGNOR:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**BY ITS SIGNATURE BELOW, THE UNDERSIGNED SIGNIFIES ITS CONSENT TO AND APPROVAL OF THIS ASSIGNMENT FROM \_\_\_\_\_ TO TRAVIS COUNTY:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **Exhibit “G-2” to Financing Agreement**

### **ENGINEERING SERVICES AND DELIVERABLES**

#### **A. PROJECT DESIGN**

1. The Project Engineer shall provide professional services to produce both Preliminary Plan Documents and final plans, specifications and estimates for construction documents for the applicable Authorized Improvements. These services generally will include, but are not limited to the following; storm water drainage system analysis and design (may include water quality and detention); preparing schematic and final right-of-way and easement parcel exhibits; preparing construction documents; completing land surveys, geotechnical investigations and reports with analysis needed for pavement design, structure foundation design, and evaluating slope stability; completing alignment and intersection plans and analysis; developing roadway signage and pavement marking plans, traffic control plans, and plans for utility relocation and landscaping; completing environmental assessments and mitigation plans; monitoring project cost and applying cost recovery methodologies such as value engineering; attending and leading public meetings; and, acquiring all appropriate regulatory permits and clearances.
  - (a) The Project Engineer will perform the following services:
    - (1) Develop all Plans, Specifications, and Estimates (PS&E documents) within the project’s allotted budget, to standards stipulated by Travis County.
    - (2) Develop and submit a construction cost estimate at each phase of the design project.
    - (3) Use generally recognized engineering methodology and standards of care.
    - (4) For each required permit or approval, either obtain the permit or approval or identify the permit or approval for the Construction Contractor and direct the Construction Contractor to obtain it.
    - (5) Conduct and provide reports for all applicable environmental studies, evaluations, assessments, and calculation/negotiations for mitigation.
    - (6) Establish and provide a detailed project design task completion report. Monitor and provide task completion report to the Owner and the County.
    - (7) Produce a utility relocation plan and coordinate ALL utility relocation efforts with the appropriate utility company.
    - (8) Provide on call or total technical assistance during the bidding and construction periods.

- (9) Prepare appropriate displays and attend meetings with Travis County staff, regulatory agencies, and public groups, both as a technical advisor and as a project presenter.
  - (10) Provide all geotechnical reports and analyses.
  - (11) Provide required services, as determined by the County and the Owner, for construction administration.
- (b) The Project Engineer will provide six (6) specific work products with each requiring a separate "Notice to Proceed" under the same contract. Authorization to proceed to the next work product or phase must be in writing in the form of a "Notice to Proceed" from the County. The required work products include:
- (1) Work Product 1: Design Summary Report, including a conceptual design.
  - (2) Work Product 2: 30% complete design documents.
  - (3) Work Product 3: 60% complete design documents.
  - (4) Work Product 4: 100% bid-ready set of construction documents.
  - (5) Work Product 5: Construction bidding and award services.
  - (6) Work Product 6: Construction Management Services. Work Product 6 shall be optional and included at the discretion of the Owner and the County.

Owner and County may mutually agree to combine all or a few of Work Products 1, 2, 3 and 4 above to help reduce engineering cost and review time.

- (c) Subject to Article III of the Agreement, Work Products 1 through 4 shall be submitted for review and written notice-to-proceed must be issued before proceeding to the next Work Product. The review process shall consist of submitting two sets of the plans 24" by 36" (or at such other dimensions as is otherwise agreed), specifications, and estimates of probable construction costs to the Owner and the County when the design and construction documents are 30%, 60% and 100% completed. Allow two weeks for the Owner and the County to review and provide written comments and/or approval for each submittal. Submit two sets final check sets and allow one week for the Owner and the County to review and provide written comments and/or approval.
- (d) Work Product 1: Design Schematic Report (DSR).

The DSR shall summarize basic project information and include a schematic design for the Project. The conceptual level design of the ultimate six-lane section is to be prepared to approximate the future alignment, right-of-way and detention and water quality ponds.

(e) **Work Product 2: 30% Complete Design Documents.**

The 30% submittal should be presented in two phases if alternative analyses are included in the scope of work. The first phase will be the results of the analyses and the Project Engineer's recommendations. The second phase will be the 30% complete design documents for the selected alternative. Public meetings may be required in the development of Work Product 2. The 30% design submittal is to include preliminary engineering for the design elements required to fully address the project scope. The requirements for the 30% design submittals shall as a minimum include the following:

- (1) Cover sheet indicating project name and number; site location; design speed; project limits with beginning and ending stations; names and signature blocks for the project owners/partners; symbology legend; and the proposed index of drawings to be included in the plan set;
- (2) Site layout drawing;
- (3) Typical sections showing proposed and existing conditions;
- (4) Plan and profile sheets showing existing conditions and how design speed, site distance, drainage, and environmental requirements are planned to be met as well as the proposed type and location of any significant structures to be included;
- (5) Cross-sections for roadways showing existing ground conditions and depicting proposed conditions based upon preliminary alignments and typical sections;
- (6) Identification of limits of construction and properties that could be affected by the proposed construction;
- (7) Identification of existing easements and utilities that could be affected by the proposed construction;
- (8) Engineer's estimate of costs along with an explanation of the method used and any assumptions that were made. Recommended changes for the parties to consider if a problem has been identified that could adversely affect the project schedule or budget;
- (9) Preliminary list of required regulatory approvals and right-of-way takings; and
- (10) Updated project schedule with status tracking.

Total projected time for completion of Work Product 2 is sixty (60) calendar days.

(f) Work Product 3: 60% complete design documents:

The 60% complete documents should address all major design issues and set direction for completion of the construction documents. A public meeting may be required. The requirements for the 60% design submittals shall as a minimum include the following:

- (1) Completed site layout drawings;
- (2) Drawings that represent all items of work in the scope of services for the project including coordinates for proposed alignment (no blank pages or missing pages). Revised typical sections and cross sections to reflect more complete design;
- (3) Draft specifications;
- (4) Proposed construction schedule and sequence of work;
- (5) List of permits required and schedule for obtaining all permits/approvals/utility coordination required prior to bidding;
- (6) Engineering calculations, studies, and reports used in design (drainage report, geotechnical report, environmental studies & reports, slope stability analysis, preliminary quantities, structural design, etc.);
- (7) Drawings should demonstrate coordination between prime consultant and sub-consultants (no missing design components to be provided by sub-consultants);
- (8) Engineer's estimate of costs along with an explanation of the method used and any assumptions that were made. Recommended changes for the parties to consider if a problem has been identified that could adversely affect the project schedule or budget;
- (9) Draft ROW strip maps, sketches, & field notes. Final ROW documents to be submitted within 30 days of receiving review comments from Travis County, if required and
- (10) Updated project schedule with status tracking.

Total projected time for completion of Work Product 3 is sixty (60) calendar days.

(g) Work Product 4: 100% complete construction documents:

Provide final plans, specifications, estimates, quantities, bid schedule, permits, and verification of property acquisitions and/or right-of-entries for the Construction Contract, and a list of any outstanding issues to be resolved before or during project

bidding process (total projected time is 165 calendar day after notice to proceed date).

Total projected time for completion of Work Product 4 is fifteen (15) calendar days.

(h) Work Product 5: Construction Contract bidding and award services:

Provide assistance with responding to bidder questions, preparing addenda, tabulating and evaluating bids, and providing recommendation for award.

Total projected time for completion of Work Product 5 is to be determined at the time the project is approved for bidding.

(i) Work Product 6: Construction Phase Services:

Construction phase services are to be provided in accordance with Exhibit "G-3" throughout the period of construction to provide technical interpretations and clarifications of the contract documents; to provide technical reviews and approvals of construction submittals; to observe that the work is proceeding in accordance with the contract documents and to document the progress and effort; to prepare, reproduce, and distribute supplemental drawings and specifications in response to requests for information by the Construction Contractor; to inform the Construction Contractor, the County and the Owner immediately upon identifying unacceptable deviations from the contract documents and document such deviations; to resolve problems which arise during performance of the work by the Construction Contractor; and, to perform all other duties that are included in the contract. Construction phase services shall extend through the Construction Contractor's warranty of construction, starting after the County and the Owner issue the project Completion Certificate or from the date of the notice of Substantial Completion. The warranty period during which the Project Engineer's services shall be provided shall not exceed one year unless otherwise specified herein.

**B. UTILITY RELOCATION SERVICES**

1. Research records of properties within project limits of construction

- (a) identify all utility companies that serve the properties;
- (b) identify easements on the property and obtain descriptions and copies of any dedication instruments and plats; and
- (c) identify owners of utilities and contact information

2. Obtain existing condition and proposed improvement information from utility companies

- (a) determine type, size, and approximate location of existing utilities.
  - (1) interview appropriate utility company representatives

- (2) obtain as-built drawings if available
  - (b) determine future plans for utility work within the limits of construction
    - (1) interview appropriate utility company representatives
    - (2) if available, obtain preliminary utility engineering plans and schedule for future improvements
    - (3) If no engineering plans are available, obtain description of proposed improvements including design criteria that will be used including but not limited to:
      - (A) utility assignment
      - (B) depth requirements
      - (C) design requirements for separation from other utilities, structures, or activities
- 3. Review project design information for existing and potential conflicts
  - (a) plan sheets showing existing and proposed conditions for roadways, bridges, buildings, utilities, topography, fences, walls, storm sewer systems, etc.
  - (b) profile sheets showing existing and proposed conditions
  - (c) detail sheets for foundations showing size and depth requirements
  - (d) cross sections showing existing ground and proposed improvement including excavations, embankments, drainage channels, etc.
- 4. Coordinate the relocation, protection, upgrading or abandonment of utilities
  - (a) Identify with the County Contract Representative apparent conflicts between existing or proposed utilities and the project improvements shown in the design documents.
  - (b) Provide copies of design documents to all utility service providers along with list of conflicts identified.
  - (c) Maintain database of utility companies provided with design information, contact persons and numbers, information transmittals, written and verbal communications, and any other pertinent information showing who was involved in the coordination, the decisions made, and the time taken to complete the process.
  - (d) Meet with utility company representatives to determine their proposed method for reconciling conflicts and communicate the information to the County.

- (e) Meet with the County and Assistant County Attorneys and/or the utility company representatives and other public entities as needed to assist with reconciling conflicts between utilities and the proposed improvements, and record and distribute minutes of such meetings;
  - (f) Prepare draft of elements to be included in any utility agreements or memorandum of understandings to be developed between the County and utility service providers. Include responsibilities for relocation, upgrading, or protection; specifics related to costs, scheduling, sizes and types, vertical and horizontal locations; and, any special construction and/or protection requirements.
  - (g) Provide documentation of correspondence and coordination effort to the County upon completion of assignment
5. Additional Services, if approved by the County:
- (a) Field-check locations of above-ground utilities and visible components of below-ground utilities and mark locations relative to existing topographic features on mapping to be provided by the County.
  - (b) Provide, or contract with companies that can provide, underground utility locating services.
  - (c) Hand excavate to verify location of utilities.
  - (d) Represent the County at Austin Area Utility Coordinating Committee meetings.
  - (e) Attend pre-construction and construction meetings.
  - (f) Provide documentation and testimony as needed to help resolve claims related to utility work or property condemnation cases.

## **Exhibit “G-3” to Financing Agreement**

### **CONSTRUCTION MANAGEMENT SERVICES**

**The items below marked with an asterisk (\*) shall be performed or provided by a Texas Licensed Professional Engineer.**

#### **1. Coordination and Pre-Construction Meeting Services**

##### **(a) Technical Submittals and Samples**

Prepares for the coordination meeting with the County and the Owner a list of all technical submittals required by the Construction Contractor. This list shall be distributed at the pre-construction meeting among the Project Engineer and the Construction Contractor and others.

##### **(b) Permits**

Prepares for the coordination meeting, a list of all permits to be obtained by the Construction Contractor. This list shall be distributed at the pre-construction meeting.

##### **(c)\* Material Testing and Inspections**

Prepares for the coordination meeting recommendations for the project construction and material testing protocols and oversees Project testing and inspection.

##### **(d)\* Pre-construction Submittals**

Provides review comments on Construction Contractor’s pre-construction submittals to the Construction Contractor at the pre-construction meeting. Pre-construction submittals include the Construction Contractor’s construction schedule, division of contract, subcontractor list, material supplier list, or any special submittals requested of the Construction Contractor prior to the pre-construction meeting.

#### **2. Administrative Tasks**

##### **(a) Prepares draft agenda for pre-construction meeting;**

##### **(b) Determines the project communication, reporting, submittal approval/rejection protocol, and documentation requirements;**

##### **(c) Conducts weekly job site meetings; determines the format for scheduling and conducting, and recording construction meeting minutes;**

- (d) Reviews and becomes knowledgeable of any required Owner or County construction administration processes;
- (e) Records meeting minutes;
- (f) Maintains Project construction records consisting of all correspondence related to the construction of the project including but not limited to:
  - (1) all approved technical submittals and a technical submittal checklist;
  - (2) all approved field orders and change orders;
  - (3) contract specifications and drawings;
  - (4) daily log;
  - (5) job meeting minutes;
  - (6) clarifications drawings;
  - (7) daily progress reports; and
  - (8) processed pay requests
- (g) The daily log, as a minimum, shall contain information regarding weather conditions, ambient temperatures, Construction Contractor manpower levels, sub-Construction Contractors manpower levels, daily hours of inspection, travel time, conversations, work items being performed, material delivery information and other observations.
- (h) Daily logs must be completed and include a statement as to whether or not the Construction Contractor is behind schedule or delaying the progress of the work and, if so, the steps the Construction Contractor should take to get back on schedule. Copies of daily logs shall be made available to the County upon request.
- (i) Maintain complete files of all Project-related documents at the Project site.
- (j)\* Upon the completion of each calendar month, furnish the County and the Owner with a typed statement summarizing the status of the work. In the event the work is behind schedule, the statement shall also delineate what efforts the Construction Contractor must take to get back on schedule. A copy of this statement shall also be delivered to the Construction Contractor.
- (k) After the Project has been completed, submit the Project files, along with the original daily logs to the County.

### 3. Construction Phase Services

(a)\* Submittals

Process submittals, including receipt, review of, and appropriate action on shop drawings, samples and other submittals. Provide recommendations for the County and Owner approvals of “or equal” substitutions along with any recommended cost adjustments.

(b)\* Contract Modifications

For modifications required by the County and/or the Owner to resolve design errors or omissions, the Project Construction Manager shall coordinate with the Project Engineer to provide the following services: Provide recommendations to the County and/or the Owner concerning potential changes and modifications to the project, which are encountered during construction. Identify and investigate feasible alternatives, to the extent practical, and prepare necessary plans, details, etc. required to obtain firm cost and schedule impact statements from the Construction Contractor. Evaluate the Construction Contractor’s impact statements and in conjunction with the Owner and the County negotiate costs for any contemplated changes with the Construction Contractor. The Project Construction Manager shall prepare and distribute change orders and jointly sign all Change Orders with the County and the Owner

(c)\* Construction Contractor Pay Requests

Upon receipt of a pay request from a Construction Contractor, jointly review each line item with the Construction Contractor and advise the Construction Contractor’s representative of any discrepancies or conflicts in the pay requests. Verify the accuracy of quantities of installed, delivered, and stored materials. Advise the County and the Owner of any issues that may warrant withholding, reducing, or delaying payment to the Construction Contractor and provide supporting documentation.

(d)\* Interpretation of the Contract Documents

Upon request, provide interpretation or clarification of the construction documents to the County, the Owner, or the Construction Contractor. Determine an acceptable method for communicating interpretations and clarifications directly to the Construction Contractor beforehand.

(e)\* Observation

Site visits are to be performed to the extent necessary to:

- (1) Observe, document, and report to the County, the Owner, and the Construction Contractor whether the project is being constructed in accordance with the contract documents.

- (2) Observe, document, and report to the County, the Owner, and the Construction Contractor whether the proper measure of unit price bid quantities is being implemented, and confirm percentage completion of lump sum items.
- (3) Observe, document, and report to the County and the Owner the progress of the Construction Contractor and resources committed to the project by the Construction Contractor.

(f)\* Materials Testing and Inspections

- (1) Establish and administer a materials sampling and testing program to provide quality control and compliance with the construction plans and specifications. Utilizing the list of required testing developed from the construction documents, jointly develop with the Project Engineer and the Construction Contractor a testing program for the project. The testing program must designate what services are to be provided by the Project Engineer and the Construction Contractor. Services shall include, but not be limited to soils compaction testing, concrete cylinder compression strength tests, gradation analysis, miscellaneous shop inspection, and other testing required by the Construction Contract documents, or as specifically requested by the County and the Owner. A copy of the proposed testing program shall be prepared for review by the County and the Owner prior to beginning work.
- (2) Review all laboratory and field-testing results to determine whether results are in compliance with the Construction Contract documents and provide recommendations for correction of substandard materials and workmanship revealed during testing.

(g)\* Claims

Assist the County and the Owner with claim reviews and negotiations upon request and with the preparation of related correspondence and documentation.

(h)\* Contract Enforcement

Examine Construction Contractor workmanship, materials, progress, and overall compliance with requirements of the contract documents and immediately report any observed deficiencies to the Construction Contractor, the County, and the Owner. Communicate to the Construction Contractor, the County, and the Owner what may be necessary to effect corrective action. Document deficiencies and actions taken by Construction Contractor to correct them. Assist the County and the Owner with evaluating impacts of potential contract termination upon project costs and schedule.

(i)\* Contract Termination

Upon request, assist the County and the Owner with completion of an assessment of the status of the Construction Contractor's contract, the development of an agreement with the Construction Contractor's Surety to complete the work, and preparing and holding a pre-construction meeting with the replacement Construction Contractor. Unless otherwise specified in the contract, these services shall be considered additional scope of work for which the scope, methodology, and fee must be negotiated with the County and the Owner before proceeding.

(j)\* Project Acceptance and Close-out

- (1) Jointly perform with the County the Owner, and the Construction Contractor substantial completion and final inspections and compile and distribute related punch requiring correction. When properly completed, submit O&M manuals to lists.
- (2) Compile and review for completeness all Operation and Maintenance Manuals to be submitted by the Construction Contractor and inform Construction Contractor of any deficiencies.
- (3) Review and comment on final pay request and supporting close-out documents, and provide recommendation for approval or rejection to the County and the Owner.
- (4) Upon Project completion, obtain the original drawings from the Project Engineer, incorporate all as-built conditions on the original drawings and provide copies to the County and the Owner at project close-out.

4.\* Post Construction Services

(a) Warranty Period Services

- (1) Meet with County and the Owner upon request during the warranty period to investigate problems with material, equipment, and/or workmanship that may arise. Determine whether or not such problems are warranty issues or design issues and recommend solutions.
- (2) Coordinate and attend with the County and the Owner a final warranty inspection no less than sixty days prior to expiration of Construction Contractor warranty period. Develop list of deficiencies, if any, and determine if deficiencies are caused by inferior workmanship, equipment, and/or materials or caused by other reasons. Provide recommendations for resolving each deficiency. Complete a follow-up inspection with the County to determine whether deficiencies have been corrected by the Construction Contractor prior to expiration of the warranty period.

**Exhibit “H-1” to Financing Agreement**  
**Travis County Contract Compliance Program**  
***Owner/Prime Contractor Certifications***  
***Bella Fortuna PID***

The Public Improvement District (PID) Developer (the “Owner”) must complete the Living Wage Certification (one time only) and the Workforce Training Program Certification (for each prime contractor engaged by the Owner) listed below. The Owner must also cause all prime contractors to complete the remaining certifications listed below. These certifications derive directly from the Travis County’s PID Policy (Chapter 481 of the Travis County Code). For the Bella Fortuna Project (the “Project”), each certification (other than the Living Wage Certification) must be submitted before construction work commences on any Authorized Improvement for which the Owner will seek reimbursement:

1. [Living Wage Certification](#)
2. [Workforce Training Program Certification](#)
3. [Employee Classification Certification](#)
4. [Apprentice Designation Certification](#)
5. [OSHA Training Certification](#)

Each prime contractor must also provide:

1. A site-specific OSHA-compliant Safety and Health Plan
2. All OSHA 300 and 300A Logs and Summaries for the previous three years for all of its jobsites

If a prime contractor’s business entity has not been in existence for 3 years, that prime contractor must submit the [OSHA 300/300A Certification](#).

**Exhibit "H-2" to Financing Agreement**  
**Travis County Contract Compliance Program**  
***Living Wage Certification***

*This Living Wage Certification must be submitted to Travis County by the Owner before construction work commences on any Authorized Improvement for which the Owner will seek reimbursement. The Owner must complete this Certification one time only.*

***Required for PID Developer***

**Project Title:**

**Name:**

**Title:**

**Business Name:**

**Business Address:**

**County of PID Developer:**

**STATE OF TEXAS**

I, \_\_\_\_\_, certify that:

1. I am the \_\_\_\_\_ (position) of \_\_\_\_\_ ("Owner" or "PID Developer") and have the authority to execute this Certification on behalf of PID Developer.
2. I understand that, while the Travis County PID Policy provides that Travis County prefers, but does not mandate, that PID Developer pay, at a minimum, the Travis County living wage (currently \$13.00 per hour) to all construction workers performing work on PID Developer's construction projects, the County is committed to encouraging PID Developer to include this requirement in its construction contracts.
3. I understand that a living wage is defined as the minimum income necessary for workers to meet their basic needs, and that a living wage should be substantial enough to ensure that no more than 30% of it is spent on housing.
4. I understand that the goal of a living wage is to allow workers to earn enough income for a satisfactory standard of living.
5. I understand that I can obtain additional information about the benefits of a living wage by visiting the Travis County Purchasing Office Contract Compliance Program webpage, found here: <https://www.traviscountytexas.gov/purchasing/contract-compliance-program>.
6. PID Developer:

☐

**Will require all contractors and all subcontractors employed by the contractors to pay at least the Travis County living wage in effect on the date set forth below (currently \$13.00 per hour) to all individuals performing**

**construction work on the Authorized Improvements within the Project that are to be reimbursed by the PID, including but not limited to demolition, remodel, or renovation.**

☐

**Will NOT require contractors and subcontractors to pay at least the Travis County living wage in effect on the date set forth below (currently \$13.00 per hour) to all individuals performing construction work on the Authorized Improvements within the Project that are to be reimbursed by the PID, including but not limited to demolition, remodel, or renovation.**

7. The information provided in this Living Wage Certification is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Exhibit "H-3" to Financing Agreement**  
**Travis County Contract Compliance Program**  
***Workforce Training Program Certification***

*This Workforce Training Program Certification must be provided to Travis County by the Owner (or, at the Owner's option, by the Owner's prime contractors) before construction work commences on any Authorized Improvement for which the Owner will seek reimbursement.*

***Required for PID Developer***

**Project Title:**

**Name:**

**Title:**

**Business Name:**

**Business Address:**

**County of PID Developer:**

**STATE OF TEXAS**

I, \_\_\_\_\_, certify that:

1. I am the \_\_\_\_\_ (position) of \_\_\_\_\_ ("Owner" or "PID Developer") and have the authority to execute this Certification on behalf of PID Developer.
2. I understand and acknowledge that pursuant to the Travis County PID Policy (Chapter 481, County Code), I must require my Prime Contractor to recruit 30% of its project workforce (i.e., employees of the Prime or employees of its subcontractors) from construction workforce training programs approved by Travis County ("Workforce Training Programs"). The County will approve all Workforce Training Programs that are registered with the Department of Labor (DOL).
3. The Prime Contractor made Good Faith Efforts (as defined in Par. 4) to satisfy this 30% hiring requirement and [ ] was able to do so OR [ ] was unable to do so because: (Please choose A, B, or both, whichever applies):

A. There were no DOL-registered apprenticeship programs in all or some construction trades relevant to this project. Those trades are listed below or attached to this Certification.


B. The following statements apply to the subcontractors I notified: (Please Check All that Apply)

- ☐ Subcontractors solicited were not competitive.
- ☐ Subcontractors solicited did not respond.
- ☐ Subcontractors solicited were unavailable for one or more trades.

4. I understand that "Good Faith Efforts," at a minimum, means the Prime Contractor has done, and is able to provide documentation that it has done, the following:

A. Reviewed the list of DOL-registered Apprenticeship Programs located in Texas provided by the Contract Compliance Program to find programs that offer training in construction trades relevant to this Project.

B. Contacted other workforce training programs such as on-the-job training programs sponsored by industry associations or educational institutions in an effort to identify subcontractors who hire from such programs.

C. Shared information about the Prime Contractor's experience using workers who are enrolled in or have completed other workforce training programs. If the Prime Contractor has not collected such information prior to the date of this Project, the Prime Contractor will cooperate with the Contract Compliance Program staff in their efforts to collect this type of information during construction of the Project.

5. The information provided in this Workforce Training Program Certification is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Exhibit "H-4" to Financing Agreement**  
**Travis County Contract Compliance Program**  
***Employee Classification Certification***  
***(Prime Contractor)***

***This Employee Classification Certification (Prime Contractor) must be submitted to Travis County by the Owner (or, at the Owner's option, by the Owner's prime contractors), before construction work commences on any Authorized Improvement for which the Owner will seek reimbursement.***

**Project Title:**

**Name:**

**Title:**

**Business Name:**

**County of Prime Contractor:**

**STATE OF TEXAS**

I, \_\_\_\_\_, certify that:

1. I am the \_\_\_\_\_ (position) of \_\_\_\_\_ ("Prime Contractor") and have the authority to execute this Employee Classification Certification on behalf of Prime Contractor.
2. To the best of my knowledge, information and belief, each worker performing work on the project on behalf of Prime Contractor is properly classified under all applicable state and federal laws, including all laws concerning workers compensation insurance coverage, unemployment taxes, Social Security taxes, and income taxes as either (A) an employee or (B) an independent contractor.
3. The information provided in this Employee Classification Certification is true, correct and accurately reflects all employee classification information pertaining to workers performing work on the project on behalf of Prime Contractor.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Exhibit "H-5" to Financing Agreement**  
**Travis County Contract Compliance Program**  
***Apprentice Designation Certification***  
***(Prime Contractor)***

***This Apprentice Designation Certification (Prime Contractor) must be provided to Travis County by the Owner (or, at the Owner's option, by the Owner's prime contractors) before construction work commences on any Authorized Improvement for which the Owner will seek reimbursement.***

**Name:**

**Title:**

**Business Name:**

**Business Address:**

**County of Prime Contractor:**

**STATE OF TEXAS**

I, \_\_\_\_\_, certify that:

1. I am the \_\_\_\_\_ (position) of \_\_\_\_\_ ("Prime Contractor") and have the authority to execute this Apprentice Designation Certification on behalf of Prime Contractor.
2. [Place an "X" in the appropriate box]

- ☐ All apprentices employed on this construction project meet the following definition in accordance with 29 C.F.R. §5.2(n)(1):

"(1) Apprentice means (i) a person employed and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Bureau, or (ii) a person in the first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice."

OR

- ☐ To the best of my knowledge and belief, no construction workers employed on this Project are "apprentices" meeting the above definition.

3. The information provided in this Apprentice Designation Certification is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Exhibit "H-6" to Financing Agreement**  
**Travis County Contract Compliance Program**  
**OSHA Training Certification**  
**(Prime Contractor)**

*This OSHA Training Certification (Prime Contractor) must be provided to Travis County by the Owner (or, at the Owner's option, by the Owner's prime contractors) before construction work commences on any Authorized Improvement for which the Owner will seek reimbursement.*

**Project Title:**

**Name:**

**Title:**

**Business Name:**

**County of Prime Contractor:**

**STATE OF TEXAS**

I, \_\_\_\_\_, certify that:

1. I am the \_\_\_\_\_ (position) of \_\_\_\_\_ ("Prime Contractor") and have the authority to execute this OSHA Training Certification on behalf of Prime Contractor.
2. To the best of my knowledge, information and belief, all workers performing work on the project on behalf of Prime Contractor have received OSHA 10-hour safety training and all project safety managers or supervisors have received OSHA 30-hour safety training.
3. The information provided in this OSHA Training Certification is true, correct, and accurately reflects all OSHA training received by workers and safety managers or supervisors performing work on the project on behalf of Prime Contractor.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Exhibit "H-7" to Financing Agreement**  
**Travis County Contract Compliance Program**  
**OSHA 300/300A Certification**  
**(Prime Contractor)**

*If applicable, this OSHA 300/300A Certification (Prime Contractor) must be provided to Travis County by the PID Developer (or, at the PID Developer's option, by its prime contractors) before construction work commences on any Authorized Improvement for which the Owner will seek reimbursement.*

**Project Title:**

**Name:**

**Title:**

**Date:**

**Business Name:**

**County of Prime Contractor:**

**STATE OF TEXAS**

I, \_\_\_\_\_, certify that:

1. I am the \_\_\_\_\_ (position) of \_\_\_\_\_ ("Prime Contractor") and have the authority to execute this statement on behalf of Prime Contractor.
2. Prime Contractor is exempt from submitting OSHA 300 Logs and OSHA 300A Summaries for the previous three (3) years because Prime Contractor has been legally incorporated for thirty-six (36) months or less. Prime Contractor was legally incorporated on \_\_\_\_\_, \_\_\_\_\_ in the State of \_\_\_\_\_.
3. The information provided in this OSHA 300/300A Certification is true and correct.

\_\_\_\_\_  
Signature

**Exhibit “H-8” to Financing Agreement**  
**Travis County Contract Compliance Program**  
***Subcontractor Certifications***  
***Bella Fortuna PID***

The Public Improvement District (PID) Developer must cause its Prime Contractors to require their selected subcontractors to complete the following certifications. These certifications derive directly from the Travis County PID Policy (Chapter 481 of the Travis County Code) and must be submitted before construction work commences on any Authorized Improvement for which the Owner will seek reimbursement:

1. [Employee Classification Certification](#)
2. [Apprentice Designation Certification](#)
3. [OSHA Training Certification](#)

The Prime Contractor must also cause its selected subcontractors to provide:

1. A site-specific OSHA-compliant Safety and Health Plan
2. All OSHA 300 and 300A Logs and Summaries for the previous three years for all of their jobsites

If the subcontractor’s business entity has not been in existence for 3 years, the subcontractor must submit the [OSHA 300/300A Certification](#).

**Exhibit "H-9" to Financing Agreement**  
**Travis County Contract Compliance Program**  
***Employee Classification Certification***  
***(Subcontractor)***

*This Employee Classification Certification (Subcontractor) must be submitted to Travis County by the PID Developer (or, at the PID Developer's option, by its prime contractors) before construction work commences on any Authorized Improvement for which the Owner will seek reimbursement.*

**Project Title:**

**Name:**

**Title:**

**Business Name:**

**County of Subcontractor:**

**STATE OF TEXAS**

I, \_\_\_\_\_, certify that:

1. I am the \_\_\_\_\_ (position) of \_\_\_\_\_ ("Subcontractor") and have the authority to execute this Employee Classification Certification on behalf of Subcontractor.
2. To the best of my knowledge, information and belief, each worker performing work on the project on behalf of Subcontractor is properly classified under all applicable state and federal laws, including all laws concerning workers compensation insurance coverage, unemployment taxes, Social Security taxes, and income taxes as either (A) an employee or (B) an independent contractor.
3. The information provided in this Employee Classification Certification is true, correct, and accurately reflects all employee classification information pertaining to workers performing work on the project on behalf of Subcontractor.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Exhibit "H-10" to Financing Agreement**  
**Travis County Contract Compliance Program**  
***Apprentice Designation Certification***  
***(Subcontractor)***

***This Apprentice Designation Certification (Subcontractor) must be provided to Travis County by the PID Developer (or, at the PID Developer's option, by its prime contractors) before construction work commences on any Authorized Improvement for which the Owner will seek reimbursement.***

**Name of Subcontractor:**

**Title:**

**Business Name:**

**Business Address:**

**County of Subcontractor: Travis**

**STATE OF TEXAS**

I, \_\_\_\_\_, certify that:

1. I am the \_\_\_\_\_ (position) of \_\_\_\_\_ ("Subcontractor") and have the authority to execute this Apprentice Designation Certification on behalf of Subcontractor.
2. [Place an "X" in the appropriate box]  
☐ All apprentices employed on this construction project meet the following definition in accordance with 29 C.F.R. §5.2(n)(1):

“(1) Apprentice means (i) a person employed and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Bureau, or (ii) a person in the first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.”

OR

- ☐ To the best of my knowledge and belief, no construction workers employed on this Project are “apprentices” meeting the above definition.

3. The information provided in this Apprentice Designation Certification is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Exhibit "H-11" to Financing Agreement**  
**Travis County Contract Compliance Program**  
**OSHA Training Certification**  
**(Subcontractor)**

*This OSHA Training Certification (Subcontractor) must be provided to Travis County by the PID Developer (or, at the PID Developer's option, by its prime contractors) before construction work commences on any Authorized Improvement for which the Owner will seek reimbursement.*

**Project Title:**

**Name:**

**Title:**

**Business Name:**

**County of Subcontractor:**

**STATE OF TEXAS**

I, \_\_\_\_\_, certify that:

1. I am the \_\_\_\_\_ (position) of \_\_\_\_\_ ("Subcontractor") and have the authority to execute this OSHA Training Certification on behalf of Subcontractor.
2. To the best of my knowledge, information and belief, all workers performing work on the project on behalf of Subcontractor have received OSHA 10-hour safety training and all project safety managers or supervisors have received OSHA 30-hour safety training.
3. The information provided in this OSHA Training Certification is true, correct and accurately reflects all OSHA training received by workers and safety managers or supervisors performing work on the project on behalf of Subcontractor.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Exhibit "H-12" to Financing Agreement**  
**Travis County Contract Compliance Program**  
**OSHA 300/300A Certification**  
**(Subcontractor)**

*If applicable, this OSHA 300/300A Certification (Subcontractor) must be provided to Travis County by the PID Developer (or, at the PID Developer's option, by its prime contractors) before construction work commences on any Authorized Improvement for which the Owner will seek reimbursement.*

**Project Title:**

**Name:**

**Title:**

**Date:**

**Business Name:**

**County of Subcontractor:**

**STATE OF TEXAS**

I, \_\_\_\_\_, certify that:

1. I am the \_\_\_\_\_ (position) of \_\_\_\_\_ ("Subcontractor") and have the authority to execute this statement on behalf of Subcontractor.
2. Subcontractor is exempt from submitting OSHA 300 Logs and OSHA 300A Summaries for the previous three (3) years because Subcontracting Entity has been legally incorporated for thirty-six (36) months or less. Subcontractor was legally incorporated on \_\_\_\_\_, \_\_\_\_\_ in the State of \_\_\_\_\_.
3. The information provided in this OSHA 300/300A Certification is true and correct.

\_\_\_\_\_  
Signature

**Exhibit “I” to Financing Agreement  
Form of Service and Assessment Plan**

# Bella Fortuna Public Improvement District

---

FORM OF SERVICE AND ASSESSMENT PLAN  
MAY 20, 2019



AUSTIN, TX | KELLER, TX

## TABLE OF CONTENTS

Table of Contents .....	1
Introduction .....	2
Section I: Definitions .....	3
Section II: The District .....	8
Section III: Authorized Improvements .....	9
Section IV: Service Plan .....	10
Section V: Assessment Plan .....	11
Section VI: Terms of the Assessments .....	13
Section VII: Assessment Roll .....	17
Section VIII: Additional Provisions .....	17
Exhibits .....	19
Exhibit A – District Legal Description .....	20
Exhibit B – District Boundary Map .....	24
Exhibit C – Allocation of Authorized Improvements .....	25
Exhibit D – Service Plan .....	26
Exhibit E – Sources and Uses of Funds .....	27
Exhibit F – Assessment Roll .....	28
Exhibit G – Annual Installments .....	29
Exhibit H – Maps Depicting Authorized Improvements .....	30
Exhibit I – Form of Notice of PID Assessment Termination .....	35
Exhibit J – Form of Funding Agreement .....	38

## INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section” or an “Exhibit” shall be a reference to a Section of this Service and Assessment Plan or an Exhibit attached to and made a part of this Service and Assessment Plan for all purposes.

On October 31, 2017, the County passed and approved a resolution authorizing the establishment of the District in accordance with the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 158.2 acres located entirely within the County and the extraterritorial jurisdiction of the City of Austin, Texas, as described by metes and bounds on **Exhibit A** and depicted on **Exhibit B**.

The PID Act requires a Service Plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements. The Service Plan is contained in **Section IV**.

The PID Act requires that the Service Plan include an assessment plan that assesses the Actual Costs of the Authorized Improvements against the District based on the special benefits conferred on the District by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Assessed Property determined by the method chosen by the Commissioners Court. The Assessment against each Assessed Property must be sufficient to pay the share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized Improvements. The Assessment Roll is included as **Exhibit F**.

The PID Act permits the Commissioners Court to enter into an agreement with a corporation created by the County under the Texas Constitution or other law that provides for payment of amounts that may be pledged under the PID Act to such corporation to secure indebtedness issued by the corporation to finance an improvement project, including indebtedness to pay capitalized interest and a reserve fund permitted by the PID Act for contract assessment revenue bonds issued pursuant to the PID Act and indebtedness to pay the corporation’s costs of issuance. Pursuant to the LGC Act, the County has created the TCDA to aid, assist and act on behalf of the County in the performance of the County’s general functions, including but not limited to managing public improvement districts created by the County under the PID Act. Pursuant to the PID Act and the LGC Act, the County intends to enter into a Funding Agreement with the TCDA

for the transfer of Assessment Revenues to the TCDA for the payment of indebtedness issued by the TCDA to finance the costs of the Authorized Improvements.

## SECTION I: DEFINITIONS

**“Actual Costs”** means, with respect to each Authorized Improvement, the Owner’s demonstrated, reasonable, allocable, and allowable costs of constructing the Authorized Improvement, as specified in a payment request in a form that has been reviewed and approved by the County or the TCDA and in an amount not to exceed the amount for the Authorized Improvement as set forth in the Service and Assessment Plan. Actual Costs may include:

- (1) the costs incurred by or on behalf of the Owner (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction, and/or implementation of the Authorized Improvement,
- (2) the fees paid for obtaining permits, licenses or other governmental approvals for the Authorized Improvement,
- (3) Construction Management Fees,
- (4) the costs incurred by or on behalf of the Owner 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,
- (5) all labor, bonds and materials, including equipment and fixtures, by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvements, and
- (6) all related permitting and public approval expenses, architectural, engineering, and consulting fees, taxes, governmental fees and charges, insurance premiums, and all payments for Annual Collection Costs after the date of a resolution authorizing such reimbursement.

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

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

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

**“Annual Collection Costs”** mean the actual or budgeted costs and expenses related to the creation and operation of the District, the issuance and sale of PID Bonds, and the construction, operation, and maintenance of the Authorized Improvements, including, but not limited to, costs and expenses for:

- (1) the Administrator;
- (2) County staff;
- (3) TCDA staff;
- (4) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the County and TCDA;
- (5) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments;
- (6) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates;
- (7) issuing, paying, and redeeming PID Bonds;
- (8) investing or depositing Assessments and Annual Installments;
- (9) complying with this Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements;
- (10) the paying agent/registrar and Bond Trustee in connection with PID Bonds, including their respective legal counsel; and
- (11) administering the construction of the Authorized Improvements.

**“Annual Installment”** means the annual installment payment on the Assessment as calculated by the Administrator and approved by the Commissioners Court, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

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

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

**“Assessment”** means an assessment levied against a Parcel within the District and imposed pursuant to an Assessment Order and the provisions herein of this Service and Assessment Plan, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act.

**“Assessment Order”** means an order adopted by the Commissioners Court in accordance with the PID Act that levies an Assessment.

**“Assessment Plan”** assesses the Actual Costs of the Authorized Improvements against the District based on the special benefits conferred on the District by the Authorized Improvements, more specifically described in **Section V**.

**“Assessment Revenues”** means money collected by or on behalf of the County from any one or more of the following: (1) a Assessment levied against the Assessed Property as defined in the Service and Assessment Plan, or Annual Installment payment thereof, including any interest on such Assessment or Annual Installment thereof during any period of delinquency, (2) a Prepayment, (3) Delinquent Collection Costs (as defined in the Indenture), and (4) Foreclosure Proceeds (as defined in the Indenture).

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

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

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

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

**“Commissioners Court”** means the governing body of the County.

**“Construction Costs”** means the actual cost for a selected construction contractor to construct an Authorized Improvement, excluding Preconstruction Costs, Contract Management Fees, and Non-Eligible Costs.

**“Construction Management Fee”** means the costs, incurred by or on behalf of Owner or a third party construction manager, for general oversight of preconstruction and construction of an Authorized Improvement, including testing and materials, inspection, quality assurance/quality control, permitting, change order and claim investigations and resolutions, warranty period monitoring and reporting of deficiencies, and other construction management services and is equal to four percent of Construction Costs.

**“Contract Assessment Revenues”** means the Assessment Revenues required to be paid by the County to the TCDA pursuant to the provisions of a Funding Agreement for deposit into a segregated fund held by the TCDA Depository Bank for the payment of the Actual Costs of Authorized Improvements, and, when PID Bonds are issued, transferred to the Bond Trustee for the payment of the PID Bonds as provided in the Indenture.

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

**“Delinquent Collection Costs”** means costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

**“District”** means this Bella Fortuna Public Improvement District containing approximately 158.2 acres located within the County and the extraterritorial jurisdiction of the City, more specifically described in **Exhibit A** and shown on **Exhibit B**.

**“District Formation and Bond Issuance Costs”** means the costs associated with forming the District and issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, County costs, capitalized interest, reserve fund requirements, 1<sup>st</sup> year District administration reserves, underwriter discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the establishment of the District and/or the issuance of PID Bonds.

**“Eligible Costs”** means those costs determined by the County to be reasonably necessary to survey, design, permit, investigate, and construct an Authorized Improvement. Eligible Costs for an Authorized Improvement consist of Preconstruction Costs, Construction Costs, and the Construction Management Fee.

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

**“Funding Agreement”** means any Funding Agreement by and between the County and the TCDA under which the County will make or cause to be made payments of Assessment Revenues to the TCDA who will deposit such revenues in a segregated fund held by the TCDA Depository Bank to be used to (i) reimburse the Owner for Actual Costs of the Authorized Improvements paid by the Owner or, (ii) transferred, if PID Bonds are issued, to the Bond Trustee under the Indenture for the payment of PID Bonds.

**“Initial Parcel”** means all of the area within the District as generally described by metes and bounds in **Exhibit A** and shown on the map on **Exhibit B**, consisting of approximately 158.2 acres.

**“Indenture”** means an Indenture of Trust entered into in connection with the issuance of PID Bonds, as amended from time to time, between the TCDA and a Bond Trustee setting forth terms and conditions related to PID Bonds.

**“LGC Act”** means subchapter D of Chapter 431, Texas Transportation Code, as amended.

**“Lot”** means (1) for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision

plat, and (2) for any portion of the District for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat.

**“Lot Type”** means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multi-family, single family residential, etc.), as determined by the Administrator and confirmed by the Commissioners Court. In the case of single family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the estimated buildout value of the Lot as determined by the Administrator and confirmed by the Commissioners Court.

**“Maximum Assessment”** means, for each Lot Type, an Assessment equal to the lesser of: (1) the amount calculated pursuant to **Section VI.A**, and (2) an amount that produces an average Annual Installment resulting in the Maximum Equivalent Tax Rate. The Maximum Assessment shall be calculated for Parcels whose Assessments are securing the PID Bonds at the time a final plat is filed.

**“Maximum Equivalent Tax Rate”** means, for each Lot Type, \$1.00 per \$100 of estimated buildout value. The estimated buildout value for a Lot Type shall be determined by the Administrator and confirmed by the Commissioners Court by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other information that may help determine assessed value.

**“Non-Benefited Property”** means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements. Property is identified as Non-Benefitted Property at the time the Assessments (1) are imposed or (2) are reallocated pursuant to a subdivision of a Parcel that is not assessed.

**“Non-Eligible Costs”** means the cost of improvements that are not Actual Costs.

**“Owner”** means Views at Onion Creek, LP, a Texas limited partnership, and any successor owner of property in the District or any portion thereof.

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

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

**“PID Bonds”** mean contract assessment revenue bonds issued by the TCDA on behalf of the County that are secured by the trust estate established under an Indenture consisting primarily of the Contract Assessment Revenues.

**“Preconstruction Costs”** means those costs determined by the County to be reasonably necessary to complete the engineering, geotechnical, environmental, survey, utility adjustment, right-of-way-acquisition, submittal fees, recording fees, inspection fees, stormwater pollution prevention plan costs, and similar costs and services that are required before construction of an Authorized Improvement can begin.

**“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.

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

**“Public Property”** means real property, whether conveyed or dedicated in fee simple, as an easement, license, or otherwise, to the Federal Government, to the County, to the City, or to any other political subdivision, public or government agency, or public utility.

**“Service and Assessment Plan”** means this Service and Assessment Plan as amended from time to time.

**“Service Plan”** covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements.

**“TCDA”** means Travis County Development Authority, a local government corporation organized under subchapter D of Chapter 431 of the Texas Transportation Code, its successors and assigns.

**“TCDA Depository Bank”** means the depository bank, with trust powers, selected by TCDA.

## SECTION II: THE DISTRICT

The District includes approximately 158.2 contiguous acres located within the County and the extraterritorial jurisdiction of the City, as more particularly described by metes and bounds on **Exhibit A** and depicted on **Exhibit B**. Development of the District is anticipated to include approximately 465 single-family homes and 26,136 square feet of commercial space.

### SECTION III: AUTHORIZED IMPROVEMENTS

The Commissioners Court, based on information provided by the Owner and its engineer and after review by the County staff and third-party consultants retained by the County and TCDA, determined that the Authorized Improvements confer a special benefit on the Assessed Property. The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit C**.

- *Water Quality and Detention Ponds*

The District is located within the Onion Creek watershed. The storm water detention facilities for the District will be reviewed and approved by the Travis County Transportation and Natural Resources Department and/or the City. The City has committed to maintaining the ponds within the District.

- *Offsite Wastewater*

Includes approximately 6,100 linear feet of wastewater main from the Rinard Creek 30-inch tunnel to the southernmost intersection of the Pleasant Valley Road project and Bradshaw Road. Wastewater service will be provided by Austin Water Utility. The main may be oversized to serve the City's projected development of the entire sewer shed and will provide for connection of future development in the sewer shed to the wastewater main installed by the Owner. Any oversizing requested by the City will be paid for by the Owner. The District will not be responsible for any costs related to any oversizing, such as engineering, project management, and construction costs.

- *Bella Fortuna Drive*

Includes approximately 2,400 linear feet of collector road that runs east and west through the District. This collector road is accessible to all the District and creates ingress and egress to future Pleasant Valley Road as well as a future connection to the existing IH-35 access road.

- *Bella Fortuna Drive Waterline*

Includes an approximately 2,100 linear feet of 16-inch waterline located in Bella Fortuna Drive. This waterline connects to the City's 42-inch waterline already in place and is the backbone of water service to the community. The future connection of this waterline to the City's waterline adjacent to the IH-35 access road will create a secondary source of water for the District.

- *Parks & Trails*

Includes approximately 10,600 linear feet of 10-foot-wide concrete hike and bike trails

and two neighborhood parks. All trails and parks to be constructed will be open to the public.

#### **A. District Formation and 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 amount required under an Indenture in connection with the issuance of PID Bonds.

- *Underwriter's Discount*

Equals a percentage of the par amount of PID Bonds to compensate the underwriter and pay the fees of the underwriter's legal counsel.

- *Cost of Issuance*

Includes costs of issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, County costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

- *District Formation*

Includes 1<sup>st</sup> year District administration reserves, costs and expenses directly associated with forming the District.

### **SECTION IV: SERVICE PLAN**

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan must be reviewed and updated, at least annually, and approved by the Commissioners Court. **Exhibit D** summarizes the Service Plan for the District.

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

## SECTION V: ASSESSMENT PLAN

The PID Act allows the Commissioners Court to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the Commissioners Court, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the Commissioners Court that results in imposing equal shares of such costs on property that is similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality or the County and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The determination by the Commissioners Court of the assessment methodologies set forth below is the result of the discretionary exercise by the Commissioners Court of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners and developers of the Assessed Property.

### A. Assessment Methodology

The Commissioners Court, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the County staff and by third-party consultants retained by the County, has determined that the Authorized Improvements shall be allocated entirely to the Initial Parcel.

### B. Assessments

Assessments will be levied on the Initial Parcel as shown on the Assessment Roll, attached hereto as **Exhibit F**. The projected Annual Installments are shown on **Exhibit G**. Upon subdivision of the Initial Parcel by final plat, Assessments will be reallocated pursuant to **Section VI**.

### C. Findings of Special Benefit

The Commissioners Court, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the County staff and by third-party consultants retained by County or TCDA, has found and determined:

1. The Authorized Improvements plus District Formation and Bond Issuance Costs equal \$8,912,022 as shown on **Exhibit C**; and
2. The Assessed Property receives special benefit from the Authorized Improvements equal to or greater than the Actual Cost of the Authorized Improvements; and

3. The Initial Parcel will be allocated 100% of the Assessments levied for the Authorized Improvements, which equal \$8,910,000 as shown on the Assessment Roll attached hereto as **Exhibit F**;
4. The special benefit ( $\geq \$8,912,022$ ) received by the Initial Parcel from the Authorized Improvements is equal or greater than the amount of the Assessments (\$8,910,000) levied on the Initial Parcel for the Authorized Improvements; and
5. At the time the Commissioners Court approved the Service and Assessment Plan, the Owner owned 100% of the Initial Parcel. The Owner has acknowledged that the Authorized Improvements confer a special benefit on the Initial Parcel and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Owner has ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the Commissioners Court as to the special benefits described herein and the Assessment Order; (2) the Service and Assessment Plan and the Assessment Order, and (3) the levying of Assessments on the Assessed Property.

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

The Annual Collection Costs shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

#### **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. Additional Interest shall be collected as part of each Annual Installment and shall be deposited into a reserve account and segregated from other funds of the County or TCDA, as applicable, pursuant to the Indenture.

#### **F. Funding Agreements**

Concurrently, with the adoption of this Service and Assessment Plan, the County and TCDA will enter into a Funding Agreement substantially in the form attached to this Service and Assessment Plan as **Exhibit J**, under which the County will make or cause to be made payments of Contract Assessment Revenues to the TCDA, which will deposit such revenues to (i) reimburse the Owner for Actual Costs of the Authorized Improvements paid by the Owner or, (ii) transferred, if PID Bonds are issued, to the Bond Trustee under the Indenture for the payment of PID Bonds.

## SECTION VI: TERMS OF THE ASSESSMENTS

### A. Reallocation of Assessments

#### 1. *Upon Division Prior to Recording of Subdivision Plat*

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

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

The calculation of the buildout value of an Assessed Property shall be performed by the Administrator based on information from the Owner, 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 Commissioners Court 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 update to this Service and Assessment Plan approved by the Commissioners Court.

#### 2. *Upon Subdivision by a Recorded Subdivision Plat*

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the estimated 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 Owner shall provide the County 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 Commissioners Court based on information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

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

### *3. Upon Consolidation*

If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the Commissioners Court in the next Annual Service Plan Update.

## **B. True-Up of Assessments if Maximum Assessment Exceeded**

If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the Maximum Assessment, the Owner must partially prepay the Assessment for each Assessed Property that exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

## **C. Mandatory Prepayment of Assessments**

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the Administrator the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the

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

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

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, the Commissioners Court shall reduce each Assessment on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs. Excess PID Bond proceeds shall be applied to redeem outstanding PID Bonds. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update and submit to the Commissioners Court for review and approval as part of the next Annual Service Plan Update, the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

#### **E. Prepayment of Assessments**

The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from the Additional Interest Reserve. If an Annual Installment has been billed prior to the prepayment, the Annual Installment shall be due and payable and shall be credited against the prepayment.

If an Assessment is paid in full, with interest through the prepayment date: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the Commissioners Court as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the County shall provide the owner with a recordable "Notice of PID Assessment Termination" a form of which is attached as **Exhibit I**.

If an Assessment is paid in part, with interest through the prepayment date: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the Commissioners Court as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced.

## **F. Payment of Assessment in Annual Installments**

**Exhibit G** shows the estimated Annual Installments. Assessments that are not paid in full shall be due and payable in Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the Commissioners Court for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated equally among Parcels for which the Assessments remain unpaid. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Bond Trustee for such purposes. Annual Installments shall be collected by the County in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the County. The Commissioners Court may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay the non-delinquent Annual Installments as they become due and payable.

The County reserves the right to consent to and to authorize TCDA to refund PID Bonds in accordance with the PID Act. In the event of a refunding of outstanding contract assessment revenue bonds previously issued by the TCDA, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the debt service on refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the PID Bonds shall be due when billed and shall be delinquent if not paid prior to February 1, 2020.

## **SECTION VII: ASSESSMENT ROLL**

The Assessment Roll is attached as **Exhibit F**. The Administrator shall prepare, and submit to the Commissioners Court for review and approval, proposed revisions to the Assessment Roll and Annual Installments for each Parcel as part of each Annual Service Plan Update.

## **SECTION VIII: ADDITIONAL PROVISIONS**

### **A. Calculation Errors**

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1<sup>st</sup> of each year following Commissioners Court approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the Commissioners Court and the owner within 30 days of such referral. The Commissioners Court shall consider the owner's notice of error and the Administrator's response at a meeting of the Commissioners Court, and within 30 days after closing such hearing, the Commissioners Court shall make a final determination as to whether or not an error has been made. If the Commissioners Court determines that an error has been made, the Commissioners Court shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the Assessment Order, or the Indenture, or is otherwise authorized by the discretionary power of the Commissioners Court. The determination by the Commissioners Court as to whether an error has been made, and any corrective action taken by the Commissioners Court, shall be final and binding on the owner and the Administrator.

### **B. Amendments**

Amendments to this Service and Assessment Plan may be made only by the Commissioners Court in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

### **C. Administration and Interpretation**

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the TCDA; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the Commissioners Court by owners or developers adversely affected by the interpretation. Appeals shall be decided by the Commissioners Court after holding a meeting of the Commissioners Court at which all interested parties have an opportunity to be heard. Decisions by the Commissioners Court shall be final and binding on the owners and developers and their successors and assigns.

#### **D. Concurrence and Approval by TCDA**

The TCDA has concurred in and approved the findings and determinations by the Commissioners Court as set forth in this Service and Assessment Plan and has otherwise concurred in and approved this Service and Assessment Plan and the levy of Assessments against the Assessed Property.

#### **E. Severability**

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

## EXHIBITS

The following Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

<b>Exhibit A</b>	District Legal Description
<b>Exhibit B</b>	District Boundary Map
<b>Exhibit C</b>	Allocation of Authorized Improvements
<b>Exhibit D</b>	Service Plan
<b>Exhibit E</b>	Sources and Uses of Funds
<b>Exhibit F</b>	Assessment Roll
<b>Exhibit G</b>	Annual Installments
<b>Exhibit H</b>	Maps Depicting Authorized Improvements
<b>Exhibit I</b>	Form of Notice of PID Assessment Termination
<b>Exhibit J</b>	Form of Funding Agreement

## EXHIBIT A – DISTRICT LEGAL DESCRIPTION

### DESCRIPTION

For a 158.2-Acre [6,889,825 Square Feet]  
Tract

**BEING A 158.2-ACRE [6,889,825 SQUARE FEET] TRACT OUT OF THE SANTIAGO DEL VALLE 10-LEAGUE GRANT, ABSTRACT NUMBER 24, TRAVIS COUNTY, TEXAS, SAID TRACT BEING A REMAINDER PORTION OF THAT CALLED 164-ACRE TRACT CONVEYED BY DEED TO JOHN MICHAEL BURATTI IN VOLUME 5393, PAGE 1594 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS [D.R.T.C.T.] AND DAVEY LEWIS BURATTI IN VOLUME 3944, PAGE 560 D.R.T.C.T., SAID REMAINDER TRACT BEING FURTHER DESCRIBED AS "FIRST TRACT", THAT CALLED 100-ACRE TRACT, AND "SECOND TRACT" THAT CALLED 110-ACRE TRACT, IN VOLUME 333, PAGE 415 D.R.T.C.T, SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:**

**BEGINNING** at a 1/2-inch rod found for an angle point in the west right-of-way line of Bradshaw Road, a varying width right-of-way, no record information found, same being an angle point in the east line of Onion Creek Addition, a subdivision according to the plat of record in Volume 93, Page 230 of the Plat Records of Travis County, Texas, and the north corner of said 164-acre tract and the north corner of the tract described herein;

**THENCE** with said west right-of-way line of Bradshaw Road, same being the northeast line of said 164-acre tract, the following three courses and distances:

- 1) South 61°04'16" East, a distance of 1,196.10 feet to a 1/2-inch iron rod found for a point of curvature of a tangent circular curve to the right,
- 2) With the arc of said curve to the right a distance of 448.29 feet, said curve having a radius of 291.64 feet, a central angle of 88°04'20" and a chord bearing South 17°02'06" East, a distance of 405.44 feet to a 1/2-inch iron rod found for a point of tangency, and
- 3) South 27°04'05" West, a distance of 2,486.42 feet to a 1/2-inch iron rod with cap marked "DOUCET" found in the north line of that tract to HFH Investments LP (no record information found) further described as "Tract B1-B2-B3-, Heep Ranch" in "Exhibit D", that called 449.05-acre tract to Turnersville Development, LTD as recorded in Document Number 2000089761 of the Official Public Records of Travis County, Texas [O.P.R.T.C.T.], for the south corner of said 164-acre tract and the south corner of the tract described herein;

**THENCE** leaving said west right-of-way line of Bradshaw Road, with said north line of said 449.05-acre tract, same being the south line of said 164-acre tract, the following three (3) courses and distances:

- 1) North 66°06'26" West, a distance of 955.00 feet to a 1/2-inch iron rod found,
- 2) North 60°13'39" West, a distance of 192.85 feet to a 1/2-inch iron rod found, and
- 3) North 59°58'39" West, a distance of 350.54 feet to a point in the center of a dry creek for the east corner of that called 254.90-acre tract conveyed by deed to Spillmann Properties, LTD., as recorded in Document Number 2009124581 O.P.R.T.C.T., same being the southwest corner of said 164-acre tract, the southwest corner of the tract described herein, and the southerly terminus of a Boundary Line Agreement as recorded in Document Number 1999116083 O.P.R.T.C.T.;

**THENCE** with the west line of said 164-acre tract, same being the east line of said 254.90-acre tract and the common line of the Boundary Line Agreement, the following sixty-three (63) courses and distances:

- 1) North 47°05'54" West, a distance of 78.10 feet to a point,
- 2) North 0°51'53" West, a distance of 101.25 feet to a point,
- 3) North 53°01'53" West, a distance of 104.40 feet to a point,
- 4) North 36°38'54" West, a distance of 91.98 feet to a point,
- 5) North 31°29'07" East, a distance of 78.25 feet to a point,
- 6) North 9°23'07" East, a distance of 32.79 feet to a point,
- 7) North 20°14'54" West, a distance of 19.79 feet to a point,
- 8) North 58°13'54" West, a distance of 49.63 feet to a point,
- 9) North 9°22'53" West, a distance of 80.15 feet to a point,
- 10) North 27°57'53" West, a distance of 113.53 feet to a point,
- 11) North 4°00'54" West, a distance of 87.58 feet to a point,
- 12) North 21°31'54" West, a distance of 118.99 feet to a point,
- 13) North 54°37'54" West, a distance of 101.05 feet to a point,
- 14) North 52°29'54" West, a distance of 105.24 feet to a point,
- 15) North 1°57'54" West, a distance of 36.53 feet to a point,
- 16) North 29°52'54" West, a distance of 78.20 feet to a point,
- 17) North 40°01'54" West, a distance of 122.77 feet to a point,
- 18) North 9°12'06" East, a distance of 33.34 feet to a point,
- 19) North 43°04'07" East, a distance of 95.84 feet to a point,
- 20) North 6°06'54" West, a distance of 99.38 feet to a point,
- 21) North 56°25'06" East, a distance of 38.00 feet to a point,
- 22) North 43°20'07" East, a distance of 70.29 feet to a point,
- 23) North 4°06'54" West, a distance of 51.59 feet to a point,
- 24) North 13°00'07" East, a distance of 101.02 feet to a point,
- 25) North 6°38'54" West, a distance of 106.12 feet to a point,
- 26) North 21°17'06" East, a distance of 47.92 feet to a point,
- 27) South 86°50'54" East, a distance of 35.80 feet to a point,

28) South 70°20'54" East, a distance of 59.23 feet to a point,  
29) South 84°51'54" East, a distance of 48.63 feet to a point,  
30) North 54°01'07" East, a distance of 125.15 feet to a point,  
31) South 72°31'54" East, a distance of 48.10 feet to a point,  
32) North 81°19'06" East, a distance of 27.37 feet to a point,  
33) North 36°41'06" East, a distance of 26.28 feet to a point,  
34) North 11°49'54" West, a distance of 31.90 feet to a point,  
35) North 31°34'32" West, a distance of 48.46 feet to a point,  
36) North 5°59'49" East, a distance of 56.71 feet to a point,  
37) North 58°06'49" East, a distance of 142.23 feet to a point,  
38) North 10°37'07" East, a distance of 43.88 feet to a point,  
39) North 22°12'54" West, a distance of 43.38 feet to a point,  
40) North 0°49'17" East, a distance of 88.63 feet to a point,  
41) North 66°56'44" West, a distance of 136.88 feet to a point,  
42) North 18°35'44" West, a distance of 30.93 feet to a point,  
43) North 49°20'16" East, a distance of 44.81 feet to a point,  
44) North 9°47'17" East, a distance of 47.82 feet to a point,  
45) North 31°15'44" West, a distance of 18.82 feet to a point,  
46) North 66°10'44" West, a distance of 76.55 feet to a point,  
47) North 36°50'00" West, a distance of 31.90 feet to a point,  
48) North 16°18'11" East, a distance of 149.85 feet to a point,  
49) North 63°55'55" East, a distance of 21.23 feet to a point,  
50) South 72°23'51" East, a distance of 40.26 feet to a point,  
51) North 68°36'17" East, a distance of 15.32 feet to a point,  
52) North 31°55'13" East, a distance of 31.78 feet to a point,  
53) North 5°19'17" East, a distance of 20.92 feet to a point,  
54) North 17°04'19" West, a distance of 54.94 feet to a point,  
55) South 88°08'49" West, a distance of 45.46 feet to a point,  
56) North 37°15'45" West, a distance of 14.17 feet to a point,  
57) North 18°37'31" East, a distance of 14.49 feet to a point,  
58) North 49°35'31" East, a distance of 22.85 feet to a point,  
59) North 63°19'31" East, a distance of 178.91 feet to a point,  
60) North 41°34'15" East, a distance of 32.32 feet to a point,  
61) North 15°30'44" West, a distance of 92.50 feet to a point,  
62) North 15°30'54" West, a distance of 43.58 feet to a point, and  
63) North 16°28'14" East, a distance of 90.12 feet to a point, in the center of Onion Creek for the northwest corner of said 164-acre tract, the northeast corner of said 254.90-acre tract and the northerly terminus of said Boundary Line Agreement, same being an angle point in the south line of that called 140.788-acre tract described as "Exhibit A-1, Tract 3" to Onion Creek Golf Group, LLC, as recorded in Document Number 2006079292 O.P.R.T.C.T.;

**THENCE** continuing with said west line of said 164-acre tract, with said south line of the 140.788-acre tract, North 59°15'14" East, a distance of 77.12 feet to the west corner of that tract described as "Exhibit A-1, Tract 1" described to Onion Creek Golf Group, LLC in said Document Number

2006079292 O.P.R.T.C.T., same being the north corner of said 164-acre tract and the north corner of the tract described herein;

**THENCE** with the south line of said Onion Creek Golf Group LLC Tract 1, with the south line of said Onion Creek Addition, same being the north line of said 164-acre tract, the following five (5) courses and distances:

- 1) South 68°18'14" East, a distance of 218.30 feet to 1/2-inch iron rod with cap marked "DOUCET" found,
- 2) South 68°06'38" East, a distance of 67.38 feet to a 1/2-inch iron rod found,
- 3) South 68°04'32" East, a distance of 538.49 feet to a 1/2-inch iron rod found,
- 4) South 68°19'16" East, a distance of 469.61 feet to a 1/2-inch iron rod found, and
- 5) North 28°35'02" East, a distance of 447.90 feet to said **POINT OF BEGINNING** of the tract described herein, and containing 158.2 acres [6,889,825 square feet].

**EXHIBIT B – DISTRICT BOUNDARY MAP**



## EXHIBIT C – ALLOCATION OF AUTHORIZED IMPROVEMENTS

	Total Costs	Bella Fortuna PID	
		%	Cost
<i>Authorized Improvements (a)</i>			
Paving	\$ 768,114	100.00%	\$ 768,114
Ponds	2,135,331	100.00%	2,135,331
Waterline	457,638	100.00%	457,638
Offsite Wastewater	2,323,338	100.00%	2,323,338
Parks & Trails	1,266,677	100.00%	1,266,677
	<u>\$ 6,951,097</u>		<u>\$ 6,951,097</u>
<i>PID Formation and Bond Issuance Costs</i>			
Debt Service Reserve Fund	624,425		624,425
Capitalized Interest	490,050		490,050
Underwriter Discount	267,300		267,300
Cost of Issuance	579,150		579,150
	<u>\$ 1,960,925</u>		<u>\$ 1,960,925</u>
<b>Total</b>	<b>\$ 8,912,022</b>		<b>\$ 8,912,022</b>

Notes:

(a) Includes contingency equal to 10% of hard costs, soft costs equal to 15% of hard costs, and a 4% construction management fee.

## EXHIBIT D – SERVICE PLAN

		Bella Fortuna PID				
Installments Due		1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024
Principal		\$ -	\$ 130,000	\$ 140,000	\$ 145,000	\$ 155,000
Interest		490,050	490,050	482,900	475,200	467,225
Capitalized Interest		(490,050)	-	-	-	-
Total Debt Service	(1)	\$ -	\$ 620,050	\$ 622,900	\$ 620,200	\$ 622,225
Annual Collection Costs		\$ 40,000	\$ 40,800	\$ 41,616	\$ 42,448	\$ 43,297
Total Annual Collection Costs	(2)	\$ 40,000	\$ 40,800	\$ 41,616	\$ 42,448	\$ 43,297
Additional Interest Reserve		\$ 44,550	\$ 44,550	\$ 43,900	\$ 43,200	\$ 42,475
Total Reserve Requirements	(3)	\$ 44,550	\$ 44,550	\$ 43,900	\$ 43,200	\$ 42,475
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 84,550	\$ 705,400	\$ 708,416	\$ 705,848	\$ 707,997

## EXHIBIT E – SOURCES AND USES OF FUNDS

Sources of Funds		
Gross Bond Amount	\$	8,910,000
Owner Contribution (a)		2,022
<b>Total Sources</b>	<b>\$</b>	<b>8,912,022</b>

Uses of Funds		
Authorized Improvements	\$	6,951,097
<i>District Formation and Bond Issuance Costs</i>		
Debt Service Reserve Fund (b)	\$	624,425
Capitalized Interest (c)		490,050
Underwriter Discount		267,300
Cost of Issuance		579,150
	\$	1,960,925
<b>Total Uses</b>	<b>\$</b>	<b>8,912,022</b>

(a) Non-reimbursable to Owner.

(b) Funded at Maximum Annual Debt Service.

(c) Capitalized Interest through \_\_\_\_\_.

## EXHIBIT F – ASSESSMENT ROLL

Parcel ID	Bella Fortuna PID	
	Outstanding Assessment	Installment Due 1/31/20
Initial Parcel	\$ 8,910,000.00	\$ 84,550.00
<b>Total</b>	<b>\$ 8,910,000.00</b>	<b>\$ 84,550.00</b>

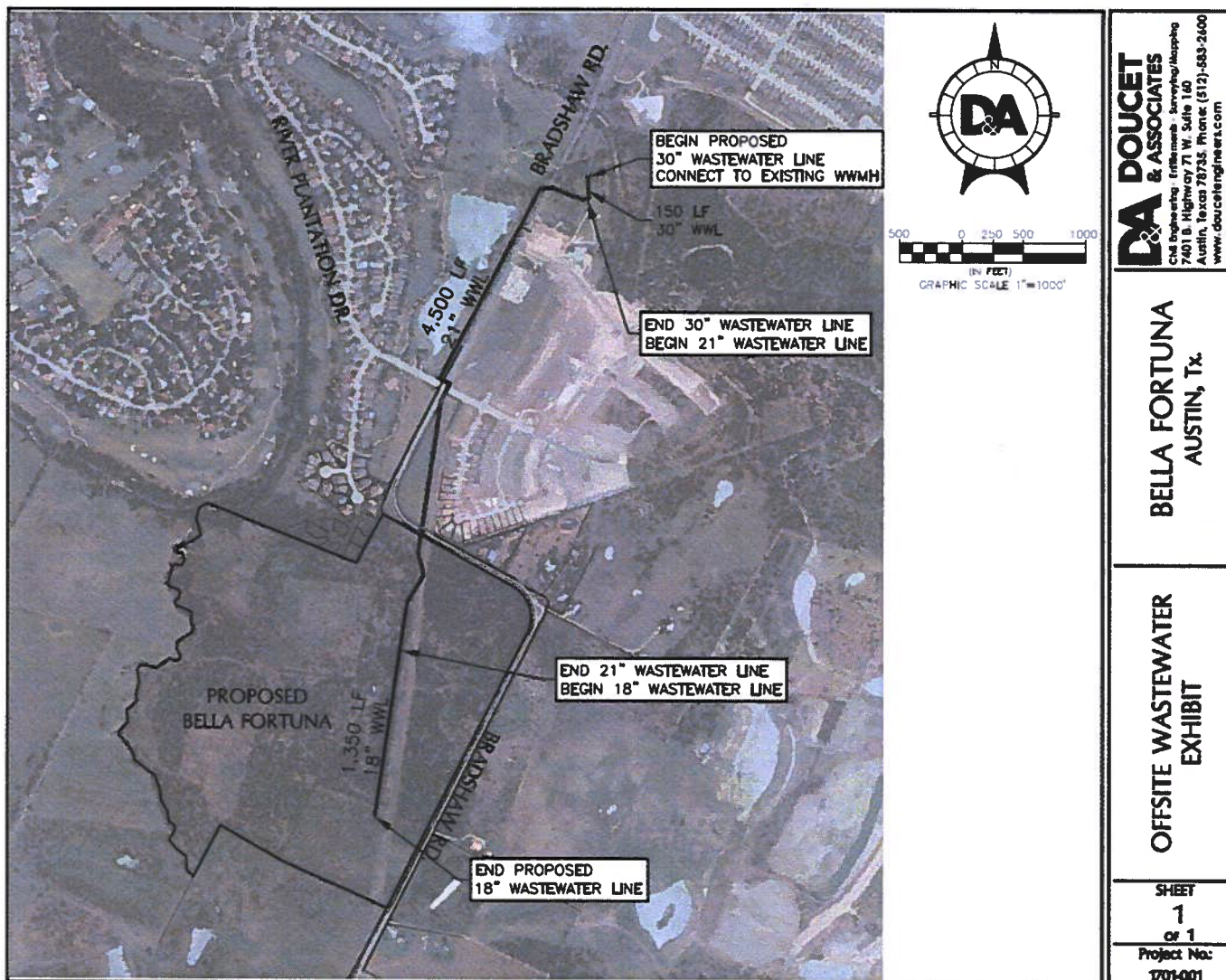
## EXHIBIT G – ANNUAL INSTALLMENTS

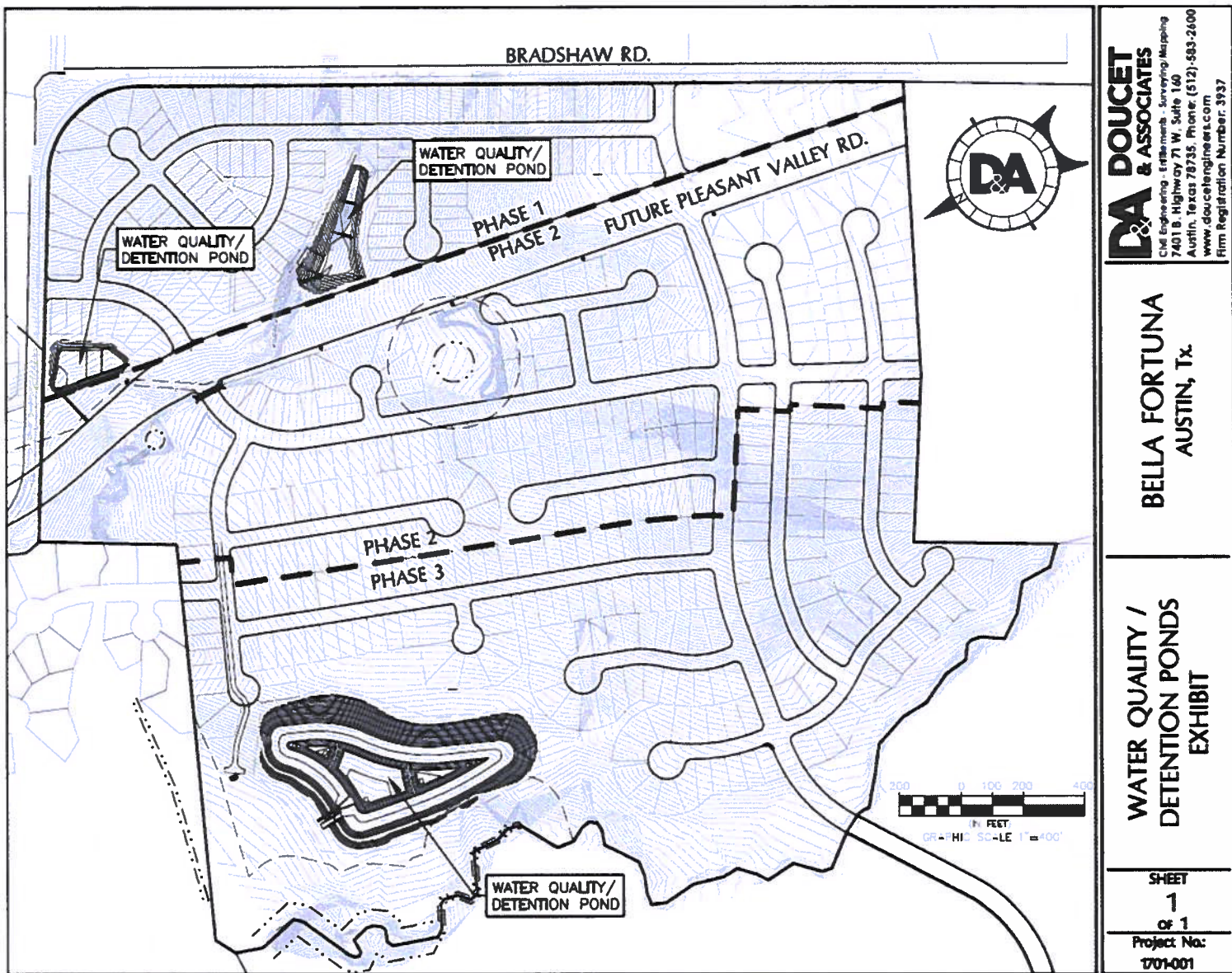
Annual Installment Due January 31,	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2020	\$ -	\$ 490,050	\$ 40,000	\$ 44,550	\$ (490,050)	\$ -	\$ 84,550
2021	\$ 130,000	\$ 490,050	\$ 40,800	\$ 44,550	\$ -	\$ -	\$ 705,400
2022	\$ 140,000	\$ 482,900	\$ 41,616	\$ 43,900	\$ -	\$ -	\$ 708,416
2023	\$ 145,000	\$ 475,200	\$ 42,448	\$ 43,200	\$ -	\$ -	\$ 705,848
2024	\$ 155,000	\$ 467,225	\$ 43,297	\$ 42,475	\$ -	\$ -	\$ 707,997
2025	\$ 165,000	\$ 458,700	\$ 44,163	\$ 41,700	\$ -	\$ -	\$ 709,563
2026	\$ 170,000	\$ 449,625	\$ 45,046	\$ 40,875	\$ -	\$ -	\$ 705,546
2027	\$ 180,000	\$ 440,275	\$ 45,947	\$ 40,025	\$ -	\$ -	\$ 706,247
2028	\$ 190,000	\$ 430,375	\$ 46,866	\$ 39,125	\$ -	\$ -	\$ 706,366
2029	\$ 200,000	\$ 419,925	\$ 47,804	\$ 38,175	\$ -	\$ -	\$ 705,904
2030	\$ 215,000	\$ 408,925	\$ 48,760	\$ 37,175	\$ -	\$ -	\$ 709,860
2031	\$ 225,000	\$ 397,100	\$ 49,735	\$ 36,100	\$ -	\$ -	\$ 707,935
2032	\$ 235,000	\$ 384,725	\$ 50,730	\$ 34,975	\$ -	\$ -	\$ 705,430
2033	\$ 250,000	\$ 371,800	\$ 51,744	\$ 33,800	\$ -	\$ -	\$ 707,344
2034	\$ 265,000	\$ 358,050	\$ 52,779	\$ 32,550	\$ -	\$ -	\$ 708,379
2035	\$ 280,000	\$ 343,475	\$ 53,835	\$ 31,225	\$ -	\$ -	\$ 708,535
2036	\$ 295,000	\$ 328,075	\$ 54,911	\$ 29,825	\$ -	\$ -	\$ 707,811
2037	\$ 310,000	\$ 311,850	\$ 56,010	\$ 28,350	\$ -	\$ -	\$ 706,210
2038	\$ 325,000	\$ 294,800	\$ 57,130	\$ 26,800	\$ -	\$ -	\$ 703,730
2039	\$ 345,000	\$ 276,925	\$ 58,272	\$ 25,175	\$ -	\$ -	\$ 705,372
2040	\$ 365,000	\$ 257,950	\$ 59,438	\$ 23,450	\$ -	\$ -	\$ 705,838
2041	\$ 385,000	\$ 237,875	\$ 60,627	\$ 21,625	\$ -	\$ -	\$ 705,127
2042	\$ 405,000	\$ 216,700	\$ 61,839	\$ 19,700	\$ -	\$ -	\$ 703,239
2043	\$ 430,000	\$ 194,425	\$ 63,076	\$ 17,675	\$ -	\$ -	\$ 705,176
2044	\$ 450,000	\$ 170,775	\$ 64,337	\$ 15,525	\$ -	\$ -	\$ 700,637
2045	\$ 475,000	\$ 146,025	\$ 65,624	\$ 13,275	\$ -	\$ -	\$ 699,924
2046	\$ 500,000	\$ 119,900	\$ 66,937	\$ 10,900	\$ -	\$ -	\$ 697,737
2047	\$ 530,000	\$ 92,400	\$ 68,275	\$ 8,400	\$ -	\$ -	\$ 699,075
2048	\$ 560,000	\$ 63,250	\$ 69,641	\$ 5,750	\$ -	\$ -	\$ 698,641
2049	\$ 590,000	\$ 32,450	\$ 71,034	\$ 2,950	\$ -	\$ (624,425)	\$ 72,009
<b>Total</b>	<b>\$ 8,910,000</b>	<b>\$ 9,611,800</b>	<b>\$ 1,622,723</b>	<b>\$ 873,800</b>	<b>\$ (490,050)</b>	<b>\$ (624,425)</b>	<b>\$ 19,903,848</b>

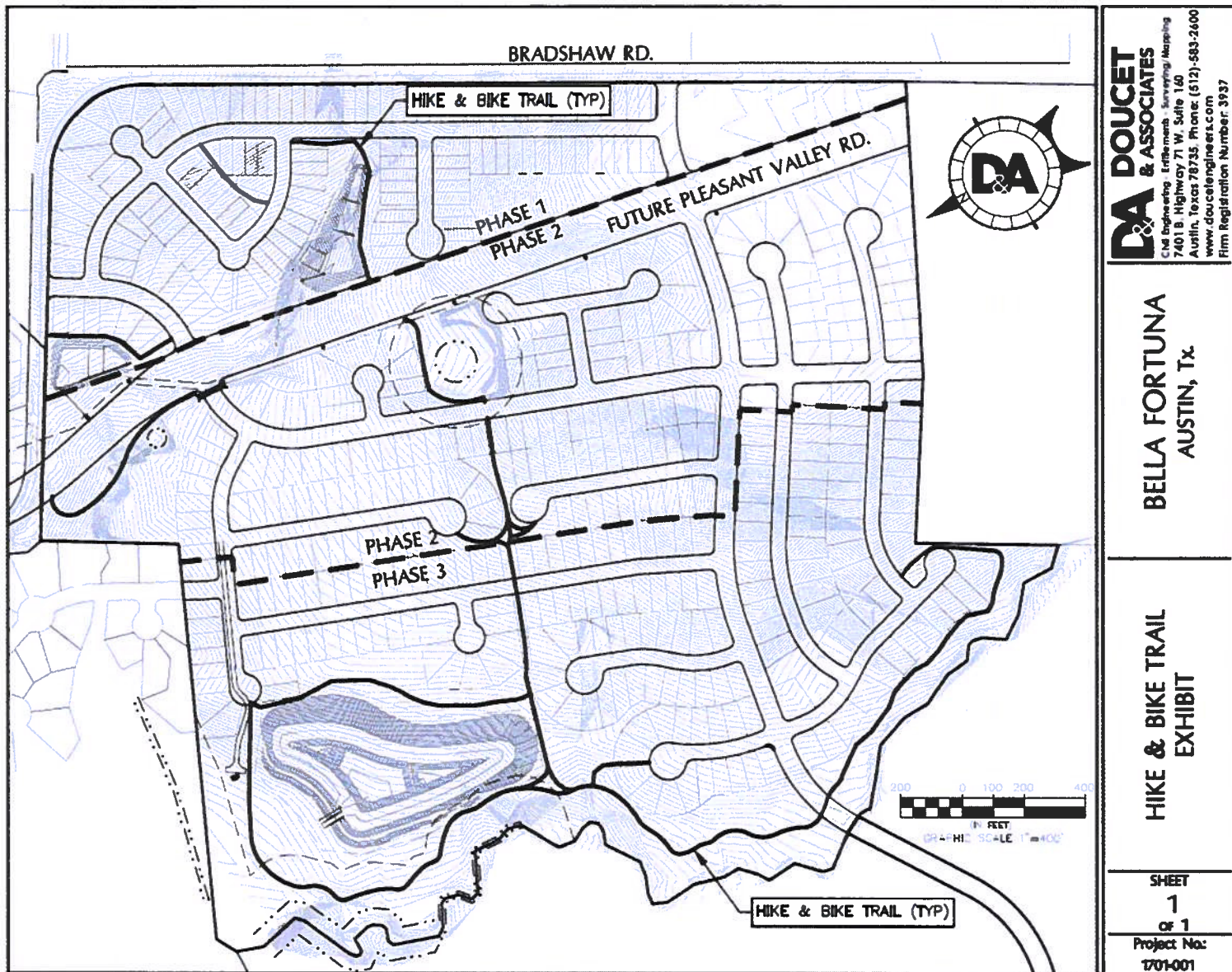
(a) Interest is calculated at a 5.50% rate for illustration purposes only.

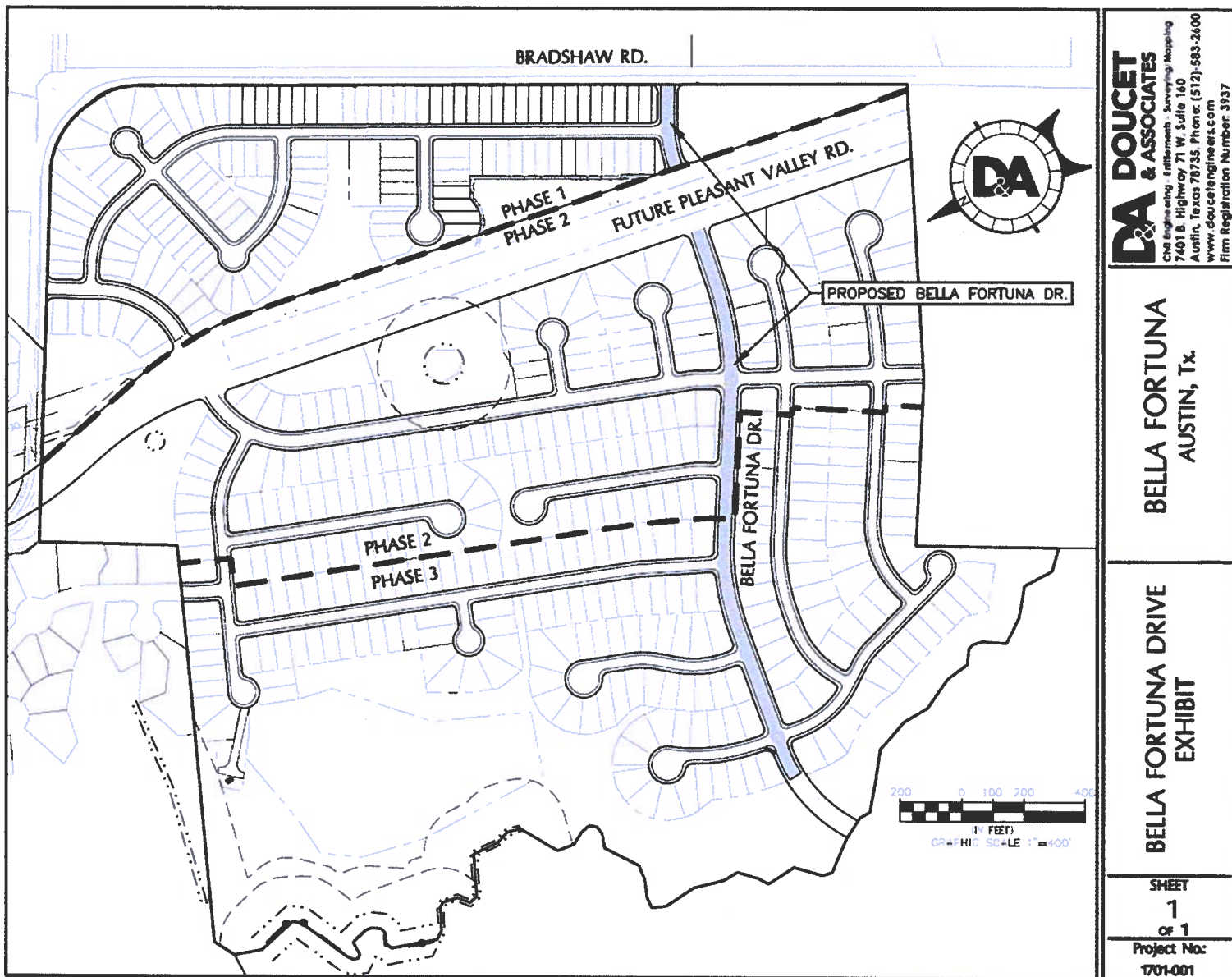
*Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.*

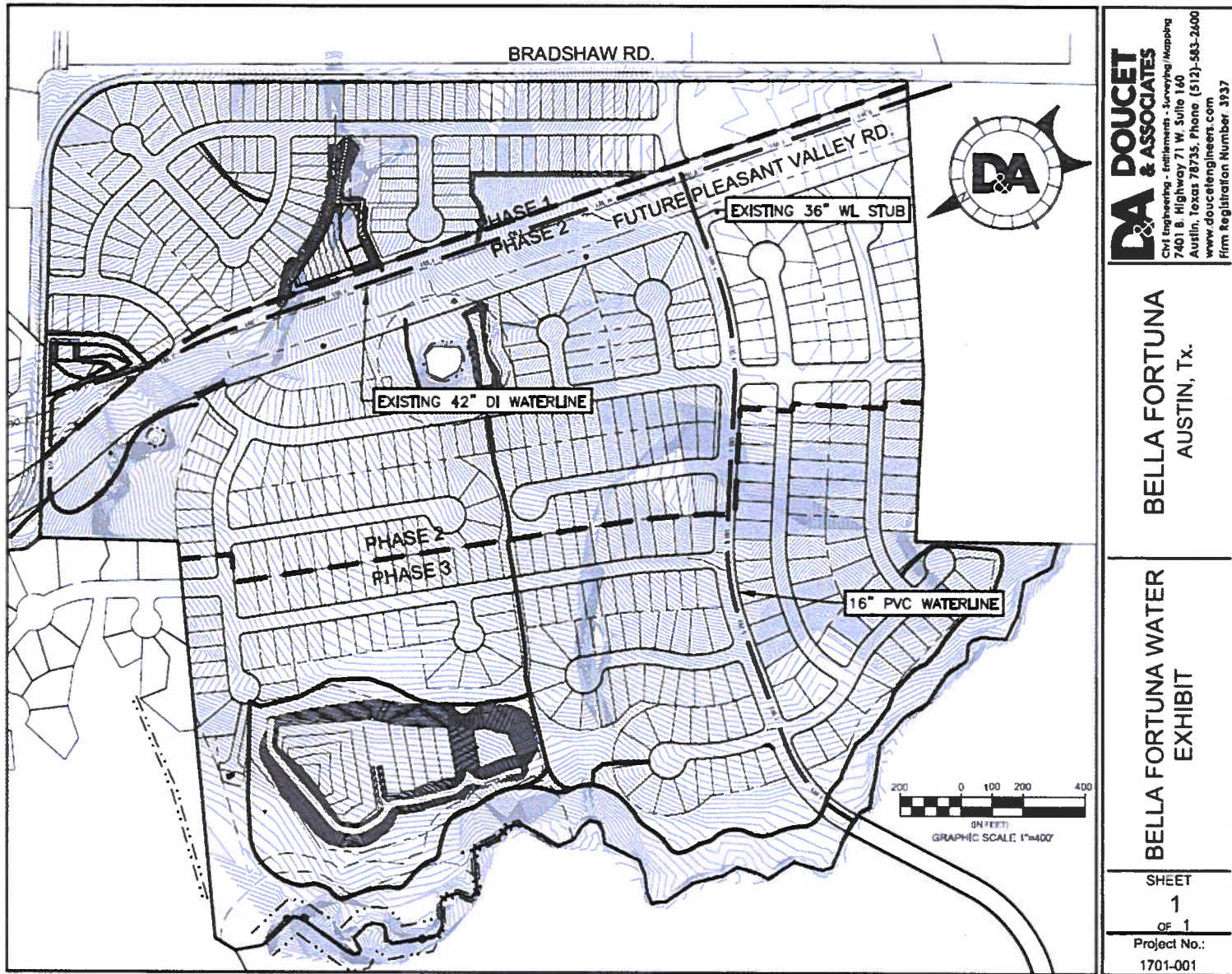
## EXHIBIT H – MAPS DEPICTING AUTHORIZED IMPROVEMENTS











## EXHIBIT I – FORM OF NOTICE OF PID ASSESSMENT TERMINATION



P3Works, LLC  
350 Rufe Snow Drive, Suite 200  
Keller, TX 76248

[Date]  
Travis County Clerk's Office  
Honorable [County Clerk Name]  
5501 Airport Boulevard  
Austin, Texas 78751

**Re: Travis County Lien Release documents for filing**

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that Travis County 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:

Development Authority  
Attn: Karen Thigpen  
700 Lavaca Street, Suite 1560  
Austin, TX 78701

Please contact me if you have any questions or need additional information.

Sincerely,

Jon Snyder  
P: (817)393-0353  
admin@p3-works.com

**AFTER RECORDING RETURN TO:**

Karen Thigpen  
700 Lavaca Street, Suite 1560  
Austin, TX 78701

**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 TRAVIS

§

**THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN** (this "Full Release") is executed and delivered as of the Effective Date by Travis County, Texas.

**RECITALS**

**WHEREAS**, the governing body (hereinafter referred to as the "Commissioners Court") of the Travis County, Texas (hereinafter referred to as the "County"), is authorized by Chapter 372, Texas Local Government Code, as amended, to create public improvement districts within the County; and

**WHEREAS**, on or about October 31, 2017, the Commissioners Court for the County, approved Resolution \_\_\_\_, creating the Bella Fortuna Public Improvement District; and

**WHEREAS**, the Bella Fortuna Public Improvement District consists of approximately 158.2 contiguous acres located within the County; and

**WHEREAS**, on or about \_\_\_\_\_, the Commissioners Court, approved Order No. \_\_\_\_, (hereinafter referred to as the "Assessment Order") approving a service and assessment plan and assessment roll for the Property within the Bella Fortuna Public Improvement District; and

**WHEREAS**, the Assessment Order imposed an assessment in the amount of \$\_\_\_\_\_ (hereinafter referred to as the "Lien Amount") for the following property:

[legal description], a subdivision in Travis County, Texas, according to the map or plat of record in Document/Instrument No. \_\_\_\_\_ of the Plat Records of Travis County, Texas (hereinafter referred to as the "Property"); and

**WHEREAS**, the property owners of the Property have paid unto the County the Lien Amount.

**RELEASE**

**NOW THEREFORE**, the County, the owner and holder of the Lien, Instrument No. \_\_\_\_\_, in the Official Public Records of Travis County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

**EXECUTED** to be **EFFECTIVE** this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**TRAVIS COUNTY, TEXAS,**

By: \_\_\_\_\_  
[Name], Travis County

**ATTEST:**

\_\_\_\_\_  
[Clerk Name], County Clerk

**STATE OF TEXAS**

§

§

**COUNTY OF TRAVIS**

§

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by [Name], for Travis County, Texas, on behalf of Travis County.

\_\_\_\_\_  
Notary Public, State of Texas

**EXHIBIT J TO FORM OF SERVICE AND ASSESSMENT PLAN**  
**FORM OF**  
**BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT**  
**FUNDING AGREEMENT**

This Bella Fortuna Public Improvement District Funding Agreement (this “Funding Agreement”) dated \_\_\_\_\_, 20\_\_ (the “Effective Date”), is executed by Travis County, Texas (the “County”) and the Travis County Development Authority (the “TCDA”), a public non-profit corporation incorporated under Subchapter D of Chapter 431, Texas Transportation Code, as amended (“Chapter 431”), and Chapter 394, Texas Local Government Code, as amended (“Chapter 394” and together with Chapter 431, the “LGC Act”). The County and the TCDA are individually referred to as a “Party” and collectively as the “Parties”. Capitalized terms used in this Funding Agreement have the same meanings given to them in the Service and Assessment Plan unless otherwise defined in this Funding Agreement.

**RECITALS**

- A. On October 31, 2017, the Commissioners Court of the County (the “Commissioners Court”) passed and approved a resolution (the “Authorization Resolution”) that authorized the creation of the Bella Fortuna Public Improvement District (the “District”) pursuant to Chapter 372, Texas Local Government Code, as amended (the “PID Act”), which Authorization Resolution was published in a newspaper of general circulation in the County and the extraterritorial jurisdiction of the City of Austin (the “City”) on November 10, 2017.
- B. The District includes approximately 158.2 acres in the County and the extraterritorial jurisdiction of the City and generally located along and west of Bradshaw Road, south of Onion Creek, north of FM 1327 and east of IH-35, which property is described in Exhibit “A” (the “Property”).
- C. The TCDA was formed pursuant to the provisions of the LGC Act which authorizes the TCDA to assist and act on behalf of the County and to engage in activities in the furtherance of the purposes for which TCDA was created.
- D. The TCDA was created by the County for the purpose of aiding, assisting, and acting on behalf of the County in the performance of its governmental functions to promote the common good and general welfare of the County; to promote, develop, encourage, and maintain education facilities, employment, commerce, and economic development in the County, and is empowered to aid, assist and act on behalf of the County in managing public improvement districts created under the PID Act, including the District. The TCDA has all other powers of a like or different nature not prohibited by law which are available to nonprofit corporations in Texas and that are necessary or useful to enable the TCDA to perform the purposes for which it was created, including the power to issue bonds, notes, or other obligations and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the TCDA may not issue bonds without the consent of the Commissioners Court.

- E. The County, after due and careful consideration, has (1) concluded that the development of land within the County through the establishment of public improvement districts, including the District, and the financing of public improvement projects, including the Authorized Improvements, through public improvement districts promotes the common good and general welfare of the County by promoting, developing, encouraging, and maintaining employment, commerce, and economic development in the County, and (2) found that the TCDA is authorized to aid, assist and act on behalf of the County in managing the District and to issue bonds to accomplish such purpose.
- F. The County and the TCDA have entered into a Contract for Management and Administrative Services dated April 24, 2018 (the "Management Contract") pursuant to which the TCDA agreed to manage and administer the public improvement districts created by the Commissioners Court, including billing and collecting of assessments.
- G. The County and the TCDA [have entered][intend to enter] into an Agreement for Billing and Collection Services dated \_\_\_\_\_, 2019 (the "Billing and Collections Services Agreement") that authorizes the County, acting through the County Tax Assessor-Collector, to bill and collect assessments on behalf of the TCDA.
- H. The purpose of the District is to finance certain public improvements authorized by the PID Act (the "Authorized Improvements") that promote the interest of the County and confer a special benefit on the Property within the District.
- I. \_\_\_\_\_, a \_\_\_\_\_ (including its successors and assigns, the "Owner") intends to construct the Authorized Improvements to serve the Property within the District.
- J. The County, the TCDA and the Owner have entered to enter into the Bella Fortuna Public Improvement District Financing Agreement dated \_\_\_\_\_, 2019 (the "PID Financing Agreement") relating to the financing, construction and conveyance of the Authorized Improvements.
- K. The Owner has commenced the design and is ready to construct the Authorized Improvements benefiting the Property within the District.
- L. Concurrently herewith, the County, the TCDA and the Owner have entered into an acquisition and reimbursement agreement (the "Acquisition and Reimbursement Agreement") providing that the TCDA will pay to the Owner an amount equal to the Actual Costs of the Authorized Improvements, plus simple interest as provided therein (the "Reimbursement Agreement Balance").
- M. Concurrently herewith, the Commissioners Court has passed and approved an order (the "Assessment Order") that approved a Service and Assessment Plan (the "Service and Assessment Plan") and levied an assessment ("Assessment") against the Property within the District benefiting from the Authorized Improvements (the "Assessed Property") in the amount of \$ \_\_\_\_\_.

- N. The Service and Assessment Plan and the Assessment Order provide that the Assessment against the Assessed Property (i) [*insert deferred collection language*] and (ii) will be paid annually in installments (the “Annual Installments”) until such Assessments and any other related amounts owed under the Acquisition and Reimbursement Agreement are paid in full.
- O. Pursuant to the PID Act and the LGC Act, the County may enter into an agreement, including this Funding Agreement, that provides for payment of the Assessments collected or caused to be collected by the County to the TCDA (the “Contract Assessment Revenues”) to secure the payment of the Reimbursement Agreement Balance and, if issued, PID Bonds.
- P. Upon providing evidence that the conditions precedent in Article V of the PID Financing Agreement have been satisfied, the Owner may request that the Commissioners Court consider the adoption of a resolution consenting to the issuance of a series of PID Bonds by the TCDA to acquire, reimburse or finance the Actual Costs of the Authorized Improvements.
- Q. The Parties intend that:
1. Pursuant to the Management Contract, the TCDA, on behalf of the County, will manage and administer the District, including the billing and collection of the Assessments;
  2. The Assessment levied by the County against the Assessed Property, interest thereon and the Annual Collection Costs will be collected in annual installments by the County, acting through the County Tax Assessor-Collector, on behalf of the TCDA;
  3. Pursuant to the Billing and Collections Services Agreement and this Funding Agreement, the County Tax Assessor-Collector will collect the Assessments, interest thereon and the Annual Collection Costs, and remit such revenues, less any fee of the County Tax Assessor-Collector to the TCDA for deposit in the Operating Account held by the TCDA Depository Bank;
  4. The Contract Assessment Revenues payable to the TCDA under this Funding Agreement will be used as follows:
    - (a) prior to the issuance of the PID Bonds, from amounts on deposit in the Operating Account held by the TCDA Depository Bank:
      - (1) acquire the Authorized Improvements from the Owner or reimburse the Owner for the Actual Costs of the Authorized Improvements pursuant to the terms of this Funding Agreement, the Acquisition and Reimbursement Agreement and the PID Financing Agreement; and
      - (2) pay Annual Collection Costs.

- (b) upon the issuance of the PID Bonds, transferred by the TCDA to the Bond Trustee and deposited a provided under the Indenture relating to the PID Bonds:
  - (1) pledged as security under the Indenture to the payment of the PID Bonds issued by the TCDA for the purpose of [*include purpose under Indenture*];
  - (2) pledged as security, on a subordinate basis, to the payment of any remaining Reimbursement Agreement Balance due under the Acquisition and Reimbursement Agreement; and
  - (3) pay Annual Collection Costs.

For and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### **AGREEMENT**

#### **2.0 SERVICES OF TCDA**

- 2.1 Pursuant to the Management Contract, the TCDA will manage and administer the District, including performing or assisting the County in performing its obligations under the Service and Assessment Plan and under any other agreement to which the County is a party or by which it is bound, and which are related to the management and administration of the District.
- 2.2 As requested by the County, the TCDA will assist in the preparation of updates, amendments or supplements to the Service and Assessment Plan.
- 2.3 As requested by the County, the TCDA will enter into the Acquisition and Reimbursement Agreement and the PID Financing Agreement.
- 2.4 As requested by the County, the TCDA will issue the PID Bonds.

#### **3.0 PAYMENT FOR THE AUTHORIZED IMPROVEMENTS**

- 3.1 The County and the TCDA have entered into the PID Financing Agreement with the Owner to, in part, finance the Actual Costs or reimburse the Owner for the Actual Costs of constructing the Authorized Improvements. The Actual Costs of constructing the Authorized Improvements will be paid from: (a) Contract Assessment Revenues, (b) the net proceeds of the PID Bonds, or (c) [fiscal security provided by the Owner pursuant to the PID Financing Agreement (subject to reimbursement through the pursuant to the Acquisition and Reimbursement Agreement)].

- 3.2 Pursuant to this Agreement and the Billing and Collections Agreement, the County will transfer or cause to be transferred the Contract Assessment Revenues to the TCDA.
- 3.3 Prior to the issuance of the PID Bonds,
- (a) the TCDA will deposit or cause to be deposited a portion of the Contract Assessment Revenues into the Authorized Improvements Subaccount of the Operating Account (both as defined herein) with the TCDA Depository Bank in accordance the section 6.5(a) hereof. The Reimbursement Agreement Balance is payable solely from Contract Assessment Revenues on deposit in the Authorized Improvements Subaccount of the Operating Account
  - (b) the TCDA will deposit or cause to be deposited a portion of the Contract Assessment Revenues into the Annual Collection Cost Subaccount of the Operating Account (both as defined herein) with the TCDA Depository Bank in accordance the section 6.05(b) hereof. The Annual Collection Costs is payable solely from Contract Assessment Revenues on deposit in the Annual Collection Costs Subaccount of the Operating Account
- 3.4 Upon the issuance of the PID Bonds, the TCDA will transfer or cause to be transferred the Contract Assessment Revenues on deposit in the Authorized Improvements Subaccount of the Operating Account held by the Depository Bank to the Bond Trustee for deposit to the Pledged Revenue Fund (defined herein) in accordance with section 7.1 hereof and deposited as provided in the Indenture.
- (a) The payment of the debt service on the PID Bonds is payable solely from the “Trust Estate” established under the Indenture, consisting primarily of the Contract Assessment Revenues on deposit in Bond Pledged Revenue Account of the Pledged Revenue Fund, established under the Indenture and administered by the Bond Trustee pursuant to the Indenture.
  - (b) The payment of any remaining Reimbursement Agreement Balance is payable solely from Contract Assessment Revenues on deposit in the Redemption Fund, established under the Indenture and administered by the Bond Trustee pursuant to the Indenture and the Acquisition and Reimbursement Agreement.
- 3.5 Upon the issuance of the PID Bonds, the TCDA will transfer or cause to be transferred the Contract Assessment Revenues on deposit in the Annual Collection Costs Subaccount of the Operating Account held by the Depository Bank to the Bond Trustee for deposit to the Administrative Fund (as defined herein) in accordance with section 7.2 hereof.

#### 4.0 ISSUANCE OF THE PID BONDS

- 4.1 Upon request of the Owner and evidence that the conditions precedent to the issuance of PID Bonds contained in Article V of the PID Financing Agreement have been satisfied, the Commissioners Court may adopt a resolution consenting to the issuance of PID Bonds by the TCDA, the proceeds thereof may be used to:
- (a) finance all or a portion of Actual Costs of the Authorized Improvements;
  - (b) pay capitalized interest;
  - (c) fund a reserve fund (the “Reserve Fund”);
  - (d) pay all or a portion of the costs incidental to the organization of the District; and
  - (e) pay costs of issuance of the PID Bonds.

#### 5.0 PAYMENT OF CONTRACT ASSESSMENT REVENUES; GRANT OF SECURITY INTEREST

- 5.1 The County agrees to pay or direct the County Tax Assessor-Collector to pay Contract Assessment Revenues to the TCDA upon the terms and conditions set forth in the Billing and Collections Agreement, this Funding Agreement and the Service and Assessment Plan.
- 5.2 In order to provide for management and administration of the District, the County hereby grants to the TCDA a first priority lien on and security interest in all Contract Assessment Revenues on deposit in the Annual Collection Costs Subaccount of the Operating Account (together with any income, investments and proceeds thereof) to the full extent that such subaccount and the Contract Assessment Revenues on deposit therein (together with any income, investments and proceeds thereof) may be subject to Chapter 9 of the Texas Business & Commerce Code.
- 5.3 In order to provide security for the payment of the Reimbursement Agreement Balance and, if issued, debt service on the PID Bonds, the County hereby grants to the TCDA a first priority lien on and security interest in all Contract Assessment Revenues on deposit in the Authorized Improvements Subaccount of the Operating Account (together with any income, investments and proceeds thereof) to the full extent that such subaccount and the Contract Assessment Revenues on deposit therein (together with any income, investments and proceeds thereof) may be subject to Chapter 9 of the Texas Business & Commerce Code.
- 5.4 The County acknowledges that, if PID Bonds are issued, the TCDA will grant to the Bond Trustee, in accordance with the terms of the Indenture, all of its right, title and interest in this Funding Agreement, including but not limited to the security interest being granted by the County pursuant to section 5.3 hereof.

Pursuant to Chapter 1208.002(a)(2), Texas Government Code, as amended, upon issuance of the PID Bonds, in order to provide security for the payment of the PID Bonds, any security interests created by section 5.3 shall be automatically perfected from the time the Indenture is entered into or approved, and shall remain perfected continuously through the termination of this Funding Agreement in accordance with the terms set forth herein, all without physical delivery or transfer of control of the Contract Assessment Revenues on deposit in the Authorized Improvements Subaccount of the Operating Account, filing of a document, or another act. Therefore, it shall not be necessary for the County, the TCDA or the Bond Trustee to file any financing statements or continuation statements or any supplemental instruments or documents or further assurance in any manner in order to perfect or maintain perfection of any security interests created by this Section. If Texas law is amended at any time while any PID Bonds are outstanding and unpaid such that the security interest created by this Section is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the PID Bonds the perfection of such security interest, the County and the TCDA agree to take such measures as they determine are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest created by section 5.3 hereof.

- 5.5 [The County acknowledges that, in order to provide security for the payment of the Reimbursement Agreement Balance, the TCDA will grant to the Owner, in accordance with the terms of the Acquisition and Reimbursement Agreement, a lien on and security interest in the Contract Assessment Revenues, which is subordinate to that lien and security interest that will be granted to the Bond Trustee.]

*[Insert language regarding perfection of security interest.]*

## 6.0 COLLECTION AND DEPOSIT OF ANNUAL INSTALLMENTS

### 6.1 At least annually,

- (a) The TCDA shall direct the Administrator to:
- (1) calculate the amount of the Annual Installments to be paid by the owners of the Assessed Property as provided in the Service and Assessment Plan and provide the calculation to the County and the TCDA; and
  - (2) prepare and provide to the County, for review and approval by the Commissioners Court, the annual update to the Service and Assessment Plan.
- (b) The Commissioners Court shall review and approve the annual update to the Service and Assessment Plan and provide such update to the TCDA for the collection of the Annual Installments.

- (c) After the Commissioners Court provides the updated Service and Assessment Plan to the TCDA, the TCDA shall provide or direct the Administrator to provide the annual Assessment Roll to the County Tax Assessor-Collector, who will collect the Annual Installments from the owners of the Assessed Property in the same manner and at the same time as it collects ad valorem taxes. The fees of the County Tax Assessor-Collector shall be part of the Annual Collection Costs.
- 6.2 Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be delinquent if not received by [February 1, 20\_\_.] *[include language if collection is deferred]*
- 6.3 For so long as any PID Bonds issued by the TCDA are outstanding or any Reimbursement Agreement Balance remains due and payable, the County will take and pursue all actions directed by the TCDA or Bond Trustee, as applicable, that are permissible under the PID Act to cause the Annual Installments to be collected and the liens securing the Annual Installments to be enforced in the manner and to the maximum extent permitted by the PID Act.
- 6.4 The County shall determine no later than February 15 of each year, whether or not any Annual Installment is delinquent, and the County will notify the TCDA and the Bond Trustee of such determination as soon as practicable. The TCDA or the Bond Trustee, as applicable, shall direct the County to implement the timeline and procedures set forth on Exhibit "B" attached hereto. Notwithstanding the foregoing, the TCDA shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Parcel. Furthermore, nothing shall obligate the TCDA, the County, the County 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 TCDA and its appropriate collections enforcement designees.
- 6.5 The TCDA shall create the "Bella Fortuna PID Operating Account" (the "Operating Account") to be held by the TCDA Depository Bank and shall keep such Operating Account and any sub-accounts separate from all other funds of the TCDA. Within the Operating Account, the TCDA shall create a subaccount for the payment of Authorized Improvements and a sub-account for the payment of Annual Collection Costs. The County, acting through the County Tax Assessor-Collector, shall deposit all Contract Assessment Revenues collected to the Operating Account. The TCDA shall direct the Contract Assessment Revenues to be deposited in the following accounts:
- (a) The TCDA shall deposit into the sub-account for the payment of the Actual Costs of the Authorized Improvements (the "Authorized Improvements Subaccount") the Contract Assessment Revenue due to the TCDA pursuant to the Management Contract and this Funding Agreement for the payment

of Actual Costs of the Authorized Improvements. The payment by the County, or the County Tax Assessor-Collector, to the TCDA of Contract Assessment Revenues shall continue so long as any Reimbursement Agreement Balance remains due and payable and, if issued, PID Bonds remain outstanding.

- (b) The TCDA shall deposit into the sub-account for the payment of Annual Collection Costs (the “Annual Collection Costs Subaccount”) the Contract Assessment Revenues due to the TCDA pursuant to this Funding Agreement for the payment of Annual Collection Costs. The payment by the County, or the County Tax Assessor-Collector, to the TCDA of Annual Collection Costs shall continue so long as any Reimbursement Agreement Balance remains due and payable and, if issued, PID Bonds remain outstanding.

## 7.0 PAYMENTS TO BOND TRUSTEE

- 7.1 Upon the issuance of the PID Bonds, the TCDA will transfer on or before February 15 of each year all Contract Assessment Revenues received from the County Tax Assessor-Collector and on deposit in the Authorized Improvements Subaccount of the Operating Account to the Bond Trustee for immediate deposit into the pledged revenue fund or applicable accounts therein as required under the Indenture relating to the PID Bonds (the “Pledged Revenue Fund”).
- 7.2 Contract Assessment Revenues in the Annual Collection Costs Subaccount will be immediately transferred to a segregated fund or account for the payment of Annual Collection Costs (the “Administrative Fund”) and are not security for the PID Bonds or the Reimbursement Agreement Balance. The Bond Trustee shall deposit and apply the Contract Assessment Revenues as provided in the Indenture.
- 7.3 Upon the issuance of PID Bonds, the payment of any remaining Reimbursement Agreement Balance shall be subordinate to the payment of debt service on the PID Bonds and any required deposits to the reserve funds securing such PID Bonds.

## 8.0 PREPAYMENT

- 8.1 If any owner of the Assessed Property prepays in full or in part any unpaid principal amount of the Assessment as provided in Section VI.E of the Service and Assessment Plan, the County shall immediately transfer or cause to be transferred to the TCDA, the amount of such prepayment that corresponds to the amount of outstanding principal of and interest on the PID Bonds as of the date of such prepayment. If PID Bonds have been issued, upon receipt, the TCDA shall immediately transfer such prepayment funds to the Bond Trustee for deposit into the Pledged Revenue Fund for the PID Bonds, and such prepayment funds shall be used: first, to redeem any outstanding PID Bonds, and second, if no PID Bonds remain outstanding, for the payment of any remaining Reimbursement Agreement Balance, all as provided in the Indenture related to such bonds.

- 8.2 If and to the extent Assessments have been prepaid, the lien on the Assessed Property associated with such Assessment prepayment shall be released from lien created by the Assessment Order.

## 9.0 ASSESSMENT LIEN

- 9.1 All payments due in accordance with the Service and Assessment Plan and this Funding Agreement shall be treated the same with respect to the liens created to secure payment and the rights of the County, including foreclosure, in the event of delinquencies. Any foreclosure sale for nonpayment of any such amounts shall be subject to a continuing lien for the remaining unpaid amounts in accordance with state law.

## 10.0 ASSIGNABILITY

- 10.1 Except for the rights transferred by this Funding Agreement to the Bond Trustee, the obligations, right, title, and interest of the Parties under this Funding Agreement may not be assigned, transferred, encumbered, or impaired in any way without the prior written consent of the Parties and the Bond Trustee. The Parties shall not take any action that would impair or adversely impact the collection of Annual Installments, the deposit of Contract Assessment Revenues into the Operating Account, or the use of the amounts on deposit in the Operating Account as provided in the Service and Assessment Plan or this Funding Agreement.

## 11.0 OBLIGATIONS UNCONDITIONAL AND ABSOLUTE

- 11.1 The obligations of the County, through the County Tax Assessor-Collector, and the TCDA to timely bill the owners of the Assessed Property for each Annual Installment of the Assessment against the Assessed Property, collect Annual Installments, deposit Contract Assessment Revenues into the Operating Account and applicable sub-accounts therein, and use the Operating Account and applicable sub-accounts therein as set forth in the Service and Assessment Plan and this Funding Agreement are absolute and unconditional and are not subject to any rights of offset of any kind that the County or the TCDA may have or assert, and the County or the TCDA do not have, and for so long as any PID Bonds remain outstanding or any Reimbursement Agreement Balance remains due and payable, will not assert, any defenses to the County or the TCDA's performance of such obligations
- 11.2 The obligations of the TCDA to use the Contract Assessment Revenues as set forth in the Service and Assessment Plan and this Funding Agreement are absolute and unconditional and are not subject to any rights of offset of any kind that the TCDA may have or assert, and the TCDA does not have, and for so long as any PID Bonds remain outstanding or any Reimbursement Agreement Balance remains due and payable, will not assert, any defenses to the TCDA's performance of such obligations.

## 12.0 TERM

- 12.1 The term of this Funding Agreement when fully executed by the Parties, shall continue until the later to occur of (i) the PID Bonds have been paid in full and are no longer outstanding or (ii) the Acquisition and Reimbursement Agreement has terminated.

## 13.0 NOTICE

- 13.1 Any notice required or contemplated by this Funding Agreement must be in writing and shall be deemed given at the addresses shown below 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested. A Party may change its address by giving notice in accordance with this section.

If to County: County Judge Sarah Eckhardt, Travis County  
Street Address: 700 Lavaca, Suite 2.300  
Austin, Texas 78701  
Mailing Address: PO Box 1748  
Austin, Texas 78767  
Email: [sarah.eckhardt@traviscountytexas.gov](mailto:sarah.eckhardt@traviscountytexas.gov)  
Facsimile: (512) 854-9535

With copy to: Travis County, Texas  
Attn: Diana Ramirez, Economic Development &  
Strategic Investment Director  
700 Lavaca, Suite #1560  
Austin, Texas 78701  
Email: [diana.ramirez@traviscountytexas.gov](mailto:diana.ramirez@traviscountytexas.gov)  
Facsimile: (512) 854-4210

With copy to: Office of the County Attorney  
Attn: Tom Nuckols, Assistant County Attorney  
314 W. 11th St., Suite #500  
Austin, Texas 78701  
Email: [Tom.Nuckols@traviscountytexas.gov](mailto:Tom.Nuckols@traviscountytexas.gov)  
Facsimile: (512) 854-4808

If to TCDA: Travis County Corporations  
Attn: Karen Thigpen, Project and Program Manager  
  
700 Lavaca Street  
Suite 1560  
Austin, Texas 78701  
Email: [Karen.Thigpen@traviscountytexas.gov](mailto:Karen.Thigpen@traviscountytexas.gov)  
Facsimile: (512) 854-4210

With copy to: Naman, Howell, Smith & Lee, PLLC  
Attn: Cliff Blount  
8310 Capital of Texas Highway North, Suite 490  
Austin, Texas 78731  
Email: Blount@namanhowell.com  
Facsimile: (512) 474-1901

If to Bond Trustee: Wilmington Trust, National Association  
Attn: Dayna L. Smith  
15950 N. Dallas Parkway  
Suite 550  
Dallas, TX 75248  
Email: dlsmith@wilmingtontrust.com  
Facsimile: (972) 383-3154

#### 14.0 FAILURE; DEFAULT; REMEDIES

##### 14.1 Failure; Default; Remedies

- (a) Except as provided in subsection (b) below, if a Party fails to perform any obligation imposed on such Party by this Funding Agreement (a “Failure”) and the Failure is not cured within 30 days after written notice of the Failure is provided to the non-performing Party, then such Failure shall constitute a “Default” by the non-performing Party.
- (b) Notwithstanding subsection (a) above, if the County fails to transfer or cause to be transferred the Contract Assessment Revenues to the TCDA as required by this Funding Agreement, such failure shall constitute an immediate “Default” by the County without notice or any opportunity to cure.
- (c) If the TCDA is in Default, the County’s sole and exclusive remedy shall be to compel performance through injunctive relief or specific performance. No default by TCDA shall entitle the County to terminate this Funding Agreement.
- (d) If the County is in Default, the sole and exclusive remedy of the TCDA shall be to compel performance through injunctive relief or specific performance. No default by the County shall entitle the TCDA to terminate this Funding Agreement.

#### 15.0 MISCELLANEOUS

15.1 The recitals set forth above are incorporated herein.

15.2 This Funding Agreement is being executed and delivered, and is intended to be performed in Travis County, Texas. Except to the extent that the laws of the United

States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Funding Agreement.

- 15.3 If a court finds any provision of this Funding Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render the provision invalid or unenforceable as to any other persons or circumstances. To the extent feasible, any provision found to be invalid or unenforceable shall be deemed to be modified to be valid and enforceable; however, if the provision cannot be so modified, it shall be stricken from this Funding Agreement, and all other provisions of this Funding Agreement shall remain valid and enforceable and unaffected by the stricken provision.
- 15.4 This Funding Agreement supersedes all prior agreements (whether written or oral) between the Parties regarding the subject matter hereof and constitutes the only agreement between the Parties with regard to the subject matter hereof. In the event of any conflict between this Funding Agreement and any other resolution, order, instrument, document, or agreement, the provisions and intent of this Funding Agreement shall control. This Funding Agreement may only be amended by written agreement of the Parties.
- 15.5 The Bond Trustee shall be a third-party beneficiary under this Funding Agreement, and such Bond Trustee shall be entitled to fully enforce the terms of this Funding Agreement for the benefit of the holders of the PID Bonds as if the Bond Trustee were a party to this Funding Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Funding Agreement to be executed as of the Effective Date written above.

**Travis County, Texas**

By: \_\_\_\_\_  
Honorable Sarah Eckhardt  
Travis County Judge

**Travis County Development Authority,  
a Texas non-profit corporation**

By: \_\_\_\_\_  
Sarah Eckhardt, President

Exhibit "A" to Funding Agreement

DESCRIPTION OF THE PROPERTY

**For a 158.2-Acre [6,889,825 Square Feet]  
Tract**

**BEING A 158.2-ACRE [6,889,825 SQUARE FEET] TRACT OUT OF THE SANTIAGO DEL VALLE 10-LEAGUE GRANT, ABSTRACT NUMBER 24, TRAVIS COUNTY, TEXAS, SAID TRACT BEING A REMAINDER PORTION OF THAT CALLED 164-ACRE TRACT CONVEYED BY DEED TO JOHN MICHAEL BURATTI IN VOLUME 5393, PAGE 1594 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS [D.R.T.C.T.] AND DAVEY LEWIS BURATTI IN VOLUME 3944, PAGE 560 D.R.T.C.T., SAID REMAINDER TRACT BEING FURTHER DESCRIBED AS "FIRST TRACT", THAT CALLED 100-ACRE TRACT, AND "SECOND TRACT" THAT CALLED 110-ACRE TRACT, IN VOLUME 333, PAGE 415 D.R.T.C.T, SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:**

**BEGINNING** at a 1/2-inch rod found for an angle point in the west right-of-way line of Bradshaw Road, a varying width right-of-way, no record information found, same being an angle point in the east line of Onion Creek Addition, a subdivision according to the plat of record in Volume 93, Page 230 of the Plat Records of Travis County, Texas, and the north corner of said 164-acre tract and the north corner of the tract described herein;

**THENCE** with said west right-of-way line of Bradshaw Road, same being the northeast line of said 164-acre tract, the following three courses and distances:

- 1) South 61°04'16" East, a distance of 1,196.10 feet to a 1/2-inch iron rod found for a point of curvature of a tangent circular curve to the right,
- 2) With the arc of said curve to the right a distance of 448.29 feet, said curve having a radius of 291.64 feet, a central angle of 88°04'20" and a chord bearing South 17°02'06" East, a distance of 405.44 feet to a 1/2-inch iron rod found for a point of tangency, and
- 3) South 27°04'05" West, a distance of 2,486.42 feet to a 1/2-inch iron rod with cap marked "DOUCET" found in the north line of that tract to HFH Investments LP (no record information found) further described as "Tract B1-B2-B3-, Heep Ranch" in "Exhibit D", that called 449.05-acre tract to Turnersville Development, LTD as recorded in Document Number 2000089761 of the Official Public Records of Travis County, Texas [O.P.R.T.C.T.], for the south corner of said 164-acre tract and the south corner of the tract described herein;

**THENCE** leaving said west right-of-way line of Bradshaw Road, with said north line of said 449.05-acre tract, same being the south line of said 164-acre tract, the following four (4) courses and distances:

- 1) North 66°06'26" West, a distance of 954.83 feet to a 1/2-inch iron rod found,
- 2) North 60°13'39" West, a distance of 192.85 feet to a 1/2-inch iron rod found,
- 3) North 59°58'39" West, a distance of 350.54 feet to a 1/2-inch iron rod found, and
- 4) South 28°01'59" West, a distance of 462.96 feet to a point in the center of a dry creek for the east corner of that called 254.90-acre tract conveyed to Spillmann Properties, LTD., as recorded in Document Number 2009124581 O.P.R.T.C.T., same being the southwest corner of said 164-acre tract, the southwest corner of the tract described herein, and the southerly terminus of a Boundary Line Agreement as recorded in Document Number 1999116083 O.P.R.T.C.T.;

**THENCE** with the west line of said 164-acre tract, same being the east line of said 254.90-acre tract and the common line of the Boundary Line Agreement, the following sixty-four (64) courses and distances:

- 1) North 47°05'54" West, a distance of 78.10 feet to a point,
- 2) North 0°51'53" West, a distance of 101.25 feet to a point,
- 3) North 53°01'53" West, a distance of 104.40 feet to a point,
- 4) North 36°38'54" West, a distance of 91.98 feet to a point,
- 5) North 31°29'07" East, a distance of 78.25 feet to a point,
- 6) North 9°23'07" East, a distance of 32.79 feet to a point,
- 7) North 20°14'54" West, a distance of 19.79 feet to a point,
- 8) North 58°13'54" West, a distance of 49.63 feet to a point,
- 9) North 9°22'53" West, a distance of 80.15 feet to a point,
- 10) North 27°57'53" West, a distance of 113.53 feet to a point,
- 11) North 4°00'54" West, a distance of 87.58 feet to a point,
- 12) North 21°31'54" West, a distance of 118.99 feet to a point,
- 13) North 54°37'54" West, a distance of 101.05 feet to a point,
- 14) North 52°29'54" West, a distance of 105.24 feet to a point,
- 15) North 1°57'54" West, a distance of 36.53 feet to a point,
- 16) North 29°52'54" West, a distance of 78.20 feet to a point,
- 17) North 40°01'54" West, a distance of 122.77 feet to a point,
- 18) North 9°12'06" East, a distance of 33.34 feet to a point,
- 19) North 43°04'07" East, a distance of 95.84 feet to a point,
- 20) North 6°06'54" West, a distance of 99.38 feet to a point,
- 21) North 56°25'06" East, a distance of 38.00 feet to a point,
- 22) North 43°20'07" East, a distance of 70.29 feet to a point,
- 23) North 4°06'54" West, a distance of 51.59 feet to a point,
- 24) North 13°00'07" East, a distance of 101.02 feet to a point,
- 25) North 6°38'54" West, a distance of 106.12 feet to a point,
- 26) North 21°17'06" East, a distance of 47.92 feet to a point,
- 27) South 86°50'54" East, a distance of 35.80 feet to a point,
- 28) South 70°20'54" East, a distance of 59.23 feet to a point,

- 29) South 84°51'54" East, a distance of 48.63 feet to a point,
- 30) North 54°01'07" East, a distance of 125.15 feet to a point,
- 31) South 72°31'54" East, a distance of 48.10 feet to a point,
- 32) North 81°19'06" East, a distance of 27.37 feet to a point,
- 33) North 36°41'06" East, a distance of 26.28 feet to a point,
- 34) North 11°49'54" West, a distance of 31.90 feet to a point,
- 35) North 31°34'32" West, a distance of 48.46 feet to a point,
- 36) North 5°59'49" East, a distance of 56.71 feet to a point,
- 37) North 58°06'49" East, a distance of 142.23 feet to a point,
- 38) North 10°37'07" East, a distance of 43.88 feet to a point,
- 39) North 22°12'54" West, a distance of 43.38 feet to a point,
- 40) North 0°49'17" East, a distance of 88.63 feet to a point,
- 41) North 66°56'44" West, a distance of 136.88 feet to a point,
- 42) North 18°35'44" West, a distance of 30.93 feet to a point,
- 43) North 49°20'16" East, a distance of 44.81 feet to a point,
- 44) North 9°47'17" East, a distance of 47.82 feet to a point,
- 45) North 31°15'44" West, a distance of 18.82 feet to a point,
- 46) North 66°10'44" West, a distance of 76.55 feet to a point,
- 47) North 36°50'00" West, a distance of 31.90 feet to a point,
- 48) North 16°18'11" East, a distance of 149.85 feet to a point,
- 49) North 63°55'55" East, a distance of 21.23 feet to a point,
- 50) South 72°23'51" East, a distance of 40.26 feet to a point,
- 51) North 68°36'17" East, a distance of 15.32 feet to a point,
- 52) North 31°55'13" East, a distance of 31.78 feet to a point,
- 53) North 5°19'17" East, a distance of 20.92 feet to a point,
- 54) North 17°04'19" West, a distance of 54.94 feet to a point,
- 55) South 88°08'49" West, a distance of 45.46 feet to a point,
- 56) North 37°15'45" West, a distance of 14.17 feet to a point,
- 57) North 18°37'31" East, a distance of 14.49 feet to a point,
- 58) North 49°35'31" East, a distance of 22.85 feet to a point,
- 59) North 63°19'31" East, a distance of 178.91 feet to a point,
- 60) North 41°34'15" East, a distance of 32.32 feet to a point,
- 61) North 15°30'44" West, a distance of 92.50 feet to a point,
- 62) North 15°30'54" West, a distance of 43.58 feet to a point, and
- 63) North 16°28'14" East, a distance of 90.12 feet to a point, in the center of Onion Creek for the northwest corner of said 164-acre tract, the northeast corner of said 254.90-acre tract and the northerly terminus of said Boundary Line Agreement, same being an angle point in the south line of that called 140.788-acre tract described as "Exhibit A-1, Tract 3" to Onion Creek Golf Group, LLC, as recorded in Document Number 2006079292 O.P.R.T.C.T.;

**THENCE** continuing with said west line of said 164-acre tract, with said south line of the 140.788-acre tract, North 59°15'14" East, a distance of 77.12 feet to the west corner of that tract described as "Exhibit A-1, Tract 1" conveyed to Onion Creek Golf Group, LLC in said Document Number 2006079292 O.P.R.T.C.T., same being the north corner of said 164-acre tract and the north corner of the tract described herein;

**THENCE** with the south line of said Onion Creek Golf Group LLC Tract 1, with the south line of said Onion Creek Addition, same being the north line of said 164-acre tract, the following five (5) courses and distances:

- 1) South 68°18'14" East, a distance of 218.30 feet to 1/2-inch iron rod with cap marked "DOUCET" found,
- 2) South 68°06'38" East, a distance of 67.38 feet to a 1/2-inch iron rod found,
- 3) South 68°04'32" East, a distance of 538.49 feet to a 1/2-inch iron rod found,
- 4) South 68°19'16" East, a distance of 469.61 feet to a 1/2-inch iron rod found, and
- 5) North 28°35'02" East, a distance of 447.90 feet to said **POINT OF BEGINNING** of the tract described herein, and containing 158.2 acres [6,889,825 square feet].

Basis of bearings is the Texas Coordinate System, Central Zone [4203], NAD83 (2011), Epoch 2010.

Units: U.S. Survey Feet

This survey was performed with the benefit of a title commitment prepared by Steward Title Guaranty Company, G.F. No. 258714, effective May 8, 2019 and issued May 17, 2019. The Surveyor has relied solely upon said title commitment for depiction of easements, restrictions and other matters affecting this property. No additional research was performed for the purpose of this survey.

I, Edward A. Prince, Registered Professional Land Surveyor, hereby certify that this property description and accompanying plat of even date represent an actual survey performed on the ground under my supervision.

  
\_\_\_\_\_  
Edward A. Prince  
Registered Professional Land Surveyor  
Texas Registration No. 6465  
Doucet & Associates, Inc.  
EPrince@DoucetEngineers.com  
TBPLS Firm Registration No. 10105800

5/22/2019  
Date



Exhibit “B” to Funding Agreement

TIMELINE FOR  
ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES<sup>1</sup>  
PID BONDS

<b><u>Date:</u></b>	<b><u>Activity:</u></b>
On or before August 15	Administrator will calculate the Annual Installment and provide the information to the County and the TCDA. The County shall submit a bill to the owner of the Assessed Property subject to the Assessment.
On or before August 31	Commissioner Court will approve annual update to the Service and Assessment Plan and Assessment Rolls (including Annual Installment).
On or before September 1	Administrator to provide Assessment Rolls to County Tax Assessor Collector
In October of each year	<p>County, acting through the County Tax Assessor-Collector, will mail tax bills that will include Annual Installment to owners of the Assessed Property subject to the Assessment.</p> <p>Annual Installment of Assessment is due upon receipt and becomes delinquent if not received by the County Tax Assessor-Collector by February 1 of the following year.</p>
February 1	Annual Installment of Assessment is delinquent on February 1 if not received by the County Tax Assessor-Collector.
No later than February 15	<p>County will forward, or cause the County Tax Assessor-Collector to forward, Contract Assessment Revenues to the TCDA for deposit with the TCDA Depository Bank.</p> <p><b>County is aware of actual and specific delinquencies and will notify the TCDA of such delinquencies.</b></p> <p>If the County receives Contract Assessment Revenues after February 15, the County Tax Assessor-Collector will forward such Contract Assessment Revenues within two (2) days of the receipt thereof.</p> <p>The TCDA and/or Administrator should be aware if the accounts within the Reserve Fund need to be utilized for debt service payment on March 1. If there is to be a shortfall, the Bond Trustee and Dissemination Agent should be immediately notified.</p>

<sup>1</sup> All capitalized terms shall have the meaning set forth in the Funding Agreement.

<b><u>Date:</u></b>	<b><u>Activity:</u></b>
	<p>The TCDA and/or Administrator should also be aware if, based on collections, there will be a shortfall for September payment.</p> <p>The TCDA and/or Administrator should determine if actual collections will be fully adequate for debt service in March and September.</p> <p>At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Assessments except that the TCDA or Administrator, working with the County Attorney or an appropriate designee, will begin process to cure deficiency. For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure.</p> <p>If there are over 5% delinquencies or if there is inadequate funding in the Pledged Revenues Fund for transfer to the Bond Trustee for the PID Bonds of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.</p>
No later than two days after the receipt of Contract Assessment Revenue from the County	The TCDA will forward all Contract Assessment Revenues received to the Bond Trustee(s) for deposit into the Pledged Revenue Fund.
On or before March 1	<p><b>Bond Trustee pays bond interest payments to bondholders.</b></p> <p>Reserve Fund payment to bond fund or applicable accounts therein as required under the Indenture relating to the PID Bonds (the "<u>Bond Fund</u>") may be required if Assessments are below approximately 50% collection rate.</p> <p><b>The TCDA, or the Bond Trustee on behalf of the TCDA, to notify Dissemination Agent of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify the Municipal Securities Rulemaking Board (the "<u>MSRB</u>") of such draw for debt service through its Electronic Municipal Market Access ("<u>EMMA</u>").</b></p> <p><b>Use of any of the accounts of the Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.</b></p> <p>County determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the County commences as</p>

<b><u>Date:</u></b>	<b><u>Activity:</u></b>
	soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments.
March 20	<p>The TCDA and/or Administrator to notify Dissemination Agent for disclosure to MSRB of all delinquencies.</p> <p>If any property owner with ownership of property responsible for more than \$10,000 of the Assessments is delinquent or if a total of delinquencies is over 5%, or if it is expected that Reserve Fund moneys will need to be utilized for either the March or September PID Bond payments, the Administrator shall work with County Attorney's office, or the appropriate designee, to satisfy payment of all delinquent Assessments.</p>
May 1	<p>Preliminary Foreclosure activity commences, and the TCDA to notify Dissemination Agent of the commencement of preliminary foreclosure activity.</p> <p><b>The County will notify the TCDA of the plan of collections and foreclosure.</b></p> <p><b>Within 72 hours of notification by the County of the plan of collections and foreclosure, the TCDA will notify the Bond Trustee(s) and Dissemination Agent, if any, of the plan of collection and foreclosure.</b></p>
July 1	<p>Foreclosure action filed in state district court.</p> <p><b>County to notify the TCDA, Bond Trustee(s) and Dissemination Agent, if any, of filing of foreclosure action. Dissemination Agent notifies EMMA and bondholders.</b></p>

**Exhibit “J” to Financing Agreement  
Form of Landowner Agreement**

**Exhibit “J” to Financing Agreement**

Form of  
BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT

**LANDOWNER AGREEMENT  
AND NOTICE OF ASSESSMENTS**

between

**TRAVIS COUNTY, TEXAS**

and

\_\_\_\_\_  
Dated as of:

\_\_\_\_\_, 20\_\_

**LANDOWNER AGREEMENT AND NOTICE OF ASSESSMENTS**  
**(Bella Fortuna Public Improvement District)**

This **LANDOWNER AGREEMENT AND NOTICE OF ASSESSMENTS** (the "Agreement") dated \_\_\_\_\_ (the "Effective Date") is entered into between the TRAVIS COUNTY, a political subdivision of the State of Texas (the "County"), and \_\_\_\_\_, a \_\_\_\_\_ (including its designees and assigns the "Landowner") (individually "Party" or collectively "Parties").

**RECITALS**

1. The Landowner owns approximately 158.2 acres of land located in Travis County, Texas and the extraterritorial jurisdiction of the City of Austin, Texas (the "City") which is more particularly described in **Exhibit A** attached hereto (the "Property").
2. The Property constitutes taxable, privately-owned land located within the Bella Fortuna Public Improvement District (the "District") created pursuant to the authority of Chapter 372, Texas Local Government Code, as amended (the "PID Act").
3. Landowner, the Travis County Development Authority, a non-profit corporation created by the County pursuant to Chapter 431 of the Texas Transportation Code ("TCDA"), and the County have entered into that certain Bella Fortuna Public Improvement District Financing Agreement dated \_\_\_\_\_, 2019 (as such agreement may be amended from time to time as provided therein, the "PID Financing Agreement"), relating to, among other matters, the levy of special assessments on the Property, the issuance of revenue bonds by the TCDA ("PID Bonds") secured by such special assessments, and the construction of the "Authorized Improvements" as defined therein.
4. On \_\_\_\_\_, 20\_\_\_\_, the County, the TCDA, and \_\_\_\_\_ entered into that certain Bella Fortuna Public Improvement District Improvement Acquisition and Reimbursement Agreement which provided, among other things, the use of Assessments levied on the Property for the reimbursement of Authorized Improvements.
5. The Travis County Commissioners Court (the "Commissioners Court") has contemporaneously herewith adopted an assessment order (including all exhibits, the "Assessment Order") that levies "Assessments" on each "Assessed Property" within the District benefiting from the Authorized Improvements and approves the Bella Fortuna Public Improvement District Service and Assessment Plan (as amended and updated from time to time the "Service and Assessment Plan").
6. The County and the TCDA have entered into that certain Bella Fortuna Funding Agreement (the "Funding Agreement") contemporaneously with the approval of the Assessment Order, pursuant to which the County has agreed to levy the Assessments and collect and transfer the "Assessment Revenues" to the TCDA, who will use the "Contract Assessment Revenues" to (i) reimburse the Landowner for the costs of constructing the Authorized Improvements pursuant to the Acquisition and Reimbursement Agreement,

- (ii) pledged as security for the payment of PID Bonds issued by the TCDA or (iii) a combination of (i) and (ii).
7. A copy of the Assessment Order, including the “Assessment Roll” included in the “Service and Assessment Plan” approved by the Assessment Order, is attached hereto as Exhibit B.
8. The Assessment Roll sets forth the amount of the Assessment for each Assessed Property, including the amount of the “Annual Installment” for each Assessment paid in installments.

NOW THEREFORE, for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the Parties agree as follows:

## **ARTICLE I**

### **DEFINITIONS; APPROVAL OF AGREEMENTS**

Definitions. Capitalized terms used but not defined in this Agreement (including the exhibits hereto) shall have the meanings given to them in the PID Financing Agreement.

Affirmation of Recitals. The matters set forth in the Recitals of this Agreement are true and correct and are incorporated in this Agreement as official findings of the Commissioners Court.

## **ARTICLE II**

### **AGREEMENT OF LANDOWNER**

A. Landowner ratifies, confirms, accepts, agrees to, and approves:

- (1) the creation of the District, the boundaries of the District, and the boundaries of the Assessed Property;
- (2) the location and construction of the Authorized Improvements;
- (3) the determinations and findings of special benefit to the Assessed Property made by the Commissioners Court in the Assessment Order and Service and Assessment Plan; and
- (4) the Assessment Order and the Service and Assessment Plan.

B. Landowner consents, acknowledges, accepts, and agrees:

- (1) to the Assessments to be levied against the Assessed Property as shown on the Assessment Roll, as the Assessment Roll may be amended from time to time;

(2) that the Authorized Improvements and administration and operation of the District confer a special benefit on the Assessed Property in an amount that exceeds the Assessments against the Assessed Property as shown on the Assessment Roll;

(3) that the Assessments against the Assessed Property are final, conclusive, and binding upon the Landowner and its successors and assigns;

(4) to pay the Assessments levied against the Assessed Property in Annual Installments when due and in the amounts stated in the Assessment Order, Service and Assessment Plan, and Assessment Roll;

(5) that each Assessment or reassessment against the Assessed Property, with interest, the expense of collection, and reasonable attorney's fees, if incurred, is a first and prior lien against the Assessed Property, superior to all other liens and monetary claims except liens or monetary claims for state, county, school district, or municipality ad valorem taxes, and is a personal liability of and charge against the owner of the Assessed Property regardless of whether the owner is named;

(6) that the Assessment liens on the Assessed Property are liens and covenants that run with the land and are effective from the date of the Assessment Order and continue until the Assessments are paid in full and may be enforced by the governing body of the County in the same manner that ad valorem tax liens against real property may be enforced;

(7) that delinquent installments of Assessments against the Assessed Property shall incur and accrue interest, penalties, and attorney's fees as provided in the PID Act;

(8) that the owner of an Assessed Property may pay at any time the entire Assessment against the Assessed Property, with interest that has accrued on the Assessment to the date of such payment;

(9) that Annual Installments may be adjusted, decreased, and extended and that owners of the Assessed Property shall be obligated to pay such Annual Installments as adjusted, decreased, or extended, when due and without the necessity of further action, assessments, or reassessments by the Commissioners Court; and

(10) that the Landowner has received, or hereby waives, all notices required by State law (including, but not limited to the PID Act) in connection with the creation of the District and the adoption and approval by the Commissioners Court of the Assessment Order, the Service and Assessment Plan, and the Assessment Roll.

C. Landowner hereby waives:

(1) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District, defining the Assessed Property, adopting the Assessment Order, Service and Assessment Plan, and Assessment Roll, levying of the Assessments, and determining the amount of the Annual Installments of the Assessments;

(2) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the approval of the Assessment Order, Service and Assessment Plan, and Assessment Roll and regarding the levying of the Assessments and determining the amount of the Annual Installments of the Assessments;

(3) any and all actions and defenses against the adoption or amendment of the Assessment Order, Service and Assessment Plan, and Assessment Roll;

(4) any and all actions and defenses against the County's finding of "special benefit" pursuant to the PID Act and as set forth in the Service and Assessment Plan and the levying of the Assessments and determining the amount of the Annual Installment of the Assessments; and

(5) any right to object to the legality of the Assessment Order, Service and Assessment Plan, Assessment Roll, or Assessments or to any proceedings connected therewith.

### **ARTICLE III**

#### **TEXAS PROPERTY CODE SECTION 5.014 NOTICE; NOTICE TO PURCHASER**

- A. The following notice is applicable if your property is "residential real property" as defined in Section 5.014 of the Texas Property Code:

#### **NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO TRAVIS COUNTY, TEXAS, CONCERNING ASSESSED PARCELS.**

As the purchaser of a parcel of residential real property located in a public improvement district, you are obligated to pay a special assessment to the County for improvement projects undertaken by the District under Chapter 372, Local Government Code. Information about the special assessment (such as its due date or how it is paid) may be obtained by contacting the County. The special assessment against your parcel may be paid in full at any time together with interest through the date of payment. If you do not elect to pay the special assessment in full, it will be due and payable in annual payments, including interest and collection costs. Your failure to pay the special assessment or any annual payment could result in a lien on and the foreclosure of your Parcel.

- B. As the property in the District is developed, a notice substantially in the form as the notice attached hereto as **Exhibit C** (as may be updated from time to time) will be prepared and provided to any purchase of a parcel of real property located in the District.

**ARTICLE IV**  
**DEDICATION OF AUTHORIZED IMPROVEMENTS**

Landowner acknowledges that the Authorized Improvements, together with the land, easements, or other rights-of-way needed for the Authorized Improvements, shall be dedicated, conveyed, leased, or otherwise provided to or for the benefit of the County or the City as provided in the PID Financing Agreement or Service and Assessment Plan. Landowner agrees to execute such conveyances and/or dedications as may be reasonably required to evidence the same.

**ARTICLE V**  
**MISCELLANEOUS**

A. Notices. Any notice or other communication (a "Notice") required or contemplated by this Agreement shall be given at the addresses set forth below. Notices as to one or more Assessed Property shall only be given to the Landowner that owns the applicable Assessed Property. Notices as to all of the Property shall be given to all Landowners. Notices shall be in writing and shall be deemed given: (i) five business days after being deposited in the United States Mail, Registered or Certified Mail, Return Receipt Requested; or (ii) when delivered by a nationally recognized private delivery service (e.g., FedEx or UPS) with evidence of delivery signed by any person at the delivery address. Each Party may change its address by written notice to the other Parties in accordance with this section.

If to Landowner:

Attn: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

Facsimile: ( ) -

With a copy to:

Attn: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

Facsimile: ( ) -

If to County:

Street Address:

Mailing Address:

County Judge Sarah Eckhardt, Travis County

700 Lavaca, Suite #2.300

Austin, TX 78701

PO Box 1748

Austin, TX 78767

Email: [sarah.eckhardt@traviscountytexas.gov](mailto:sarah.eckhardt@traviscountytexas.gov)

Facsimile: (512) 854-9535

With a Copy to:

Travis County, Texas

Attn: Diana Ramirez,  
Economic Development & Strategic Investment Director  
700 Lavaca, Suite #1560  
Austin, Texas 78701  
Email: [diana.ramirez@traviscountytx.gov](mailto:diana.ramirez@traviscountytx.gov)  
Facsimile: (512) 854-4210

With a Copy to:

Office of the Travis County Attorney  
Attn: Tom Nuckols, Assistant County Attorney  
314 W. 11<sup>th</sup> St., #500  
Austin, TX 78701  
Email: [tom.nuckols@traviscountytx.gov](mailto:tom.nuckols@traviscountytx.gov)  
Facsimile: (512) 854-4808

If to TCDA:

Travis County Corporations  
Attn: Karen Thigpen, Project and Program Manager  
700 Lavaca Street  
Suite #1560  
Email: [Karen.Thigpen@traviscountytx.gov](mailto:Karen.Thigpen@traviscountytx.gov)  
Facsimile: (512) 854-4210

B. Parties in Interest. In the event of the sale or transfer of an Assessed Property or any portion thereof, the purchaser or transferee shall be deemed to have assumed the obligations of the Landowner with respect to such Assessed Property or such portion thereof and the seller or transferor shall be released with respect to such Assessed Property or portion thereof. Notwithstanding the foregoing, the holders of PID Bonds are express beneficiaries of this Agreement and shall be entitled to pursue any and all remedies at law or in equity to enforce the obligations of the Parties, subject to the limitations set forth in the Indenture.

C. Amendments. This Agreement may be amended only by a written instrument executed by all the Parties. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the Property and recorded in the Official Public Records of Travis County, Texas.

D. Estoppels. Within 10 days after written request from any Party, the other Parties shall provide a written certification indicating whether this Agreement remains in effect as to an Assessed Property and whether any Party is then in default hereunder. This requirement to provide estoppel certificates shall not apply to end use home buyers.

E. Termination. This Agreement shall terminate as to each Assessed Property upon payment in full of the Assessment against the Assessed Property.

[SIGNATURE PAGES TO FOLLOW]

TRAVIS COUNTY, TEXAS

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[LANDOWNER]

\_\_\_\_\_  
a \_\_\_\_\_

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

a \_\_\_\_\_

its \_\_\_\_\_

THE STATE OF TEXAS     §

§

COUNTY OF TRAVIS     §

      This instrument was acknowledged before me on the \_\_\_\_ day of\_\_\_\_, 20\_\_ by  
\_\_\_\_\_, *[insert title]*, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_ on behalf of said entities.

\_\_\_\_\_  
Notary Public, State of Texas

\_\_\_\_\_  
Name printed or typed

## **EXHIBIT 1 TO LANDOWNER AGREEMENT**

### **PROPERTY**

#### **DESCRIPTION**

**For a 158.2-Acre [6,889,825 Square Feet]  
Tract**

**BEING A 158.2-ACRE [6,889,825 SQUARE FEET] TRACT OUT OF THE SANTIAGO DEL VALLE 10-LEAGUE GRANT, ABSTRACT NUMBER 24, TRAVIS COUNTY, TEXAS, SAID TRACT BEING A REMAINDER PORTION OF THAT CALLED 164-ACRE TRACT CONVEYED BY DEED TO JOHN MICHAEL BURATTI IN VOLUME 5393, PAGE 1594 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS [D.R.T.C.T.] AND DAVEY LEWIS BURATTI IN VOLUME 3944, PAGE 560 D.R.T.C.T., SAID REMAINDER TRACT BEING FURTHER DESCRIBED AS "FIRST TRACT", THAT CALLED 100-ACRE TRACT, AND "SECOND TRACT" THAT CALLED 110-ACRE TRACT, IN VOLUME 333, PAGE 415 D.R.T.C.T, SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:**

**BEGINNING** at a 1/2-inch rod found for an angle point in the west right-of-way line of Bradshaw Road, a varying width right-of-way, no record information found, same being an angle point in the east line of Onion Creek Addition, a subdivision according to the plat of record in Volume 93, Page 230 of the Plat Records of Travis County, Texas, and the north corner of said 164-acre tract and the north corner of the tract described herein;

**THENCE** with said west right-of-way line of Bradshaw Road, same being the northeast line of said 164-acre tract, the following three courses and distances:

- 1) South 61°04'16" East, a distance of 1,196.10 feet to a 1/2-inch iron rod found for a point of curvature of a tangent circular curve to the right,
- 2) With the arc of said curve to the right a distance of 448.29 feet, said curve having a radius of 291.64 feet, a central angle of 88°04'20" and a chord bearing South 17°02'06" East, a distance of 405.44 feet to a 1/2-inch iron rod found for a point of tangency, and
- 3) South 27°04'05" West, a distance of 2,486.42 feet to a 1/2-inch iron rod with cap marked "DOUCET" found in the north line of that tract to HFH Investments LP (no record information found) further described as "Tract B1-B2-B3-, Heep Ranch" in "Exhibit D", that called 449.05-acre tract to Turnersville Development, LTD as recorded in Document Number 2000089761 of the Official Public Records of Travis County, Texas [O.P.R.T.C.T.], for the south corner of said 164-acre tract and the south corner of the tract described herein;

**THENCE** leaving said west right-of-way line of Bradshaw Road, with said north line of said 449.05-acre tract, same being the south line of said 164-acre tract, the following four (4) courses and distances:

- 1) North 66°06'26" West, a distance of 954.83 feet to a 1/2-inch iron rod found,
- 2) North 60°13'39" West, a distance of 192.85 feet to a 1/2-inch iron rod found,
- 3) North 59°58'39" West, a distance of 350.54 feet to a 1/2-inch iron rod found, and
- 4) South 28°01'59" West, a distance of 462.96 feet to a point in the center of a dry creek for the east corner of that called 254.90-acre tract conveyed to Spillmann Properties, LTD., as recorded in Document Number 2009124581 O.P.R.T.C.T., same being the southwest corner of said 164-acre tract, the southwest corner of the tract described herein, and the southerly terminus of a Boundary Line Agreement as recorded in Document Number 1999116083 O.P.R.T.C.T.;

**THENCE** with the west line of said 164-acre tract, same being the east line of said 254.90-acre tract and the common line of the Boundary Line Agreement, the following sixty-four (64) courses and distances:

- 1) North 47°05'54" West, a distance of 78.10 feet to a point,
- 2) North 0°51'53" West, a distance of 101.25 feet to a point,
- 3) North 53°01'53" West, a distance of 104.40 feet to a point,
- 4) North 36°38'54" West, a distance of 91.98 feet to a point,
- 5) North 31°29'07" East, a distance of 78.25 feet to a point,
- 6) North 9°23'07" East, a distance of 32.79 feet to a point,
- 7) North 20°14'54" West, a distance of 19.79 feet to a point,
- 8) North 58°13'54" West, a distance of 49.63 feet to a point,
- 9) North 9°22'53" West, a distance of 80.15 feet to a point,
- 10) North 27°57'53" West, a distance of 113.53 feet to a point,
- 11) North 4°00'54" West, a distance of 87.58 feet to a point,
- 12) North 21°31'54" West, a distance of 118.99 feet to a point,
- 13) North 54°37'54" West, a distance of 101.05 feet to a point,
- 14) North 52°29'54" West, a distance of 105.24 feet to a point,
- 15) North 1°57'54" West, a distance of 36.53 feet to a point,
- 16) North 29°52'54" West, a distance of 78.20 feet to a point,
- 17) North 40°01'54" West, a distance of 122.77 feet to a point,
- 18) North 9°12'06" East, a distance of 33.34 feet to a point,
- 19) North 43°04'07" East, a distance of 95.84 feet to a point,
- 20) North 6°06'54" West, a distance of 99.38 feet to a point,
- 21) North 56°25'06" East, a distance of 38.00 feet to a point,
- 22) North 43°20'07" East, a distance of 70.29 feet to a point,
- 23) North 4°06'54" West, a distance of 51.59 feet to a point,
- 24) North 13°00'07" East, a distance of 101.02 feet to a point,
- 25) North 6°38'54" West, a distance of 106.12 feet to a point,
- 26) North 21°17'06" East, a distance of 47.92 feet to a point,

- 27) South 86°50'54" East, a distance of 35.80 feet to a point,
- 28) South 70°20'54" East, a distance of 59.23 feet to a point,
- 29) South 84°51'54" East, a distance of 48.63 feet to a point,
- 30) North 54°01'07" East, a distance of 125.15 feet to a point,
- 31) South 72°31'54" East, a distance of 48.10 feet to a point,
- 32) North 81°19'06" East, a distance of 27.37 feet to a point,
- 33) North 36°41'06" East, a distance of 26.28 feet to a point,
- 34) North 11°49'54" West, a distance of 31.90 feet to a point,
- 35) North 31°34'32" West, a distance of 48.46 feet to a point,
- 36) North 5°59'49" East, a distance of 56.71 feet to a point,
- 37) North 58°06'49" East, a distance of 142.23 feet to a point,
- 38) North 10°37'07" East, a distance of 43.88 feet to a point,
- 39) North 22°12'54" West, a distance of 43.38 feet to a point,
- 40) North 0°49'17" East, a distance of 88.63 feet to a point,
- 41) North 66°56'44" West, a distance of 136.88 feet to a point,
- 42) North 18°35'44" West, a distance of 30.93 feet to a point,
- 43) North 49°20'16" East, a distance of 44.81 feet to a point,
- 44) North 9°47'17" East, a distance of 47.82 feet to a point,
- 45) North 31°15'44" West, a distance of 18.82 feet to a point,
- 46) North 66°10'44" West, a distance of 76.55 feet to a point,
- 47) North 36°50'00" West, a distance of 31.90 feet to a point,
- 48) North 16°18'11" East, a distance of 149.85 feet to a point,
- 49) North 63°55'55" East, a distance of 21.23 feet to a point,
- 50) South 72°23'51" East, a distance of 40.26 feet to a point,
- 51) North 68°36'17" East, a distance of 15.32 feet to a point,
- 52) North 31°55'13" East, a distance of 31.78 feet to a point,
- 53) North 5°19'17" East, a distance of 20.92 feet to a point,
- 54) North 17°04'19" West, a distance of 54.94 feet to a point,
- 55) South 88°08'49" West, a distance of 45.46 feet to a point,
- 56) North 37°15'45" West, a distance of 14.17 feet to a point,
- 57) North 18°37'31" East, a distance of 14.49 feet to a point,
- 58) North 49°35'31" East, a distance of 22.85 feet to a point,
- 59) North 63°19'31" East, a distance of 178.91 feet to a point,
- 60) North 41°34'15" East, a distance of 32.32 feet to a point,
- 61) North 15°30'44" West, a distance of 92.50 feet to a point,
- 62) North 15°30'54" West, a distance of 43.58 feet to a point, and
- 63) North 16°28'14" East, a distance of 90.12 feet to a point, in the center of Onion Creek for the northwest corner of said 164-acre tract, the northeast corner of said 254.90-acre tract and the northerly terminus of said Boundary Line Agreement, same being an angle point in the south line of that called 140.788-acre tract described as "Exhibit A-1, Tract 3" to Onion Creek Golf Group, LLC, as recorded in Document Number 2006079292 O.P.R.T.C.T.;

**THENCE** continuing with said west line of said 164-acre tract, with said south line of the 140.788-acre tract, North 59°15'14" East, a distance of 77.12 feet to the west corner of that tract described as "Exhibit A-1, Tract 1" conveyed to Onion Creek Golf Group, LLC in said Document Number 2006079292 O.P.R.T.C.T., same being the north corner of said 164-acre tract and the north corner of the tract described herein;

**THENCE** with the south line of said Onion Creek Golf Group LLC Tract 1, with the south line of said Onion Creek Addition, same being the north line of said 164-acre tract, the following five (5) courses and distances:

- 1) South 68°18'14" East, a distance of 218.30 feet to 1/2-inch iron rod with cap marked "DOUCET" found,
- 2) South 68°06'38" East, a distance of 67.38 feet to a to a 1/2-inch iron rod found,
- 3) South 68°04'32" East, a distance of 538.49 feet to a 1/2-inch iron rod found,
- 4) South 68°19'16" East, a distance of 469.61 feet to a 1/2-inch iron rod found, and
- 5) North 28°35'02" East, a distance of 447.90 feet to said **POINT OF BEGINNING** of the tract described herein, and containing 158.2 acres [6,889,825 square feet].

**EXHIBIT 2 TO LANDOWNER AGREEMENT**  
**Assessment Order**

[See Attached]

**EXHIBIT 3 TO LANDOWNER AGREEMENT**  
**Form of Notice to Purchaser**

**BELLA FORTUNA PID – LOT TYPE [ ]: HOMEBUYER DISCLOSURE**

**NOTICE OF OBLIGATION TO PAY  
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS  
TO TRAVIS COUNTY, TEXAS**

**CONCERNING THE PROPERTY AT:**

\_\_\_\_\_  
**STREET ADDRESS**

**OUTSTANDING PRINCIPAL OF ASSESSMENT FOR AUTHORIZED IMPROVEMENT: \$[\_\_\_\_\_]**

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to Travis County, Texas, for the costs of a portion of public improvements (the "***Authorized Improvements***") undertaken for the benefit of the property within the ***Bella Fortuna Public Improvement District*** (the "***District***"), created under Subchapter A, Chapter 372, Local Government Code, as amended.

**THE OUTSTANDING PRINCIPAL OF THE ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS [\$ \_\_\_\_\_], WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH MAY VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.**

An estimate of the annual installments is attached; however, it is only an estimate and is subject to change. The exact amount of the annual installments, including the annual installments thereof, will be approved each year by the Travis County Commissioners Court in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from Travis County.

You may ask your mortgage company to include the Annual Installments in your monthly escrow payment.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate on the date specified below my signature.

**PURCHASER:**

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

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

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

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

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

***[Individual Homebuyer]***

STATE OF TEXAS §

COUNTY OF TRAVIS §

The foregoing instrument was acknowledged before me by \_\_\_\_\_.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

***[Alternate for Entity Purchaser]***

STATE OF TEXAS §

COUNTY OF TRAVIS §

The foregoing instrument was acknowledged before me by \_\_\_\_\_,  
[Title] of [Entity] a [State] [Type of Entity] on behalf of that [Type of Entity].

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

**PROJECTED ANNUAL INSTALLMENTS – LOT TYPE [ ]**

[INSERT SCHEDULE OF PROJECTED ANNUAL INSTALLMENTS]

**Exhibit “K” to Financing Agreement  
HUB Requirements**



## *Historically Underutilized Business (HUB) Program Declaration*

### **EXHIBIT "K" TO FINANCING AGREEMENT** **HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PROGRAM REQUIREMENTS** **FOR BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT (PID)**

**Guidelines for Complying with the Travis County Historically Underutilized Business (HUB) Program:** The Public Improvement District (PID) Developer (the "Owner") and the Owner's prime contractors and consultants shall comply with the applicable standards of the County's Historically Underutilized Business Program policy in the procurement of design and construction services for the Bella Fortuna Project (the "Project"). The Owner and all prime contractors/consultants are required: (i) to make a "good faith effort" to achieve HUB Program goals; and (ii) to comply with the other HUB Program requirements described in this document.

#### **GENERAL INFORMATION**

(a) In an effort to further stimulate and positively impact the local economy pursuant to the Owner's Financing Agreement with Travis County (the "Agreement"), the Public Improvement District (PID) Developer (the "Owner") shall use good faith efforts to provide "Certified HUBs", as defined herein, an equal opportunity to participate in the Project as contractors, consultants, subcontractors, or subconsultants. To be considered a "Certified HUB," contractor and/or subcontractors must have officially been certified as a HUB, Minority-Owned, Women-Owned Business Enterprises (M/WBE), or a Disadvantaged Business Enterprise (DBE) by the State of Texas, the City of Austin, or the Texas Unified Certification Program, and hold a current certification at the time the contract or subcontract is entered into. Travis County does not certify vendors, operating instead through the recognition of the three certifications listed.

The County neither warrants the capacity nor guarantees the performance of any HUB, M/WBE ("HUB Contractor"), or DBE listed on the three directories. All contracts entered into by the Owner or each prime contractor or consultant engaged by the Owner are entered into freely by the Owner and are the responsibility of the Owner. The websites for the three certification programs are:

CMBL: <https://mycpa.cpa.state.tx.us/tpasscmbsearch/tpasscmbsearch.do>

COA: [https://www.austintexas.gov/financeonline/account\\_services/search/vendors/certvendor.cfm](https://www.austintexas.gov/financeonline/account_services/search/vendors/certvendor.cfm)

TUCP: <https://txdot.txdotcms.com/FrontEnd/VendorSearchPublic.asp>

(b) The Owner shall comply with the applicable standards of the HUB Program policy in the design and construction of the Project. The Owner must also comply with the Travis County Purchasing Office's Vendor Tracking System for Project monitoring and tracking of all payments. The Owner shall appoint a point of contact.

(c) A "subcontractor," for the purpose of this section, is defined as any contractor who provides supplies, materials and/or services to a second contractor if the supplies/materials/services are used in fulfillment of the second contractor's contractual obligations with the Owner or his prime contractors or consultants.

With respect to any design or construction services procured in connection with the Project, the Owner, the architect/engineer and the prime contractor shall meet the following gender- and ethnic-specific participation goals in which design or construction services are procured:

Contract Type	African American	Hispanic	Asian/Pacific Islander	Native American	Nonminority Female	Total Goal
Professional Services	1.13 %	5.54 %	3.50 %	0.32 %	10.10 %	20.58 %
Construction	1.46 %	8.08 %	1.65 %	0.38 %	8.56 %	20.13 %



### *Historically Underutilized Business (HUB) Program Declaration*

In an effort to meet the gender- and ethnic-specific utilization goals, the Owner shall implement an outreach program designed to solicit participation of HUBs, M/WBEs, and DBEs. The Owner shall submit documentation demonstrating its own efforts and the good faith efforts of the architects/engineers and prime contractors engaged by the Owner to meet the County's goals. If the Owner provides documentation to the County's Purchasing Office evidencing its own and its architects'/engineers' and prime contractors' good faith efforts, the Owner shall be deemed in compliance with this HUB Program requirement. Failure to perform this obligation will be considered a material breach of the Agreement. The County and the Owner acknowledge that this obligation does not require the Owner to modify, nullify or abrogate any contracts that the Owner has entered into prior to the Effective Date of the Agreement.

(e) The Owner shall notify the Purchasing Office HUB Program staff when the Owner desires assistance in its efforts to meet the gender- and ethnic-specific HUB utilization goals. This assistance may include: (i) providing a list of certified HUBs, M/WBEs, and DBEs from which the Owner may solicit, or cause its architects/engineers or prime contractors to solicit, participation in the design and construction of any improvements; (ii) scheduling and hosting outreach meetings; and (iii) attending pre-solicitation meetings.

(f) The Travis County Purchasing Office has implemented an electronic reporting system (Vendor Tracking System or VTS) to track payments to all tier subcontractors/subconsultants. Owner will be responsible for the use of VTS and must require all subcontractors/subconsultants to comply with VTS system reporting procedures.

The Owner shall provide, or shall cause its prime contractors/consultants to provide, monthly reporting in VTS for all contractors, subcontractors and subconsultants no later than the 15<sup>th</sup> day of each month to track: (i) the utilization, on a percentage basis, of HUBs, M/WBEs, and DBEs in the design and construction of the Project; and (ii) a summary of the Owner's efforts to implement the standards of the County's HUB Program policy. The Owner understands, acknowledges and agrees, and is responsible for ensuring that the Owner's prime contractors/consultants understand, acknowledge and agree, that misrepresentation of payment information will be considered a breach of contractual obligations and that Travis County may exercise all rights and remedies, at law or in equity, in response to such breach.

Training and additional information regarding the use of the VTS will be provided to the Owner by Travis County Purchasing Office HUB staff. Owner should contact HUB staff at (512) 854-9700 or [hubstaff@traviscountytx.gov](mailto:hubstaff@traviscountytx.gov) for assistance.

(g) The County reserves the right to conduct periodic construction site visits for the purpose of verifying compliance with HUB Program requirements.



## *Historically Underutilized Business (HUB) Program Declaration*

### **Travis County Historically Underutilized Business ("HUB") Program Participation**

#### **HUB Program Declaration Requirement**

Travis County is committed to promoting full and equal business opportunities for HUBs through County contracting, both by directly contracting with HUBs and by providing subcontracting opportunities on County projects. The Owner shall cause all prime contractors/consultants performing work on all phases of the Project to complete and submit the HUB Program Declaration and the Owner must ensure that all prime contractors/consultants make a good faith effort to include certified HUBs in the procurement process.

#### **HUB Program Participation Goal**

Travis County has established Aspirational HUB goals for different classifications of contracts. In order to maximize the ability of the Owner's prime contractors/consultants to meet or exceed the Aspirational HUB goals, the County encourages outreach to certified HUBs.

#### **Travis County Certified Subcontractor List**

The Owner or the Owner's prime contractors may search for a business that holds a current certification as a Historically Underutilized Business (HUB), Minority- or Woman-owned Business Enterprise (M/WBE), or a Disadvantaged Business Enterprise (DBE) by the State of Texas, the City of Austin, or the Texas Unified Certification Program (TUCP), by using the following directories:

#### **Search Directories**

CMBL: <https://mycpa.cpa.state.tx.us/tpasscmbsearch/tpasscmbsearch.do>

COA: [https://www.austintexas.gov/financeonline/account\\_services/search/vendors/certvendor.cfm](https://www.austintexas.gov/financeonline/account_services/search/vendors/certvendor.cfm)

TUCP: <https://txdot.txdotcms.com/FrontEnd/VendorSearchPublic.asp>

#### **Good Faith Effort Outreach Requirements**

As provided in Section 2 of the HUB Program Declaration, prime contractors/consultants must notify at a minimum three (3) HUBs and all **Community Partners and/or Plan Rooms** for each subcontracting opportunity identified at least **seven (7) working days** prior to submitting their response to the Owner's solicitation or other notice. Notice must be in writing. Such notice will assist prime contractors/consultants in identifying potential HUBs by allowing Community Partners and/or Plan Rooms to disseminate the subcontracting opportunities to their members/participants. A full list of minority trade associations is available on the Travis County Purchasing Office webpage listed under the Community Partners and Plan Room tabs at <https://www.traviscountytexas.gov/purchasing/hub>.

# Historically Underutilized Business (HUB) Program Declaration

PROJECT NAME: Bella Fortuna PID – Design or Construction

IMPROVEMENT AREA: \_\_\_\_\_

PHASE: \_\_\_\_\_

BID PKG: \_\_\_\_\_

## HUB Subcontracting Goals

Prime contractors/consultants must make a good faith effort to meet the County's Aspirational HUB goals. The Project carries the following HUB subcontracting goals.

Contract Type	African American	Hispanic	Asian/Pacific Islander	Native American	Nonminority Female	Total Goal
Professional Services	1.13 %	5.54 %	3.50 %	0.32 %	10.10 %	20.58 %
Construction	1.46 %	8.08 %	1.65 %	0.38 %	8.56 %	20.13 %

## Quick Checklist

❖ If you plan to subcontract some or most of the opportunities of the Project and to meet or exceed the set goals, complete:

- ☐ Section 1 - Prime Contractor/Consultant Information and Subcontracting/Sub-consulting Intentions
- ☐ Section 4 - Disclosure of ALL Subcontractors
- ☐ Section 5 – Affirmation

❖ If you plan to utilize subcontractors on the Project, but do not expect to meet the established goals, complete:

- ☐ Section 1 - Prime Contractor/Consultant Information and Subcontracting/Sub-consulting Intentions
- ☐ Section 2 – Outreach Notice to Community Partners and/or Plan Rooms
- ☐ Section 3 - Notification of Subcontracting Opportunity
- ☐ Section 4 - Disclosure of ALL Subcontractors
- ☐ Section 5 – Affirmation

❖ If you are able to fulfill all subcontracting opportunities with your own resources, complete:

- ☐ Section 1 - Prime Contractor/Consultant Information and Subcontracting/Sub-consulting Intentions
- ☐ Section 5 – Affirmation

*Historically Underutilized Business (HUB) Program Declaration*

**Section 1 – Prime Contractor/Consultant Information and Subcontracting/Sub-consulting Intentions**

Prime Contractor/Consultant Company Name:		EIN/VID #:	
Address:	City:	State:	Zip Code:
Contact:		Phone No.:	
E-mail:		Total Bid Amount:	
Is your company a certified HUB? <input type="checkbox"/> Yes <input type="checkbox"/> No	Indicate Gender & Ethnicity:		
Certifying Agency (check all applicable):	State of Texas (HUB) <input type="checkbox"/>	City of Austin (M/WBE) <input type="checkbox"/>	Texas Unified Certification Program (DBE) <input type="checkbox"/>
Provide contact information for the individual in your office who will handle invoicing for this project:			
Contact:	Phone No.:	E-mail:	

**Overall Percentage to be subcontracted to Certified HUBs: \_\_\_\_\_ %**

Total MBE Dollars	Total MBE Percentage	Total WBE Dollars	Total WBE Percentage	Total Non-HUB Dollars	Total Non-HUB Percentage
\$	%	\$	%	\$	%

**If you were unable to meet the set goals for this project, select the box by the response(s) that best fit your situation.**

- ☐ I intend to self-perform the entire project. If circumstances necessitate the use of any subcontractors, I agree to timely seek the County's consent to the use of such subcontractors and to adhere to all HUB Program requirements, including the submission of any required documentation.
- ☐ HUBs solicited did not respond.
- ☐ HUBs solicited were not competitive.
- ☐ HUBs were unavailable for the following trade(s): \_\_\_\_\_

**Section 2 – Outreach Notice to Community Partners and/or Plan Rooms**

Provide written notice to all Community Partners of each subcontracting opportunity the HUB Program staff has identified. These Community Partners will assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants.

Community Partners	Date Notice Sent (mm/dd/yyyy)	Was the Notice Accepted?
Asian Contractor Association – asiancontractor@gmail.com		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
Austin Area Black Contractors Association – brc-pro@att.net		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
Austin Independent Business Alliance – rebecca@ibuyaustin.com		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
Austin LGBT Chamber of Commerce – info@aglc.org		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
Austin-Metropolitan United Black Contractors – unism@sbcglobal.net		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
City of Austin Construction & Technology Center – juan.gonzalez@austintexas.gov		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
Greater Austin Black Chamber – admin@austinbcc.org		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
Greater Austin Asian Chamber of Commerce – dnguyen@austinasianchamber.org		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
Greater Austin Hispanic Chamber of Commerce – membership@gahcc.org		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
Texas Association of African American Chambers of Commerce – cro@taaacc.org		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
Texas Association of Mexican American Chambers of Commerce – president@tamacc.org		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
US Hispanic Contractors Association de Austin – ushcadeaustin@gmail.com		<input type="checkbox"/> - Yes <input type="checkbox"/> - No

*Historically Underutilized Business (HUB) Program Declaration*

**Section 3 - Notification of Subcontracting Opportunity**

Prime contractor/consultant shall complete Section 3 to demonstrate a good faith effort to meet the County's HUB goals. At least seven (7) working days prior to submitting a solicitation response, prime contractor/consultant must provide notice, in writing, to three (3) certified HUBs and all Community Partners of each subcontracting opportunity listed in this Declaration. The notice must include the scope of work, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications, and a point of contact. Prime contractor/consultant must submit notification (e.g. certified letter receipt, printed fax confirmation, printed e-mail, etc.) to demonstrate compliance with the good faith effort requirement. (Note: A "working day" is considered a normal business day recognized by Travis County, and does not include weekends, County holidays, or days the County is declared closed by the Travis County Commissioners Court. The day on which the subcontracting opportunity notice is sent to the HUBs and to the Community Partners is considered "day zero," and does not count as one of the seven (7) working days).

**Description of Work:**

Company Name & EIN/VID # (Do not enter Social Security Numbers.)	Date Notice Sent (mm/dd/yyyy)	The HUB did not respond.	The HUB's pricing was not competitive.	The HUB was busy with other work.
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Description of Work:**

Company Name & EIN/VID # (Do not enter Social Security Numbers.)	Date Notice Sent (mm/dd/yyyy)	The HUB did not respond.	The HUB's pricing was not competitive.	The HUB was busy with other work.
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Description of Work:**

Company Name & EIN/VID # (Do not enter Social Security Numbers.)	Date Notice Sent (mm/dd/yyyy)	The HUB did not respond.	The HUB's pricing was not competitive.	The HUB was busy with other work.
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Description of Work:**

Company Name & EIN/VID # (Do not enter Social Security Numbers.)	Date Notice Sent (mm/dd/yyyy)	The HUB did not respond.	The HUB's pricing was not competitive.	The HUB was busy with other work.
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Description of Work:**

Company Name & EIN/VID # (Do not enter Social Security Numbers.)	Date Notice Sent (mm/dd/yyyy)	The HUB did not respond.	The HUB's pricing was not competitive.	The HUB was busy with other work.
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Description of Work:**

Company Name & EIN/VID # (Do not enter Social Security Numbers.)	Date Notice Sent (mm/dd/yyyy)	The HUB did not respond.	The HUB's pricing was not competitive.	The HUB was busy with other work.
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Historically Underutilized Business (HUB) Program Declaration*

**Section 4 - Disclosure of ALL Subcontractors**

Travis County exercises the right to verify subcontractors listed by the prime contractor/consultant on this project. We ask that all prime contractors/consultants list second- and third-tier subcontractors/sub-consultants engaged on the Project, as you will receive credit towards the Aspirational HUB goals for the use of any HUB subcontractor as long as the prime contractor/consultant reports the dollars paid to each.

Sub Company Name:		EIN/VID #:	
Address:	City:	State:	Zip Code:
Contact:	Phone No.:	Fax No.:	E-mail:
Subcontract Amount:	Percentage:	Description of Work:	
Is the company a certified HUB? <input type="checkbox"/> Yes <input type="checkbox"/> No	Indicate Gender & Ethnicity:		
Certifying Agency (Check all applicable):	State of Texas (HUB) <input type="checkbox"/>	City of Austin (M/WBE) <input type="checkbox"/>	Texas Unified Certification Program (DBE) <input type="checkbox"/>

Sub Company Name:		EIN/VID #:	
Address:	City:	State:	Zip Code:
Contact:	Phone No.:	Fax No.:	E-mail:
Subcontract Amount:	Percentage:	Description of Work:	
Is the company a certified HUB? <input type="checkbox"/> Yes <input type="checkbox"/> No	Indicate Gender & Ethnicity:		
Certifying Agency (Check all applicable):	State of Texas (HUB) <input type="checkbox"/>	City of Austin (M/WBE) <input type="checkbox"/>	Texas Unified Certification Program (DBE) <input type="checkbox"/>

Sub Company Name:		EIN/VID #:	
Address:	City:	State:	Zip Code:
Contact:	Phone No.:	Fax No.:	E-mail:
Subcontract Amount:	Percentage:	Description of Work:	
Is the company a certified HUB? <input type="checkbox"/> Yes <input type="checkbox"/> No	Indicate Gender & Ethnicity:		
Certifying Agency (Check all applicable):	State of Texas (HUB) <input type="checkbox"/>	City of Austin (M/WBE) <input type="checkbox"/>	Texas Unified Certification Program (DBE) <input type="checkbox"/>

Sub Company Name:		EIN/VID #:	
Address:	City:	State:	Zip Code:
Contact:	Phone No.:	Fax No.:	E-mail:
Subcontract Amount:	Percentage:	Description of Work:	
Is the company a certified HUB? <input type="checkbox"/> Yes <input type="checkbox"/> No	Indicate Gender & Ethnicity:		
Certifying Agency (Check all applicable):	State of Texas (HUB) <input type="checkbox"/>	City of Austin (M/WBE) <input type="checkbox"/>	Texas Unified Certification Program (DBE) <input type="checkbox"/>

(Note: A continuation sheet is available online at <https://www.traviscountytx.gov/purchasing/hub/>.)

*Historically Underutilized Business (HUB) Program Declaration*  
**Section 5 - Affirmation**

As evidenced by my signature below, I affirm that I am an authorized representative of the prime contractor/consultant identified in Section 1, and that the information and supporting documentation submitted with this HUB Program Declaration is true and correct. If awarded any portion of the contract solicited, prime contractor/consultant understands and agrees to:

- Notify each subcontractor/sub-consultant (HUBs and Non-HUBs) identified in Section 4 of this Declaration that prime contractor/consultant has been awarded the contract and that the receiving subcontractor/sub-consultant has been selected as a subcontractor/sub-consultant for the awarded contract.
- Seek approval from the Travis County HUB Program Director prior to making any modifications to the prime contractor's/consultant's HUB Program Declaration, including the hiring of additional or different subcontractors/sub-consultants and the termination of a subcontractor/sub-consultant that prime contractor/consultant identified in its HUB Program Declaration. If the HUB Program Declaration is modified without the HUB Program Director's prior approval, Travis County may seek any and all remedies available at law or in equity, including filing a claim for breach of contract and, at County's sole discretion, placing prime contractor/consultant on a "non-responsible contractors" list maintained by the Purchasing Office. Prime contractor/consultant must complete a HUB Subcontractor/Sub-consultant Change Form, which may be obtained from the HUB Staff, and return the form via e-mail to [hubstaff@traviscountytx.gov](mailto:hubstaff@traviscountytx.gov) or fax to (512) 854-9185.
- Utilize the Travis County HUB Vendor Tracking System (VTS) to report payments to subcontractors/sub-consultants.
- Post-Award HUB Declaration Requirements

The HUB Program Declaration will be reviewed and evaluated prior to contract award and, if accepted, the finalized HUB Program Declaration will become part of the awarded contract. After contract award, the County user department and HUB Staff may coordinate a post-award meeting with the successful bidder ("Contractor/Consultant") to discuss HUB reporting requirements. The Contractor/Consultant must maintain business records documenting compliance with the HUB Program Declaration, and must enter payments made to subcontractors/sub-consultants of all tiers into the TCPO's electronic reporting system, the "Vendor Tracking System" ("VTS"). This electronic report is required as a condition for payment to facilitate the County's ability to track the identity of and the amount paid to all subcontractors/sub-consultants.

The County reserves the right to consider the Contractor's/Consultant's failure to meet the HUB Program Declaration requirements (including those related to post-contract award obligations) a breach of contract and, if County exercises this right, to seek all remedies available at law or in equity. The HUB Staff may also report noncompliance to the Commissioners Court and recommend that Contractor/Consultant be placed on a "non-responsible contractor" list maintained by the Purchasing Office.

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

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

E-mail Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **FIRST AMENDMENT TO BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT FINANCING AGREEMENT**

**THIS FIRST AMENDMENT TO BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT FINANCING AGREEMENT** (the "Amendment") is entered into by and between Travis County Development Authority, a Texas public nonprofit corporation organized pursuant to Subchapter D, Chapter 431, Texas Transportation Code ("TCDA"), Clayton Properties Group, a Tennessee corporation doing business in Texas as Brohn Homes, successor in interest to Views at Onion Creek, LP, a Texas limited partnership (the "Owner"), and Travis County, Texas ("County") (collectively herein referred to as the "Parties"). Capitalized terms used in this Amendment have the meanings given to them in the Financing Agreement (defined below), unless otherwise provided in this Amendment.

### **Recitals**

1. At Owner's request, the County established a public improvement district, called Bella Fortuna Public Improvement District (the "PID" or "District"), pursuant to Texas Local Government Code, Chapter 372, to finance certain public improvements.
2. Owner, TCDA, and County entered into that certain Bella Fortuna Public Improvement District Financing Agreement, dated May 28, 2019 (as amended, the "Financing Agreement"), pursuant to which Owner agreed to pay to the County, through its Capital Economic Progress Corporation, a PID Community Benefit Fee in lieu of providing on-site Affordable Housing.
3. Owner, TCDA, and County have agreed to modify the timing and structure of the payment of the PID Community Benefit Fee.
4. The Parties agree that the Financing Agreement should be amended to reflect a bifurcated payment of the PID Community Benefit Fee related to the first Bond Issuance Request and first Assessment Levy Request on the Property, and to clarify the timing and structure of the payment of subsequent PID Community Benefit Fees.

**NOW, THEREFORE**, for and in consideration of the foregoing premises and of the mutual promises and conditions hereinafter contained, the Parties agree as follows:

1. The Financing Agreement is amended as follows:
  - (A) Section 6.01 is deleted and replaced with the following:

"Section 6.01. Affordable Housing and PID Community Benefit Fee

    - (a) The Commissioners Court supports the use of long-term affordability mechanisms to create housing in Travis County that:
      - (1) is affordable to individuals and families earning a wide range of incomes,

- (2) is geographically dispersed throughout the County, and
- (3) to the greatest extent possible, supports diverse housing types and mixed income neighborhoods.
- (b) In general, the Commissioners Court supports the creation of public improvement districts that will increase Affordable Housing opportunities for persons whose income is 80% or below the Area Median Income.
- (c) In general, the Commissioners Court supports the creation of public improvement districts that will improve Very Low to Low Opportunity Areas or areas of racial, ethnic, and/or low-income concentrations.
- (d) The Commissioners Court has determined that, as of the Effective Date of this Agreement, the District is located in a Low Opportunity Area of the County.
- (e) In accordance with the County's PID Policy, a copy of which is attached as Exhibit "L," and the terms of this Agreement, the Owner agrees to pay to the Capital Economic Progress Corporation a PID Community Benefit Fee that is equal to 10% of Net PID Bond Proceeds of the PID Bonds being issued at that time.
- (f) For the first Assessment Levy Request submitted for this Project, the Owner shall deposit \$500,000.00 (the "Initial Fee") into escrow pursuant to an escrow agreement titled "Bella Fortuna PID Community Benefit Fee Escrow Agreement (the "CBF Escrow Agreement") executed between Owner, County, TCDA, and the TCDA Depository Bank. After confirming that the Owner has deposited the Initial Fee, the TCDA shall promptly order an Appraisal of the Property. Pursuant to the CBF Escrow Agreement, the Initial Fee shall be available for release to the Capital Economic Progress Corporation ("CEPC") via ACH or check no later than three (3) business days after the date the first Assessments are levied on the Property. If the Commissioners Court approves Owner's first Assessment Levy Request, the Owner shall deposit into escrow the remainder of the PID Community Benefit Fee (the "Remainder Fee"), calculated to be the difference between 10% of the Net PID Bond Proceeds less the Initial Fee, no later than three business days before the closing date of the first PID Bonds. Pursuant to the CBF Escrow Agreement, the Remainder Fee shall be disbursed to the CEPC via ACH or check no later than three business days after the closing date of the first PID Bonds. In the event the Remainder Fee is negative, Owner shall not be entitled to any refund or offset of the Initial Fee.

- (g) If, after the first Assessments have been levied and after the first PID Bonds have been issued, the Owner submits a subsequent Assessment Levy Request or subsequent Bond Issuance Request, the County will conduct another affordability analysis to determine the opportunity level in the District and, unless and until the County determines that the opportunity level in the District has changed such that the District is in a Moderate to High Opportunity Area or High Opportunity Area rather than in a Low Opportunity Area, and the Commissioners Court further determines that it would be appropriate to require the Owner to provide on-site Affordable Housing or other on-site community benefit, the Owner agrees to pay, a PID Community Benefit Fee with respect to that subsequent Assessment Levy Request or subsequent Bond Issuance Request as follows:
- (1) The Owner must pay a PID Community Benefit Fee that is equal to 10% of the estimated Net PID Bond Proceeds, and the Owner must escrow such PID Community Benefit Fee with the TCDA Depository Bank (with a copy to Owner) no later than three (3) business days after the Commissioners Court approves setting a public hearing to consider an order levying the requested Assessments ("Assessment Hearing").
  - (2) If the Commissioners Court does not approve an order levying the requested Assessments after the conclusion of the Assessment Hearing, the TCDA shall provide written direction to the TCDA Depository Bank (with a copy to Owner) to return such PID Community Benefit Fee to the Owner no later than three (3) business days after the TCDA Depository Bank's receipt of such written direction.
  - (3) If the Commissioners Court approves an order levying the requested Assessments after the conclusion of the Assessment Hearing, the TCDA shall provide written direction to the TCDA Depository Bank to disburse such PID Community Benefit Fee to CEPC no later than three (3) business days after such Assessments are levied.

- (B) Section 8.03 is deleted and replaced with the following:

**Section 8.03 Force Majeure**

Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation (other than an obligation to pay money) to be performed hereunder by any Party is delayed as a result of (a) circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending litigation (but not pending litigation between the Parties), acts of God, war, acts of civil disobedience, widespread pestilence, fire or other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and

not limitation, severe rain storms or tornadoes, labor action, strikes, changes in the law affecting the obligations of the Parties hereunder, or similar acts), or (b) COVID-19 or any pandemic or other event declared a disaster (including a disaster declared by the County Judge), the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing "force majeure" events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a "force majeure" event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Section. Notwithstanding any provision to the contrary, Force Majeure will not excuse any obligation to make payment under this Agreement unless the event of Force Majeure affects the ability of financial institutions generally to transfer funds in the normal course of business.

- (C) In Exhibit "A," the definition of "Force Majeure" is deleted and replaced with the following:  
 "Force Majeure" means:
  - (1) circumstances which are beyond the reasonable control of the performing Party (which circumstances may include, without limitation, pending litigation (but not pending litigation between the Parties), acts of God, war, acts of civil disobedience, widespread pestilence, fire or other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or tornadoes, labor action, strikes, changes in the law affecting the obligations of the Parties hereunder, or similar acts), or
  - (2) COVID-19 or any pandemic or other event declared a disaster (including a disaster declared by the County Judge).
- (D) The bullet point of Exhibit "E-2" to the Financing Agreement that states "Payment of a community benefit fee in accordance with Travis County Code Chapter 481" is hereby deleted and replaced with the following: "Payment of a community benefit fee in accordance with Travis County Code Chapter 481 and Section 6.01 of this Agreement."
- (E) Exhibit "L," a copy of the County's PID Policy as of the effective date of the Financing Agreement, is added as an attachment to this Agreement and incorporated herein and in the Financing Agreement for all purposes.

- 2. Except as otherwise set forth in this Amendment, the Financing Agreement will remain in full force and effect in accordance with its original terms and be binding on the Parties and their respective heirs, executors, administrators, successors and assigns.

3. This Amendment may be executed in one or more counterparts, each of which will be deemed an original, but all of which will constitute one and the same Amendment. Signatures transmitted electronically by e-mail in a "PDF" format, by DocuSign or similar e-signature service shall have the same force and effect as original signatures in this Amendment.

This Amendment is effective when fully executed by the Parties (the "Effective Date").

***[Signatures on following page]***

**TRAVIS COUNTY DEVELOPMENT AUTHORITY:**

BY: DocuSigned by:  
*Andrea Shields*  
E0843CF0589D48F... \_\_\_\_\_

DATE: 9/18/2020

**TRAVIS COUNTY, TEXAS**

BY: DocuSigned by:  
*Sam Biscoe*  
C020CF375B4C48F... \_\_\_\_\_

DATE: 9/22/2020

**RECEIVED**

*By Gillian Porter, Deputy at 1:45 pm, Sep 22, 2020*

**OWNER:**

**CLAYTON PROPERTIES GROUP, INC.,**  
a Tennessee corporation doing business in Texas as  
**BROHN HOMES**

BY: DocuSigned by:  
*Adam Boenig*  
055B0680AC2E4EC... \_\_\_\_\_  
Adam Boenig, Vice President

DATE: 9/18/2020

## **Exhibit “L”**

### **PID Policy**

# Chapter 481. Travis County Public Improvement District Policy and Procedures<sup>1</sup>

## Contents:

### *Subchapter A. [General Provisions]*

481.001	General Provisions 1
481.002	Definitions 2
481.003	Community Benefits 3
481.004	PIDs within Municipal Limits or ETJs 4
481.005	Minimum Requirements for a PID 5
481.006	Preferential Requirements 8
481.007	Contents and Filing of Petition 9
481.008	Notice, Public Hearing, and Approval of Petition 10
481.009	Financial Limitations and Performance Standards 11
481.010	PID Administration and Management 12
481.011	Audit Requirements 13
481.012	Boundary Modifications, Supplemental Assessments, Renewal, or Dissolution 13

### *Subchapter B. Affordable and Fair Housing Requirements*

481.101	Affordable and Fair Housing Policy 13
481.102	Definitions 14
481.103	Affordability, Opportunity, and Fair Housing Analysis 16
481.104	Housing Affordability 17
481.105	PIDs in Low Opportunity Areas 17
481.106	PIDs in High Opportunity Areas 18
481.107	Affirmative Marketing 19
481.108	Affordable Housing Development Agreement 19
481.109	Program Oversight, Monitoring, and Enforcement 20
481.110	Limitations on Use of PID Bond Proceeds 20

### ***Subchapter A. [General Provisions]***

#### **481.001 General Provisions**

- (a) A public improvement district (PID) is a tool that provides for the financing of the costs of public improvements or Services that benefit a definable part of Travis County (the County). It allows the costs of PID improvements or Services to be borne by those who receive special benefits from the improvements or Services because they own property in that definable area. At the same time, residents of the county who live outside the definable area also receive some benefit from those improvements or Services.
- (b) The purpose of this chapter is to outline the policies and procedures the Travis County Commissioners Court (the Commissioners Court) will use to consider whether creation of a PID, a levy of PID assessments, or issuance of PID bonds is in the best interest of the County.

---

<sup>1</sup> Chapter 81 was adopted by Travis County Commissioners Court on January 26, 2016, item 10, and replace October 17, 2017, item 14. Chapter 81 was renumbered as Chapter 481 on June 1, 2018 (approved May 15, 2018, Item 7).

- (c) For purposes of the several filing requirements of Chapter 372, Local Government Code (Chapter 372), the person performing the functions of a municipal secretary for the County is the assistant Travis County Clerk responsible for maintaining the minutes and other records of the Commissioners Court.
- (d) The Commissioners Court may, on a case-by-case basis, waive a requirement of this chapter if it does not conflict with state or federal law or regulations. Any requirements waived shall be noted in the resolution approving the PID petition or other relevant document and must include a finding that the waiver is in the best interest of the County.
- (e) PID bonds under this Chapter may be issued by either the County or a development authority or corporation created by the County. If one of the latter entities issues the PID bonds, references to the County and Commissioners Court in the provisions of this chapter related to bond issuance shall be interpreted as a reference to the entity and its governing body.

#### **481.002 Definitions**

In this chapter

- (1) “Affordable Housing” means, in general, housing for which the occupant is paying no more than 30 percent of his or her gross income for housing costs, including utilities, as established by the federal Department of Housing and Urban Development.
- (2) “Approved Master Plans” means master and regional plans approved by the Commissioners Court, such as the Land Water and Transportation Plan, the Colorado River Corridor Plan, and the Eastern Creeks Greenbelts Plan.
- (3) “ETJ” means the extraterritorial jurisdiction of a municipality.
- (4) “Market Feasibility Study” means a study that examines the likelihood that a proposed real estate development project supported by a PID will be financially successful and generate sufficient PID assessments based on historical and projected real estate demand and supply trends.
- (5) “Owners” means owners of real property in the PID.
- (6) “Petitioners” means the Owners signing the PID petition and their successors and assigns.
- (7) “PID assessments” means special assessments levied on property within the PID under Chapter 372 to pay for PID improvements.
- (8) “PID bonds” means special assessment revenue bonds issued by the County under Chapter 372 payable by PID assessments from, and secured by special assessment liens on, property in the PID.

- (9) "PID improvements" means landscaping, lighting, signs, sidewalks, roads, streets, pedestrian malls, libraries, off-street parking, public transit, water, wastewater, stormwater management, parks, development and improvement of Affordable Housing, services for improvement and promotion of the PID, payment of expenses for creating and operating the PID, and any other improvements authorized by Chapter 372.
- (10) "PID petition" means a petition for creation, modification, dissolution, or renewal of a PID.
- (11) "Service and Assessment Plan" means an ongoing plan approved by the Commissioners Court that covers a period of five years from the date of approval that defines the annual installments on the total PID assessment and the projected cost for PID improvements, and that is updated annually by the Commissioners Court to establish the annual installments and budget for the PID.
- (12) "Services" means special supplemental services for improvement, promotion, and maintenance of a PID, including services for health and sanitation, water and wastewater, public safety, recreation, and any other services authorized by Chapter 372.

#### **481.003 Community Benefits**

- (a) Subject to the requirements of this chapter, the Commissioners Court will consider approval of a petition for a PID only if the PID supports real estate development projects that provide for community benefits to a degree that is superior to the level of community benefits typically generated by real estate development projects that do not involve PID financing, such as, but not limited to the following:
  - (1) Projects that will generate primary employment or other long-term economic development benefits to the County, above and beyond the economic development benefits generated by hiring short-term workers to construct the project supported by the PID.
  - (2) Projects that increase Affordable Housing opportunities for persons of low or moderate incomes.
  - (3) Improvements or Services that advance Approved Master Plans.
  - (4) Projects that create or enhance parks, hike and bike trails, recreational facilities, open space benefits, etc. that exceed what is required by applicable development regulations.
  - (5) Projects that improve environmental protection, stormwater quality, and flood control benefits in ways that exceed what is required by applicable development regulations.

- (6) Projects that increase or enhance mass transit, bicycle, pedestrian, carpooling, or any transportation options other than single-occupant vehicles.
  - (7) Projects that improve public educational or health programs and/or facilities.
  - (8) Projects that provide innovative, exceptional benefits to improve the public roadway network in the County other than the projects internal streets.
  - (9) Projects featuring excellence in community design, including well-connected streets, humane public spaces, on-site amenities, and a mix of land uses in walking distance.
  - (10) Projects that incorporate more than minimal green building standards.
- (b) PIDs must provide multiple community benefits. Affordable Housing opportunities are especially important to the Commissioners Court, so the County will examine each PID petition for Affordable Housing opportunities. Creation of a PID without an Affordable Housing element will generally be appropriate only where the area surrounding the PID has a greater need for community benefits other than Affordable Housing.
  - (c) It is not necessary that all community benefits be funded by PID assessments or PID bonds. If a community benefit is not eligible for PID financing based on section 372.003, Local Government Code, the petitioner must ensure ongoing financing of the benefit from other sources.

#### **481.004 PIDs within Municipal Limits or ETJs**

- (a) For areas within city limits, PIDs created by the municipality are preferred. Generally, the Commissioners Court will consider PID petitions for property in municipal limits only if:
  - (1) the project will enhance or assist in completing a County project;
  - (2) the PID includes property within an unincorporated area and municipal limits or within multiple municipal limits.
- (b) For proposed PIDs in an ETJ or municipal limits, the petitioners shall be responsible for coordination with and between the County and the municipality at the earliest possible date to assess municipal annexation plans, the maximum PID assessment rate relative to municipal taxation, relative responsibilities for acceptance and maintenance of PID improvements to be financed by the PID, and related matters.
- (c) For PIDs in either municipal limits or an ETJ, the petitioner must provide the County with acceptable evidence that the municipality has been notified in writing of the petitioner's intent to request creation of the PID by the Commissioners Court.

- (d) For proposed PIDs in an ETJ, Travis County will consider the municipality's annexation plan before creating the PID in an area already identified in the plan.

#### **481.005 Minimum Requirements for a PID**

- (a) For a PID petition to be approved by the Commissioners Court, the real estate development project supported by the PID must meet the following minimum requirements.
  - (1) The petitioner must submit acceptable evidence of the feasibility of the real estate development project and the PID, taking into account both the market for the proposed product types and the petitioner's capacity to deliver the project. Acceptable evidence includes a market study, Phase 1 environmental site analysis, and a feasibility study, all of which must have been prepared no earlier than 90 days before the date the PID petition is filed with the assistant Travis County Clerk responsible for maintaining the minutes and other records of the Commissioners Court.
  - (2) The petitioner must provide the County with evidence of its committed sources of funding for the private improvements and any public improvements not being funded by the PID bond proceeds.
  - (3) The petitioner must agree either to reimburse the County or directly pay for the County's one-time administrative or operational costs, such as costs of:
    - (A) reviewing the PID petition;
    - (B) publishing related notices;
    - (C) reviewing the appraisal, the initial Service and Assessment Plan, and the Market Feasibility Study, including the cost of services provided by County consultants, bond counsel, and financial advisors;
    - (D) bond issuance;
    - (E) review and approval of plans for and inspection of construction of PID improvements;
    - (F) PID administration and operation, collection of assessments, foreclosures, etc., whether provided by staff or consultants.
- (b) The County's ongoing administrative and operational costs related to an approved PID, such as collection of PID assessments, review and approval of Service and Assessment Plan updates, and other costs shall be reimbursed from PID assessments. The County's costs will be determined on an annual basis.
- (c) Administration and management of ongoing PID responsibilities, such as preparation and updating of the Service and Assessment Plan, issuance of notices for annual Commissioners Court action on the Service and

Assessment Plan, operation and maintenance of PID improvements, and other related matters shall be paid by PID assessments and performed by a third party administrator under contract with the County.

- (d) The County will authorize PID bond proceeds only to pay the costs of PID improvements that have been designed and constructed to the applicable standards of the government entity responsible for them. For construction of PID improvements, the petitioner will be paid for costs incurred as construction progresses, but no more frequently than monthly.
- (e) Before the County will levy a PID assessment or authorize issuance of PID bonds, the PID Petitioners and the County must enter into a PID agreement that establishes:
  - (1) the basic terms and conditions for creation of the PID, including the provision of community benefits, compliance with the requirements of this policy, and monitoring and enforcement of those requirements;
  - (2) payment or reimbursement to the County of both the County's one-time and ongoing administrative and operational costs;
  - (3) the financing of the PID improvements and the payment of assessment revenue or PID bond proceeds to pay the costs of the PID improvements;
  - (4) the planning, development, construction, management, and maintenance of the PID improvements, including review and approval by, and any interlocal agreements between the County and, the government entities ultimately responsible for the PID improvements;
  - (5) terms and conditions for ongoing PID administration, operation, and management, including collection of PID assessments;
  - (6) any Services to be funded by the PID; and
  - (7) other related matters.
- (f) Before the County will levy PID assessments or authorize issuance of PID bonds, the petitioners must provide the following.
  - (1) A fair market value appraisal of property in the PID by an independent third-party appraiser acceptable to the County.
  - (2) A Market Feasibility Study.
  - (3) A description of the method of assessment, including a comparison of the combined PID assessment and *ad valorem* tax burden on Owners in the PID with comparable combined burdens on Owners in nearby developments.
  - (4) Any plan for phasing of both the real estate development supported by the PID and construction of public improvements in the development.

- (5) Any reports prepared by independent, third-party subject matter experts (e.g., engineers) as agreed upon by the County, PID Petitioner, and underwriter.
- (g) Before the County will levy PID assessments or authorize issuance of PID bonds, contracts must be executed for:
  - (1) Collection of PID assessments; and
  - (2) Third party administration and management of the PID.
- (h) With regard to use of historically underutilized businesses, provision of performance and payment bonds, and other requirements, contracts for design and construction of the PID improvements shall substantially conform to the requirements the County applies to design and construction contracts for roads built pursuant to public/private participation agreements.
- (i) In addition, construction of improvements financed by PID assessments or PID bond proceeds must comply with the following construction worker-protection standards:
  - (1) Payment of the prevailing wage to construction workers, provided the Travis County living wage is preferred when it is the higher of the two.
  - (2) Provide OSHA-10 training for construction workers and OSHA-30 for construction safety managers.
  - (3) Provide workers compensation insurance for construction workers.
  - (4) Provide independent monitoring of the construction sites by on-site monitors approved by the County.
  - (5) Recruit 30% of its construction workforce from local, Department of Labor-certified apprenticeship programs that provide bilingual instruction or other training programs that provide bilingual instruction approved by the County.
- (j) The PID agreement and/or other documentation acceptable to the County must be recorded in the County Clerk's Official Public Records to notify any prospective owner of the existence of PID assessments on the property.
  - (1) All closing statements and sales contracts for property in the PID must disclose responsibility for payment of PID assessments and the amount of the PID assessments and must be acknowledged by the purchaser through a signature.
  - (2) Each grantor who conveys property that is subject to PID assessments must
    - (A) include a notice in the instrument of conveyance that the property is subject to PID assessments until the PID assessment is paid in full,
    - (B) obtain the grantee's written acknowledgement of the notice,

- (C) record the instrument in the Official Public Records of Travis County, Texas, and
  - (D) provide a certified copy of the instrument to the County's third party PID administrator.
- (3) The petitioners must erect and maintain or cause to be erected and maintained for the duration of the PID signage disclosing the existence of the PID in a form and condition acceptable to the County along the main entries and exits at the boundaries of the PID that is clearly visible to all motorists entering and exiting the PID.
- (k) Property in the PID owned by Travis County shall not be subject to PID assessments. Property in the PID owned by another governmental entity may be assessed only pursuant to an interlocal agreement between the entity and the County.
- (l) The PID may not finance improvements or Services within a gated community or a development in which PID improvements would not be accessible to the general public.
- (m) A PID may not overlap the boundaries of another PID.
- (n) Development of property within the PID may not require variances from applicable development regulations that result in a significantly lower standard of development.
- (o) Billing and collection of PID assessments by the County Tax Assessor Collector is required.

#### **481.006 Preferential Requirements**

- (a) PIDs in which the cost of public improvements are financed without County financial participation are preferred. Except for public improvements specifically listed in a voter-approved County bond proposition, the County will not expend or pledge a tax increment, general fund revenue, general obligation bond or certificate of obligation proceeds, etc. to support the costs of PID improvements, unless explicitly approved by Commissioners Court as advancing a County purpose.
- (b) PID petitions signed by 100% of the Owners in the PID boundaries are preferred. A PID petition will be viewed more favorably when it is signed by a higher percentage of the Owners. At a minimum, a PID petition must be signed by:
  - (1) Owners of taxable real property representing more than 50% of the appraised value of taxable real property liable for PID assessments as determined by the Travis Central Appraisal District; and
  - (2) the record Owners of real property liable for PID assessments who either:

- (A) constitute more than 50% of all record Owners of property liable for PID assessments; or
  - (B) own taxable property that constitutes more than 50% of the area of all taxable property in the PID that is liable for PID assessments.
- (c) PIDs in which the private construction of improvements meets the requirements of 481.005(i) are preferred.

#### **481.007 Contents and Filing of Petition**

- (a) The petitioners shall notify in writing the County Judge, the Commissioner of any precinct in which a proposed PID is located, and the County Executive of Planning and Budget at least 45 days in advance of their intent to file a PID petition. The petitioners may be required to attend one or more pre-filing meetings or Commissioners Court presentations scheduled by the County.
- (b) The petition must include the following:
  - (1) A description of the community benefits to be provided by the project under 481.005.
  - (2) A legal description of the boundaries of the PID and a black and white map of the PID boundaries suitable for publication.
  - (3) The general nature of the proposed improvements.
  - (4) The estimated cost of the improvements.
  - (5) The proposed method of assessment.
  - (6) Whether the PID will be managed and administered by the County, the private sector, or a partnership between the two.
  - (7) The proposed apportionment of costs between the PID and governmental entities.
  - (8) A statement that the petitioners request or concur with the establishment of the PID.
  - (9) A statement that a PID advisory body may be appointed, and whether the petitioners propose one.
  - (10) A current tax roll of the Owners in the PID, including a separate list of any property that is designated as a homestead.
  - (11) Letters from at least two banks or financial institutions confirming that the petitioner is in good financial standing.
  - (12) Information regarding the financial history of the petitioner, including:
    - (A) Information as to whether the petitioner or its officers has been, is currently, or contemplates being in receivership;
    - (B) Information as to whether the petitioner or its officers has ever defaulted on any loans or financial obligations; and

- (C) Information as to whether the petitioner or its officers has any loans or other financial obligations on which payments are not current.
- (13) A statement certifying that the petitioner and its officers are not currently delinquent with respect to payment of city, county, state, and federal taxes.
- (14) Any other information required by Chapter 372.
- (c) The petitioners must include with the PID petition a certified check for a filing fee which will be used to defer the County's approximate internal staffing and overhead costs of processing and reviewing the PID petition. The County Executive for Planning and Budget shall determine the filing fee and update it from time to time. Until the County Executive determines the fee, the fee shall be \$36,000. In addition, petitioners must pay all direct costs of processing the PID petition, such as newspaper advertisements, postage, and contractors.

#### **481.008 Notice, Public Hearing, and Approval of Petition**

- (a) County staff will assess the adequacy of the PID petition and the petitioner's compliance with this chapter and Chapter 372 and recommend to the Commissioners Court whether to proceed with a public hearing on the PID petition.
- (b) If the Commissioners Court approves setting a public hearing on the PID petition, County staff will:
  - (1) publish notice of the hearing in a newspaper of general circulation in the County and in a community newspaper;
  - (2) mail the notice to property Owners as required by Chapter 372;
  - (3) post notice of the public hearing date on a free community notification electronic application (e.g., Next Door);
- (c) The hearing may be continued from time to time. After the final adjournment of the public hearing, the Commissioners Court has six months to adopt a resolution making the findings required by Chapter 372.
- (d) The Commissioners Court may authorize a PID only if a majority of all members of the Commissioners Court approve a resolution to establish a PID.
  - (1) If a PID is located entirely outside the corporate limits and ETJ jurisdiction of all municipalities and none of the improvements will be undertaken in the ETJ of any municipality, the Commissioners Court's resolution authorizing the PID takes effect when the resolution has been published one time in a newspaper of general circulation in the County.
  - (2) Except as provided in Section 481.008(d)(3), if any part of a PID is located within a municipality's corporate limits or ETJ or if any part of

the improvements is to be undertaken in a municipality's ETJ, the Commissioners Court's resolution authorizing the PID takes effect when the resolution has been published one time in a newspaper of general circulation in the County and one time in a newspaper of general circulation in the part of the ETJ in which the PID is located or in which the improvements are to be undertaken.

- (3) If any part of a PID is located within a home rule municipality's corporate limits or ETJ, the Commissioners Court's resolution authorizing the PID will not take effect if, within 30 days after the County's action to approve the PID, the home rule municipality objects to the establishment of the PID within its corporate limits or ETJ.
- (e) The Commissioners Court will consider written protests regarding the creation of a PID if the protests are submitted:
- (1) During the 20-day period after PID creation takes effect;
  - (2) To the assistant Travis County Clerk responsible for maintaining the minutes and other records of the Commissioners Court;
  - (3) By at least two-thirds of the record Owners in the PID or the Owners of at least two-thirds of property in the PID.
- (f) Issuance of PID bonds and construction of PID improvements may not begin until the later of the 21<sup>st</sup> day after PID creation takes effect or final resolution of any PID protest.

#### **481.009 Financial Limitations and Performance Standards**

- (a) Before levying PID assessments or authorizing issuance of PID bonds, the Commissioners Court shall:
- (1) publish and mail notice of intention to consider proposed assessments and hold a public hearing as required by Chapter 372 and announce such public hearings as described in Section 481.008(b);
  - (2) determine the total cost of PID improvements;
  - (3) approve a final Service and Assessment Plan and appraisal roll;
  - (4) levy an assessment; and
  - (5) establish a separate PID fund in the County treasury.
- (b) The following limitations and performance standards shall apply to PID bonds.
- (1) The minimum appraised value-to-lien ratio for each bond issue shall be 3:1.
  - (2) The maximum maturity for each series of bonds shall be 30 years.
  - (3) The aggregate principal amount of bonds required to be issued shall not exceed an amount sufficient to fund:
    - (A) actual costs of the qualified PID improvements;

- (B) required reserves and capitalized interest during the period of construction; however, interest shall not be capitalized for more than 12 months after the completion of construction and in no event for a period greater than 3 years from the date of the initial delivery of the bonds; and
  - (C) costs of issuance, arbitrage, rebate compliance, administrative fees, third party fees, or other costs related to issuance.
- (c) The PID bond reserve fund shall be funded from bond proceeds, letter of credit, or a surety policy at the time bonds are issued, as negotiated by the County and the bond underwriter.
- (d) The County will apply to PID bonds the same post-issuance compliance requirements the County applies to its general obligation and certificate of obligation debt.
- (e) The timing of reimbursement of construction costs (during the construction period or after construction is complete) will be established by the County and petitioner based on financial considerations specific to the PID.

#### **481.010 PID Administration and Management**

- (a) The County will procure a third party firm to administer the PID under the County Purchasing Act.
- (b) A third party firm shall:
  - (1) perform all duties required by the PID petition, PID agreement, or other PID documents;
  - (2) submit to the County periodic reports of all PID activities and expenditures as required by the Service and Assessment Plan or any agreement with the County;
  - (3) submit to the County an annual independent audit of all PID financial activities;
  - (4) prepare all proposed assessment rolls;
  - (5) draft, control, and manage the Service and Assessment Plan and updates, which shall include a comparison of the combined PID assessment and *ad valorem* tax burden on Owners in the PID with comparable combined burdens on Owners in nearby developments; and
  - (6) submit all proposed assessment rolls and Service and Assessment Plan updates to the Commissioners Court for approval before the deadline imposed by the County Tax Assessor Collector for inclusion on the property tax bills.
- (c) The Planning and Budget Office will manage the third party administrator's contract.

#### **481.011 Audit Requirements**

Upon reasonable prior written notice, the County shall have the right during normal business hours to audit and inspect the records, books, and all other relevant records of the third party administrator and the Petitioners related to Services and public improvements financed by the PID.

#### **481.012 Boundary Modifications, Supplemental Assessments, Renewal, or Dissolution**

The Commissioners Court may only renew, add territory to, supplement assessments for, or dissolve a PID in the same manner as a PID is created.

### ***Subchapter B. Affordable and Fair Housing Requirements***

#### **481.101 Affordable and Fair Housing Policy**

- (a) The Travis County Commissioners Court supports the use of long term affordability mechanisms to create housing in Travis County that:
  - (1) is affordable to individuals and families earning a wide range of incomes,
  - (2) is geographically dispersed throughout the County, and
  - (3) to the greatest extent possible, supports diverse housing types and mixed income neighborhoods.
- (b) In general, the Commissioners Court supports the creation of public improvement districts that will increase Affordable Housing opportunities for persons whose income is 80% or below the Area Median Income.
- (c) In general, the Commissioners Court supports the creation of Public Improvement Districts that will improve Very Low to Low Opportunity Areas or areas of racial, ethnic, and/or low income concentrations.
- (d) The Commissioners Court will comply with the Affirmatively Furthering Fair Housing requirements of the Fair Housing Act (Title VIII of the Civil Rights Act of 1968, 42 United States Code 3601-3619) when creating public improvement districts and will consider racial, ethnic, and economic segregation patterns in a given census block group.

As a community eligible for the Community Development Block Grant ("CDBG") Program, Travis County may not contribute to segregation patterns, but will instead seek to improve racial, ethnic, and economic balance through Affirmative Marketing, improving access to opportunity, and other appropriate strategies.

Commissioners Court will comply with the Fair Housing Act, which prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion,

sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.

Commissioners Court will comply with Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

Additionally, Commissioners Court will comply with:

- (1) Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination based on disability in any program or activity receiving federal financial assistance;
- (2) Section 109 of Title I of the Housing and Community Development Act of 1974, which prohibits discrimination on the basis of race, color, national origin, sex, or religion in programs and activities receiving financial assistance from HUD's CDBG Program;
- (3) Title II of the Americans with Disability Act of 1990, which prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities as it relates to state and local public housing, housing assistance, and housing referrals;
- (4) the Architectural Barriers Act of 1968, which requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 be accessible to and useable by handicapped persons;
- (5) the Age Discrimination Act of 1975, which prohibits discrimination on the basis of age in programs and activities receiving federal financial assistance;
- (6) Executive Order 11063, which prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds; and
- (7) Executive Order 13166, which eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally-assisted and federally conducted programs and activities.

#### **481.102 Definitions**

In this Subchapter:

- (1) "Affirmatively Furthering Fair Housing" or "Affirmatively Further Fair Housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, "affirmatively furthering fair housing" means taking meaningful actions

that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a program participant's activities and programs relating to housing and urban development.

- (2) "Affirmative Marketing" means an outreach and marketing strategy to identify and reach populations, who, absent targeted outreach efforts, are least likely to apply for Affordable Housing in a public improvement district.
- (3) "Area Median Income" and "AMI" mean the current area median income as established by the US Department of Housing and Urban Development.
- (4) "Capital Economic Progress Corporation" and "CEPC" mean the Texas nonprofit corporation formed by the Commissioners Court.
- (5) "Diverse Housing Types" means a balanced mix of housing options including multi-family property, garden homes, condominiums, town homes, duplexes, tri-plexes, quad-plexes, and single-family detached homes.
- (6) "Long-Term Affordability" means a contractual or legal requirement for a housing product to remain affordable to a specific Area Median Income for the longest timeframe extending beyond the initial lease or purchase of the housing product to 99 years for homeownership and 40 years for rental property.
- (7) "Mixed Income Housing" means housing that includes products at a variety of price points and affordability ranging from 30% of the Area Median Income to 140% of Area Median Income and above.
- (8) "Moderate to High Opportunity Area" and "High Opportunity Area" mean a community as defined by the Kirwan Institute maps or their equivalent/replacement (a) with good to excellent access to jobs, amenities, social and medical services, transit, high-performing schools, (b) has low crime rates, and (c) is free of environmental hazards.
- (9) "PID Community Benefit Fee" means a fee paid by a PID Petitioner in lieu of providing on-site Affordable Housing.
- (10) "Travis County Affordable Housing Policy Committee" and "Committee" mean the County's inter-departmental group working on the development of Affordable Housing policies that support the County's commitment to housing affordability and its obligation to Affirmatively Further Fair Housing.

- (11) “Very Low to Low Opportunity Area” and “Low Opportunity Area” mean a community as defined by the Kirwan Institute maps or their equivalent/replacement with a combination of (a) poor to fair access to jobs, amenities, social and medical services, transit, and high-performing schools, (b) high crime rates, and (c) environmental hazards.

**481.103 Affordability, Opportunity, and Fair Housing Analysis**

- (a) The Travis County Affordable Housing Policy Committee or a subcommittee of the Committee will conduct an affordability, opportunity, and fair housing analysis regarding all housing units proposed in a PID petition.
- (b) Except as provided in Subsection (d), each analysis required by this Section will include at least the following and be submitted to the County’s Economic Development & Strategic Investments Office:
- (1) a project and benefit overview;
  - (2) an assessment of the availability of affordable and accessible housing in the public improvement district and the surrounding areas, including:
    - (A) the availability of rental and owner housing, including the availability of units in larger sizes,
    - (B) household incomes, and
    - (C) local demographics, including persons with disabilities;
  - (3) an assessment of whether the housing proposed for the public improvement district will Affirmatively Further Fair Housing; and
  - (4) recommendations, if any, regarding the proposed public improvement district, including recommendations as to:
    - (A) whether the PID Petitioner should be:
      - (i) required to provide on-site Affordable Housing;
      - (ii) allowed to pay a PID Community Benefit Fee in lieu of providing on-site Affordable Housing; or
      - (iii) required to provide a highly desirable community benefit other than Affordable Housing, such as donating land for a community health care clinic.
    - (B) whether Affirmative Marketing should be required.
- (c) Because opportunity levels in a public improvement district may change based on new investments in public improvements or changes in market conditions, the Committee will, before each issuance of PID revenue bonds and before each subsequent phase of implementation, conduct another affordability, opportunity, and fair housing analysis of the public improvement district.
- (d) An analysis is not required to include the information described in Subsection (b) if a relevant environmental impact is located within an unacceptable

proximity to the public improvement district area, in which case, a memorandum identifying the environmental impact of concern is sufficient.

**481.104 Housing Affordability**

- (a) Affordability levels vary by program and product type and may range from 30% to 140% Area Median Income. Affordability targets may vary from PID to PID and will be outlined in any analysis described in Section 481.103(b).
- (b) Where appropriate, the use of long-term affordability mechanisms will be encouraged to maintain Affordable Housing stock in an area.
- (c) Long-term affordability of the housing units may be maintained through mechanisms that include but are not limited to:
  - (1) low income housing tax credits,
  - (2) deed restrictions,
  - (3) the public ownership of housing lots,
  - (4) the nonprofit ownership of housing lots,
  - (5) gap financing at the project level,
  - (6) gap financing for individual homebuyers, and
  - (7) other programs as they become available.

**481.105 PIDs in Low Opportunity Areas**

- (a) If the County determines that a PID is located in a Low Opportunity Area, the PID Petitioner must pay a PID Community Benefit Fee in lieu of providing on-site Affordable Housing. At the County's discretion, a PID Petitioner may be allowed to offset all or a part of the PID Community Benefit Fee if the PID Petitioner agrees to provide one or more alternative highly desirable community benefits as listed in Section 481.003.
- (b) The PID Community Benefit Fee will be equal to 10% of net PID bond proceeds at each issuance. A PID Petitioner who seeks an exception or reduction to this requirement must provide whatever detailed financial information the County determines is necessary for the County to perform an analysis as to what amount, if any, by which the PID Community Benefit Fee should be reduced.
- (c) The PID Community Benefit Fee must be paid to the Capital Economic Progress Corporation.
- (d) CEPC, in consultation with CDBG staff, will use the PID Community Benefit Fee to support programs and projects that provide Affordable Housing and/or Affirmatively Further Fair Housing in Travis County, as approved by the Commissioners Court and CEPC's Board of Directors.

**481.106 PIDs in High Opportunity Areas**

- (a) The PID Petitioner must provide on-site Affordable Housing if:
  - (1) the Committee determines that a proposed PID is located in a High Opportunity Area,
  - (2) the County agrees with the Committee's determination, and
  - (3) the proposed PID includes housing.
- (b) If the Committee determines that a proposed PID is located in a High Opportunity Area, the County agrees with that determination, and the proposed PID does not include any housing, the County may allow the PID Petitioner to provide on-site Affordable Housing in a comparable High Opportunity Area if the PID Petitioner can demonstrate to the satisfaction of the county that the land uses proposed within the PID are problematic for siting housing. Alternatively, the County may allow the Petitioner to pay the Community Benefit Fee.
- (c) If the opportunity level in a PID changes based on new investments in public improvements or changes in market conditions, the County may require the PID Petitioner to provide on-site Affordable Housing in a subsequent phase of the PID development.
- (d) A PID Petitioner that is required to provide on-site Affordable Housing must execute binding legal agreements with all subdevelopers and subcontractors to provide the housing in accordance with the schedule set forth by the County.
- (e) The value of on-site Affordable Housing contributed by the PID Petitioner will be calculated pursuant to Section 481.106(f) and shall equal 10% of the net PID bond proceeds at each issuance. A PID Petitioner who seeks an exception or reduction to this requirement must provide whatever detailed financial information the County determines is necessary for the County to perform an analysis as to what amount, if any, by which the on-site Affordable Housing contribution should be reduced.
- (f) The Committee will recommend the type of contribution appropriate for both multi-family and single family affordable units.
  - (1) Vacant single family lots donated to the CEPC or other nonprofit partner designated by Travis County will be valued at the market value of the lot if it were sold to a for-profit homebuilder. The opinion of value on the parcels must be established by an appraiser approved by the County.
  - (2) Single family homes donated to the CEPC or other nonprofit partner designated by Travis County will be valued at the market value of the home if it were sold on the open market. The opinion of value must be established by an appraisal. If the appraisal is provided by the PID

Petitioner, it will be subject to an independent third party review at the County's request.

- (3) Vacant multi-family parcels donated to the CEPC or other nonprofit partner designated by Travis County will be valued at the market value of the parcel. The opinion of value on the parcels must be established by an appraiser approved by the County.
- (4) Multifamily rental properties will be valued at the average price per unit for Texas Department of Housing and Community Affairs allocations in Region 7 in the tax credit year immediately prior to the date of bond issuance multiplied by the following amounts:
  - 120% for units offered at 60% AMI
  - 130% for units offered at 50% AMI
  - 140% for units offered at 40% AMI
  - 150% for units offered at 30% AMI

#### **481.107 Affirmative Marketing**

- (a) A PID Petitioner must create and implement an Affirmative Marketing plan if the County, after conducting an analysis described in Section 481.103(b), determines that the PID Petitioner should engage in Affirmative Marketing to inform targeted communities regarding housing opportunities in the PID. Each PID Petitioner that is required to engage in Affirmative Marketing must obtain the County's written approval of the PID Petitioner's Affirmative Marketing plan before implementing the plan.
- (b) The County will provide a standard form for the Affirmative Marketing plan and will make it available to PID Petitioners electronically.
- (c) The County will evaluate each Affirmative Marketing plan on an annual basis to determine whether the property is affirmatively furthering fair housing. The PID Petitioner must implement any changes the County recommends regarding the Affirmative Marketing plan.
- (d) The County will require the Petitioner to institute an Affirmative Marketing Plan in subsequent years for a PID that is required to have an Affirmative Marketing Plan under Section 481.107(a).

#### **481.108 Affordable Housing Development Agreement**

- (a) If the Commissioners Court determines that a PID Petitioner must provide on-site Affordable Housing or pay the PID Community Benefit Fee, the PID Petitioner must enter into an Affordable Housing development agreement, in a form provided by the County, that sets forth the terms and conditions of those requirements.
- (b) The Affordable Housing development agreement will include a provision that requires that the PID Petitioner execute any and all documents deemed

necessary by the County and in a form established by the County, including, without limitation, deed restrictions and related instruments to ensure the Long-Term Affordability of Affordable Housing products within the PID.

- (c) Among other things, the County may require that the Affordable Housing development agreement include:
- (1) Standards for determining affordable rent or affordable ownership cost;
  - (2) The location, unit size in square feet, and number of bedrooms for Affordable Housing types to ensure affordable units are not isolated from market rate units and affordable units include a mix of sizes that can accommodate families with children, or senior citizens or single persons, or persons with disabilities, as appropriate;
  - (3) A schedule for completion and occupancy of Affordable Housing units in relation to construction of market rate units;
  - (4) A description of remedies for breach of the development agreement;
  - (5) Provisions that require the PID Petitioner to maintain an inventory of Affordable Housing in the PID;
  - (6) Provisions requiring that the PID Petitioner maintain records to demonstrate compliance with this Subchapter and to allow the County or someone designated by the County, to audit the PID Petitioner's records; and
  - (7) Any other provisions to ensure implementation and compliance with this Chapter.

#### **481.109 Program Oversight, Monitoring, and Enforcement**

- (a) The County will monitor each PID Petitioner's compliance with this Subchapter. The County may use a third party administrator to oversee and monitor PID agreements.
- (b) The PID third party administrator, in consultation with the PID Petitioner and County staff or Travis County Development Authority staff, will maintain an inventory of all Affordable Housing units within the PID.

#### **481.110 Limitations on Use of PID Bond Proceeds**

- (a) Any payments of a PID Community Benefit Fee, either in the form of a direct payment per Section 481.105(b) or a contribution per Section 481.106(d) is not considered an Authorized Improvement as defined in Section 372.003(15) of the Texas Local Government Code.
- (b) Unless a PID petition specifies that one of the primary purposes of the proposed public improvements is to develop, rehabilitate, or expand Affordable Housing, PID bond proceeds are not allowed to be used to pay for:
- (1) The PID Community Benefit Fee,

- (2) On-site Affordable Housing, or
- (3) Any highly desirable community benefit recommended by the Committee to be paid by the PID Petitioner pursuant to Section 481.103(b)(4)(A).

**Exhibit B to County Resolution**

**FORM OF  
BELLA FORTUNA PID COMMUNITY BENEFIT FEE  
ESCROW AGREEMENT**

**BELLA FORTUNA  
PID COMMUNITY BENEFIT FEE ESCROW AGREEMENT**

This Bella Fortuna PID Community Benefit Fee Escrow Agreement (this "**CBF Escrow Agreement**") is made effective this \_\_\_\_\_ day of \_\_\_\_\_, 2020 (the "**Effective Date**"), by and between Clayton Properties Group, a Tennessee corporation doing business in Texas as Brohn Homes ("**Owner**"), Travis County, Texas, a political subdivision of the State of Texas ("**County**"), the Travis County Development Authority, a Texas public nonprofit corporation organized pursuant to Subchapter D, Chapter 431, Texas Transportation Code ("**TCDA**") and Wilmington Trust, National Association ("**Escrow Agent**"). Owner, County, and the TCDA shall sometimes be individually referred to herein as a "**Party**" and collectively referred to herein as the "**Parties**". All terms capitalized in this CBF Escrow Agreement but not defined herein shall have the meaning given in the below-defined PFA.

**RECITALS**

WHEREAS, pursuant to that certain PID Financing Agreement between Owner, as successor in interest to Views at Onion Creek, LP, the TCDA and the County, dated May 28, 2019 (as amended, the "**PFA**"), Owner has agreed to construct certain Authorized Improvements, and the County has agreed to reimburse the Owner for a portion of the costs of the Authorized Improvements, as further described therein;

WHEREAS, Owner has agreed, pursuant to the PFA, to pay to the Capital Economic Progress Corporation ("**CEPC**") a PID Community Benefit Fee in an amount equaling 10% of any Net PID Bond Proceeds;

WHEREAS, concurrently with this CBF Escrow Agreement, the Parties have entered into that certain First Amendment to Bella Fortuna Public Improvement District Financing Agreement (the "**First Amendment**") wherein the Parties agreed to bifurcate the payment of the PID Community Benefit Fee;

WHEREAS, the First Amendment provides that payments by Owner of the PID Community Benefit Fee will be placed into escrow ("**Escrowed Funds**") until such time as they are disbursed to CEPC or returned to Owner pursuant to the terms of this CBF Escrow Agreement and the PFA, as amended.

NOW, THEREFORE, in consideration of the covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner, the County, the TCDA, and Escrow Agent agree as follows:

1. Owner's Escrowed Funds.

(a) First Assessment Levy Request. Pursuant to the PFA, no later than fourteen (14) days from the Effective Date hereof, Owner shall escrow with Escrow Agent the Initial Fee as Escrowed Funds. After confirming that the Owner has deposited the Initial Fee, the TCDA shall promptly order an Appraisal of the Property.

(b) Remainder Fee. Owner shall escrow with Escrow Agent the Remainder Fee (if any) as Escrowed Funds in accordance with the PFA.

(c) Subsequent Requests. Pursuant to the PFA, from time to time, Owner may escrow with Escrow Agent additional PID Community Benefit Fees (if any) as Escrowed Funds.

(d) Receipt of all Escrowed Funds by Escrow Agent pursuant to this CBF Escrow Agreement shall be acknowledged in writing by the Escrow Agent.

(e) The Escrow Agent shall hold and disburse the Escrowed Funds in accordance with the terms of this CBF Escrow Agreement. Escrow Agent shall invest the Escrowed Funds with a federally insured institution. All interest earned on such funds shall become part of the Escrowed Funds.

## 2. Disbursement of Escrowed Funds.

(a) First Assessment Levy Request and Initial Fee. If the Travis County Commissioners Court approves the first Assessment Levy Request, the Escrowed Funds comprising the Initial Fee shall be released to CEPC no later than three (3) business days after the date that a written disbursement request notice ("**Disbursal Request**") is delivered from the County or TCDA to the Escrow Agent. The County or TCDA may deliver a Disbursal Request as soon as three (3) business days after the date the first Assessments are levied on the Property.

If the Travis County Commissioners Court does not approve the first Assessment Levy Request before the earlier of 120 days after the TCDA has received an Appraisal of the Property or December 31, 2020, the County or TCDA shall provide a Disbursal Request to the Escrow Agent, and the Escrow Agent shall return the Escrowed Funds comprising the Initial Fee to Owner no later than three (3) business days after receipt of said notice.

(b) Remainder Fee. If the Commissioners Court approves Owner's first Assessment Levy Request or Owner's first Bond Issuance Request, Owner shall deposit the Remainder Fee into escrow no later than three business days before the closing date of the first PID Bonds, and the County or the TCDA may deliver a Disbursal Request as soon as three days after the closing date of the PID Bonds. The Escrow Agent shall disburse the Remainder Fee to CEPC no later than three (3) business days after the date that a Disbursal Request is delivered from the County or TCDA to the Escrow Agent.

If the first PID Bonds are not issued within three (3) months after the Escrowed Funds comprising the Remainder Fee have been escrowed by Owner, the County or TCDA shall provide a Disbursal Request to the Escrow Agent and the Escrow Agent shall return the Escrowed Funds comprising the Remainder Fee to Owner no later than three (3) business days after receipt of said notice.

(c) Subsequent Requests and Additional PID Community Benefit Fees. The Escrowed Funds comprising any additional PID Community Benefit Fees shall be (i) released to CEPC no later than three (3) business days after the date that a Disbursal Request is delivered from the County or TCDA to the Escrow Agent if a subsequent Assessment Levy Request or Bond Issuance Request is approved; or (ii) returned to Owner no later than three (3) business days after the date that a Disbursal Request is delivered from the County or TCDA to the Escrow Agent if a subsequent Assessment Levy Request or Bond Issuance Request is not approved.

(d) The County or TCDA, as applicable, shall concurrently deliver to Owner a copy of each Disbursal Request delivered to Escrow Agent.

3. No Fee to Escrow Agent. No fee shall be charged by Escrow Agent. Escrow Agent may resign from its duties hereunder at any time by giving written notice of such resignation to the parties hereto; however, Escrow Agent shall continue to serve until its successor is appointed jointly by the TCDA and the County, and such successor accepts and agrees to perform the obligations of Escrow Agent hereunder and receives the balance of the Escrowed Funds. The TCDA and the County shall have the right at any time upon mutual agreement to substitute a new Escrow Agent by giving written notice thereof to the Escrow Agent then acting and to the Owner.

4. Escrow Agent.

(a) Under this CBF Escrow Agreement Escrow Agent is a depository only and shall have no liability for the holding, investment, disbursement, application or other disposition of any monies and/or documents received by Escrow Agent other than to comply with the specific instructions, terms and provisions expressly set forth and/or provided for in this CBF Escrow Agreement. Escrow Agent shall not be responsible or liable in any manner for the sufficiency, correctness, genuineness or validity of any instrument deposited with it hereunder, or for the form or execution thereof, or for the identity, authority or rights of any person executing or depositing the same. In accepting any monies and/or documents delivered to Escrow Agent hereunder, it is agreed and understood that the Escrow Agent will not be called upon to construe any contract, instrument or document deposited herewith or submitted hereunder, but only to follow the specific instructions expressly set forth and/or provided for in this CBF Escrow Agreement.

(b) Escrow Agent, as a part of the consideration for its acceptance of this escrow, shall not, in the performance of its duties under this CBF Escrow Agreement, be liable for any error of judgment, or for any acts or omissions done by it in good faith, or for any mistake of fact or law, or for any claims, demands, causes of action, losses, liabilities, damages, costs or expenses claimed or suffered by any party to this CBF Escrow Agreement, except such as may arise solely and directly as a result of the Escrow Agent's own gross negligence or willful misconduct. Escrow Agent is hereby authorized to rely upon, and shall be protected in acting upon, any notice, request, waiver, consent, receipt, certificate, affidavit, authorization, power of attorney, trust agreement or other

paper or document believed by Escrow Agent in good faith to be genuine and what it purports to be.

6. Dispute Notice. If a party (the “**Objecting Party**”), acting in good faith, reasonably believes that the disbursement of the Escrowed Funds, or any portion thereof, is not proper, the Objecting Party may give the Escrow Agent, no later than two (2) business days following notice of such disbursement, a notice disputing such requested disbursement and a statement of the portion of such requested disbursement that is disputed (a “**Dispute Notice**”). If a Dispute Notice is given, Escrow Agent shall withhold the portion of the requested disbursement specified in such Dispute Notice until the dispute has been resolved. Escrow Agent shall be entitled to interplead into a court of competent jurisdiction in Travis County, Texas the amount of any requested disbursement with respect to which any dispute exists. The losing party in any such interpleader proceeding shall pay for the reasonable attorneys’ fees and court costs incurred by Escrow Agent in connection with such interpleader proceeding.

7. Notices. Any notice or submittal to be given hereunder shall be in writing and shall be deemed given (a) as of the date delivered to the applicable party at the address set forth below, or (b) upon the deposit thereof in the U.S. Mail, by certified mail, return receipt requested, postage prepaid, addressed to the applicable party, at the address set forth below. Owner, the County or Escrow Agent may change its address for notice by giving written notice of such change to the other parties not less than ten days prior to the effective date of such address change.

If to County: County Judge, Travis County  
Street Address: 700 Lavaca, Suite 2.300  
Austin, Texas 78701  
Mailing Address: PO Box 1748  
Austin, Texas 78767  
Email: \_\_\_\_\_  
Facsimile: (512) 854-9535

With a Copy to: Travis County, Texas  
Attn: Christy Moffett,  
Economic & Strategic Planning Managing Director  
700 Lavaca, Suite 1560  
Austin, Texas 78701  
Email: Christy.Moffett@traviscountytexas.gov  
Facsimile: (512) 854-4210

With a Copy to: Office of the Travis County Attorney  
Attn: Tom Nuckols, Assistant County Attorney  
314 W. 11<sup>th</sup> St., Suite 500  
Austin, Texas 78701  
Email: tom.nuckols@traviscountytexas.gov  
Facsimile: (512) 854-4808

TCDA: Travis County Development Authority  
Attn: Andrea Shields, Executive Manager  
700 Lavaca Street, Suite 1560  
Austin, Texas 78701  
Email: Andrea.Shields@traviscountytx.gov  
Facsimile: (512) 854-9116

Owner: Clayton Properties Group, Inc. d/b/a Brohn Homes  
Attn: Tyler Gatewood  
6720 Vaught Ranch Road, Suite 200  
Austin, Texas 78730  
Email: tylerg@brohnhomes.com  
Facsimile: (\_\_\_\_) \_\_\_\_ - \_\_\_\_\_

With copy to: Metcalfe Wolff Stuart & Williams, LLP  
Attn: Talley J. Williams  
221 W 6<sup>th</sup> Street, Suite 1300  
Austin, Texas 78701  
Email: twilliams@mwswtexas.com  
Facsimile: (512) 404-2244

Escrow Agent: Wilmington Trust, National Association  
Attn: Dayna L. Smith  
15950 North Dallas Parkway  
Suite 550  
Dallas, Texas 75248  
Email: [dlsmith@wilmingtontrust.com](mailto:dlsmith@wilmingtontrust.com)  
Facsimile: (972) 385-0844

8. Prevailing Party. The prevailing party in any litigation concerning this CBF Escrow Agreement shall be entitled to recover from the other party all court costs and reasonable attorneys' fees incurred by such prevailing party in connection with such litigation.

9. Multiple Counterparts. This CBF Escrow Agreement may be executed in multiple counterparts, any one of which need not contain the signature of more than one party, but all of which counterparts, taken together, shall constitute one and the same agreement. Signatures transmitted electronically by e-mail in a "PDF" format, by DocuSign or similar e-signature service shall have the same force and effect as original signatures in this Agreement. Signatures may be exchanged by telecopy, with original signatures to follow. Each party hereto shall be bound by its own telecopied or electronic signature and shall accept the telecopied or electronic signature of the other parties hereto.

10. Entire Agreement. This CBF Escrow Agreement contains the entire agreement between the parties relating to the subject matter hereof, SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, and can be amended only by written document signed by all parties hereto and their respective successors and assigns.

11. In this CBF Escrow Agreement, “business day” and “business days” refer to any weekday that is not a County or national holiday or a day on which County administrative offices are closed. All other references to days mean calendar days.

[Signature Page to Follow]

**EXECUTED** to be effective as of the day first written above.

**OWNER:**

**Clayton Properties Group, Inc.**

a Tennessee corporation doing business in Texas as  
**"BROHN HOMES"**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**COUNTY:**

**Travis County, Texas**

a political subdivision of the State of Texas

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TCDA:**

**Travis County Development Authority**

a Texas public nonprofit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ESCROW AGENT:**

**Wilmington Trust, National Association,**  
a national banking association

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **ATTACHMENT A**

### **BELLA FORTUNA PID HOUSING AFFORDABILITY ANALYSIS**

#### **MIDDLE-INCOME WORKFORCE HOUSING AFFORDABILITY ANALYSIS**

“Workforce housing” is generally understood as housing that is affordable to households earning mid-range incomes, approximately 80%-140% of Median Family Income (MFI) for an area. These households typically have incomes that are too high to qualify for “Affordable Housing,” housing or programs that are usually targeted to households earning less than 80% of MFI. In areas such as Austin with rapidly increasing housing costs, households earning incomes in this range may find it difficult to locate a home with a price they can afford. Affordable is defined here as a household paying no more than 30% of gross income toward housing costs which includes mortgage, insurance, property taxes and utilities.

The table below identifies 30% of monthly income available for housing costs for a household of four. The amounts with red borders are based on the most current Median Family Income (MFI) chart for the Community Development Block Grant program, which went into effect on June 28, 2019. Please note the MFI criterion is based on the number of people in the household and the MFI criterion are updated annually.

Table 1. Affordable Housing Payment, by MFI<sup>1</sup>

	<b>80% Median Family Income</b>	<b>100% Median Family Income</b>
<b>Annual Income</b>	\$75,500	\$95,900
<b>Gross monthly income</b>	\$6,292	\$7,992
<b>30% of monthly income</b>	\$1,888	\$2,398
	<b>120% Median Family Income</b>	<b>140% Median Family Income</b>
<b>Annual Income</b>	\$115,100	\$134,250
<b>Gross monthly income</b>	\$9,592	\$11,188
<b>30% of monthly income</b>	\$2,878	\$3,356

The following table shows the estimated monthly housing costs based on the average home prices identified in the Bella Fortuna PID Feasibility Study released on April 13, 2020. Housing monthly costs include the mortgage payment (principal and interest), private mortgage insurance, property insurance, estimated homeowner association fees of \$41 and property taxes

<sup>1</sup> Source: [http://www.austintexas.gov/sites/default/files/files/Housing/Copy\\_of\\_MFI\\_Chart\\_Effective\\_6-28-2019.pdf](http://www.austintexas.gov/sites/default/files/files/Housing/Copy_of_MFI_Chart_Effective_6-28-2019.pdf)

at the equivalent tax rate proposed for the Bella Fortuna PID of 2.47% which includes the PID monthly fee of \$113-\$151.

Currently, interest rates are at historic lows, therefore assumptions on interest rates have been lowered to reflect current conditions. Because changes in the interest rate have a considerable impact on monthly mortgage payments, monthly housing cost estimates were generated using a range of interest rates from the prevailing daily rate of 3.25% to 5.00%.

Table 2. Calculation of House Payment, by Proposed Average Housing Prices within the PID<sup>2</sup>

Average Housing Price	Down Payment (10%)	Mortgage Loan Amount	Monthly Housing Costs <sup>3,4</sup>		
			Mortgage Interest Rate		
			3.25%	4.00%	5.00%
<b>\$236,029</b>	\$23,603	\$212,426	\$1,631	\$1,721	\$1,847
<b>\$262,254</b>	\$26,225	\$236,029	\$1,808	\$1,907	\$2,047
<b>\$314,705</b>	\$31,471	\$283,235	\$2,161	\$2,280	\$2,449

While this analysis uses the average home price for each lot size, starting prices vary. Each lot size will have six floor plans and two elevation options allowing for home prices to start as low as \$199,900 for the base floor plan on the smallest lot size. The following table outlines the lot size, starting home price, average home price, square footage range and number of floor plans and elevations.

<sup>2</sup> Based on housing pricing proposed in the PID.

<sup>3</sup> Monthly Housing Costs include monthly payments for mortgage principal and interest, property taxes, private mortgage insurance (PMI) and property insurance.

<sup>4</sup> The housing monthly costs were calculated with the following assumptions: a 30 year fixed rate loan; the equivalent property tax rate proposed for the Bella Fortuna PID of 2.47%; a 10% down payment; HOA fees, area average property insurance rates, and a PMI rate of 0.57%.

Table 3: Bella Fortuna Target Home Sales Price

Bella Fortuna PID					
Target Home Sales Price					
Lot Size	Starting Price	Average Home Price	Square Foot Range	Floor Plans	Elevations
40' Lot	\$ 199,900	\$ 236,029	1450-2595	6	2
50' Lot	\$ 229,990	\$ 262,254	1558-2397	6	2
60' Lot	\$ 265,990	\$ 314,705	1558-2397	6	2

The table below demonstrates the monthly housing costs for the smallest lot size and footprint, demonstrating the deep homeowner affordability available within the PID. Housing monthly costs include the mortgage payment (principal and interest), private mortgage insurance, property insurance, estimated homeowner association fees of \$41 and property taxes at the equivalent tax rate proposed for the Bella Fortuna PID of 2.47% which includes the PID monthly fee of \$113.

Table 4: Average Price of Homes for Travis County vs. Bella Fortuna PID

Month	Travis County <sup>5</sup>	Bella Fortuna PID
January	\$427,883	\$236,029 - \$314,705 Depending upon lot size
February	\$464,479	
March	\$502,568	
April	\$485,751	
May	\$489,751	
June	\$501,354	

<sup>5</sup> Texas A&M University Real Estate Data Center, <https://www.recenter.tamu.edu/data/housing-activity/>, accessed 8/18/20.

The table above demonstrates the average housing price for Travis County is substantially less than the average price for homes in the Bella Fortuna making the housing more naturally affordable.

Table 5: Calculation of House Payment, by Proposed Starting Housing Price within the PID<sup>6</sup>

Starting Housing Price for 40' Lot	Down Payment (10%)	Mortgage Loan Amount	Monthly Housing Costs <sup>7,8</sup>		
			Mortgage Interest Rate		
			3.25%	4.00%	5.00%
<b>\$199,900</b>	\$19,990	\$179,910	\$1,388	\$1,463	\$1,570

Professions that are often associated with the category workforce housing include teachers, public sector employees, firefighters and law enforcement. As a point of reference the following table shows the salaries for some public sector employees and their monthly purchasing power for housing without being cost burdened at those income levels. For most homeownership opportunities, a dual earner household is necessary for homeownership.

Table 6. Public Sector Employees

	COA Fire Department <sup>9</sup>	City of Austin <sup>10</sup>	State Government <sup>11</sup>
<b>Median Annual Income</b>	\$67,356	\$62,358	\$44,682
<b>Gross monthly income</b>	\$5,613	\$5,196	\$3,723
<b>30% of monthly income</b>	\$1,683	\$1,558	\$1,117
	<b>Travis County Pay Grade 14<sup>12</sup></b>	<b>Travis County Pay Grade 23<sup>13</sup></b>	<b>Travis County Pay Grade 32<sup>14</sup></b>
<b>Minimum Starting Annual Income</b>	\$32,345 (\$15.55/hr)	\$59,466	\$109,380
<b>Gross monthly income</b>	\$2,695	\$4,955	\$9,115
<b>30% of monthly income</b>	\$808	\$1,486	\$2,734

<sup>6</sup> Based on housing pricing proposed in the PID.

<sup>7</sup> Monthly Housing Costs include monthly payments for mortgage principal and interest, property taxes, private mortgage insurance (PMI) and property insurance.

<sup>8</sup> The housing monthly costs were calculated with the following assumptions: a 30 year fixed rate loan; the equivalent property tax rate proposed for the Bella Fortuna PID of 2.47%; a 10% down payment; HOA fees, area average property insurance rates, and a PMI rate of 0.57%.

<sup>9</sup> Source: <https://www.joinafd.com/benefits-summary> (downloaded 5/21/20), firefighter with 3 years experience

<sup>10</sup> Source: GovSalaries: <https://govsalaries.com/salaries/TX/city-of-austin?sort=year-desc> (downloaded 5/21/20)

<sup>11</sup>Source: Texas Tribune Government Salaries Explore: <https://salaries.texastribune.org/departments/> (downloaded 5/21/20)

<sup>12</sup> Travis County Pay Scale Chart, effective 10/1/17

<sup>13</sup> Ibid

<sup>14</sup> Ibid

The following table shows the percent change in housing costs estimated from the original PID petition to now as compared to the percent change in the median housing price in Travis County for the same time period. Since acceptance of the PID petition in 2016, the change to the starting price for homes has kept pace with the rise in costs of the annual median home price for Travis County.

Table 7. Travis County Median Home Price Change vs. PID Home Price Change

Year	Travis County Median Home Price <sup>15</sup>	Percent Change from 2016 to 2020	PID Estimated Average Home Price <sup>16</sup>	Percent Change of average home price
2016	\$335,000		\$200,000 – 300,000	
2017	\$350,000			
2018	\$350,000		\$225,000- 320,000	
2019	\$369,000			
2020	\$395,000	18%	\$236,029-314,705	18%

## CONCLUSION

The regional housing market is likely to remain extremely competitive over the next several years, and low and middle income households may face challenges in finding affordable homes. The general lack of housing options in the area has constrained the market. In a constrained market with limited housing stock, additions to the housing stock can lower pricing. The proposed Bella Fortuna PID will add 526 units to the single-family detached housing stock.

The housing prices proposed in the PID will provide affordable housing for households at 65-140% MFI, based on a four-person household. Single earner households making at least \$60,000 and dual income earner households of public sector employees will likely find this housing affordable.

<sup>15</sup> Source: Austin Board of Realtors Market statistic reports for Travis County for December 2016-2019 and April 2020 <https://www.abor.com/category/press/market-stats/> (downloaded 5/21/20)

<sup>16</sup>Source: PID Peition provided in 2016 and Draft Bella Fortuna PID Analysis reports provided by the Developer as prepared by DPFG, Inc.

**Attachment B**  
**Information about the PID Financing Agreement, Community Benefits & Levying Assessments for Bella Fortuna PID**

The Bella Fortuna Public Improvement District (PID) was created by Commissioners Court on October 31, 2017 and became effective on November 30, 2017. The PID was created to finance the actual costs of authorized improvements that confer a special benefit on approximately 158.17 acres of land located in the extraterritorial jurisdiction of the City of Austin and in Travis County Precinct 4. In addition to the authorized improvements, the landowner has agreed to provide additional community benefits in accordance with Travis County's PID policy.

On May 28, 2019, the Commissioners Court approved the PID Financing Agreement, which included a Form of Service and Assessment Plan (which also included a Form of Funding Agreement) and a Form of Landowner Agreement. The Commissioners Court also approved an Acquisition and Reimbursement Agreement. At that time, the Commissioners Court was notified that the then-current landowner (The Views at Onion Creek, LP) was in the process of selling the land within the PID to Brohn Homes. The agreements presented for approval on that day were assignable to Brohn Homes. The negotiation of these agreements included a representative of and legal counsel to Brohn Homes as well as The Views at Onion Creek, LP.

The approval of these agreements allowed The Views at Onion Creek, LP to finalize the sale of the land included within the PID boundaries to Brohn Homes. Brohn Homes has now assumed all rights and obligations of The Views at Onion Creek, LP with respect to the agreements the Commissioners Court approved on May 28, 2019.

The PID Financing Agreement establishes the terms, conditions, and requirements for:

1. the apportionment, levy and collection of assessment,
2. the construction and acquisition of the authorized improvements,
3. the payment for the authorized improvements,
4. the issuance of PID bonds,
5. meeting the affordable housing policy of the PID policy, and
6. homebuyer disclosure.

Exhibit "E-1" of the PID Financing Agreement sets out a general description of authorized improvements that are to be provided by Brohn Homes and the estimated date of completion of those authorized improvements as of the effective date of the Financing Agreement. Below is an update provided by Brohn Homes on May 14, 2020 regarding the current status of the authorized improvements and estimated completion dates for those authorized improvements:

- Water quality and detention ponds that meet Travis County's Atlas 14 rules
  - Pond A

- 40% complete as of May 2020
  - Brohn Homes estimated completion date: July 2020
- Pond B
  - 50% complete as of May 2020
  - Brohn Homes estimated completion date: August 2020
- Pond C
  - 0% complete as of May 2020
  - Brohn Homes estimated completion date: January 2021
- Pond D
  - 0% complete as of May 2020
  - Brohn Homes estimated completion date: October 2021
- Approximately 6,100 linear feet of wastewater main with wastewater service provided by Austin Water Utility
  - Offsite wastewater line
    - 85% complete as of May 2020
    - Brohn estimated completion date: June 2020
- Bella Fortuna Drive, an approximately 2,400 linear foot collector road running east to west providing a future connection to Pleasant Valley Road and IH-35 access road
  - Estimated date of completion (built within 3 separate phases)
    - Phase 1
      - 35% complete as of May 2020
      - Brohn estimated completion date: August 2020
    - Phase 2
      - 0% complete as of May 2020
      - Brohn estimated completion date: January 2021
    - Phase 4
      - 0% complete as of May 2020
      - Brohn estimated completion date: July 2022
- Two Neighborhood parks and approximately 10,600 linear feet of trail that will be open to the public
  - Estimated date of completion (built within 5 phases)
    - Phase 1
      - 0% complete as of May 2020
      - Brohn Homes estimated completion date: August 2020
    - Phase 2
      - 0% complete as of May 2020
      - Brohn Homes estimated completion date: March 2021
    - Phase 3
      - 0% complete as of May 2020
      - Brohn Homes estimated completion date: November 2021
    - Phase 4

- 0% complete as of May 2020
- Brohn Homes estimated completion date: September 2022
- Phase 5
  - 0% complete as of May 2020
  - Brohn Homes estimated completion date: June 2023

The community benefits the landowner will provide include:

1. Community Benefit Fee equal to 10% of the net PID bond proceeds paid to the Capital Economic Progress Corporation, a 501(c)(3) under the auspices of the County Corporations,
2. Construction of the public improvements following the County's construction worker protection standards,
3. Design and construction contracting that substantially complies with the County's HUB standards,
4. Parks and trails built with the PID bond proceeds dedicated to the City of Austin but maintained by the future homeowner's association.

Please note that the Community Benefit Fee is paid at bond issuance, which Brohn Homes anticipates requesting in 2022.

Construction of the authorized improvements began on October 24, 2019. On January 30, 2020, staff from the County and the Travis County Development Authority met with the developer to discuss updates to the PID and a request from Brohn Homes that assessments be levied in the PID in anticipation of the beginning of home construction. The following is a summary of that update:

- Brohn Homes confirmed that it had assumed all rights and obligations of the previous landowner with respect to the agreements approved on May 28, 2019.
- Construction on authorized improvements was ongoing.
- Brohn Homes had changed the land plan for Phases 3-5 of the development, and those changes include reducing residential lot sizes and thereby increasing the number of lots from 465 to 526.
- Brohn Homes informed County/TCDA staff that target prices for homes in the PID had increased from a range of \$200,000 to \$300,000 (as set out in the September 20, 2016 PID petition that was submitted to create the PID) to \$236,029 to \$314,705.

Change in Number of Housing Units & Pricing			
	Lot Size	Number of Units	Weighted Average Home Price
Original Plan			
	40	119	\$225,000
	50	248	\$270,000
	60	98	\$320,000
Total/ Weighted Average	49.5	465	\$269,022
Updated Plan			

	40	381	\$236,029
	50	111	\$262,254
	60	34	\$314,705
Total/Weighted Average	43.4	526	\$246,649
Increase / (Decrease)			
	40	262	\$11,029
	50	(137)	(\$7,746)
	60	(64)	(\$5,295)
Total/Weighted Average	-3.4	61	(\$22,373)

Toward the end of February, County staff began evaluating potential impacts of COVID-19 on development in the County. On April 1st, the Commissioners Court approved a pause regarding the acceptance of new PID applications as well as levying assessments and PID bond issuance until shelter in place orders were lifted.

Section 4.02 of the approved PID Financing Agreement states: "Within 30 days of receipt of a written request by the Owner for the levy of Assessments on the Property (an "Assessment Levy Request") the County will consider the adoption of the Assessment Order that (i) approves the Service and Assessment Plan identifying the costs of the Authorized Improvements and the Assessments and (ii) levies said Assessments." While the PID Financing Agreement requires that the County consider the adoption of an Assessment Order within 30 days of receipt of Brohn Homes's request for the levy of assessments, there is no requirement that the County actually adopt an Assessment Order. On April 15, 2020, Brohn Homes made an official request for the County to levy assessments in the PID. In order to avoid any lien priority issues, Brohn Homes desires to have PID Assessments in place before any homes are sold in the PID. This agenda item is responsive to that assessment levy request.

Section 481.005(f) of the County's PID Policy provides as follows:

- (f) Before the County will levy PID assessments or authorize issuance of PID bonds, the petitioners must provide the following:
  - (1) A fair market value appraisal of property in the PID by an independent third-party appraiser acceptable to the County,
  - (2) A Market Feasibility Study,
  - (3) A description of the method of assessment, including a comparison of the combined PID assessment and ad valorem tax burden on Owners in the PID with comparable combined burdens on Owners in nearby developments,
  - (4) Any plan for phasing of both the real estate development supported by the PID and construction of public improvements in the development, and

- (5) Any reports prepared by independent, third-party subject matter experts (e.g., engineers) as agreed upon by the County, PID Petitioner, and underwriter.

In accordance with the County's PID policy and in anticipation of Brohn Homes' request for the levying of assessments, the County asked Brohn Homes on March 13, 2020 and on April 20, 2020 to provide additional information regarding Brohn Homes' desire that assessments be levied. A description of the information requested and the current status of those requests are set forth in the chart below.

Information in preparation of Assessment Order	
County Staff Requests	Status & Notes
Scope of Work for a new appraisal [required under Section 481.005(f)(1) of the County's PID Policy]	A new appraisal will be ordered once the Commissioners Court determines whether or not it would like to move forward with the levy assessment process.
Market Feasibility Study [required under Section 481.005(f)(2) of the County's PID Policy]	Brohn Homes has provided this information, and it is currently being reviewed by County and TCDA staff.
Information that is needed for preparing a preliminary and final service and assessment plan ("SAP"), including updated pricing info for lots and completed homes, actual costs for Authorized Improvements, budgeted costs for Authorized Improvements, maps showing the locations of the improvements, descriptions of the improvements, plats, concept plans.	The PID Financing Agreement included a form SAP. P3 Works, the TCDA's consultant, will be preparing a preliminary SAP for the Court's consideration if the Court decides to move forward with taking additional steps to consider levying assessments in the PID. All materials have been provided to P3 Works to prepare a preliminary SAP, subject to the market study verifying home prices are reasonable.
A description of the method of assessment, including a comparison of the combined PID assessment and <i>ad valorem</i> tax burden on property owners in the PID with comparable combined burdens on property owners in nearby developments.	Brohn Homes has provided this information. After staff review of the information, staff requested that Brohn Homes revise the information. Brohn Homes has provided revised information, and it is currently being reviewed by County/TCDA staff.
A substantially final draft of the Landowner Agreement	A form of the Landowner Agreement was included as Exhibit "J" to the PID Financing Agreement. County staff is working with Brohn Homes to finalize the Landowner Agreement should the Court decide to levy assessments. If the Court levies assessments, Brohn Homes must record the Landowner Agreement and provide written verification to the County/TCDA of the recording.
Any plan for phasing of both the real estate development supported by the PID and construction of public improvements in the development.	Brohn Homes has provided this information, and it is currently being reviewed by County and TCDA staff.
Development Schedule	Brohn Homes has provided this information, and it is currently being reviewed by County and TCDA staff.
A detailed overview of the update to the preliminary plan mentioned at the January 30, 2020 meeting and the status of/schedule for the approval process for that plan.	Brohn Homes has provided this information, and it is currently being reviewed by County and TCDA staff.

If the Court approves moving forward with Brohn Homes request to levy assessments and review of the appraisal and market feasibility study meets standards outlined in the staff recommendation, the Court will need to take the following next steps at subsequent Commissioners Court meetings.

First, the Court would need to consider and take appropriate action on a resolution relating to:

- (A) Determining the costs of certain public improvements to be financed by the Bella Fortuna Public Improvement District,
- (B) Approving a preliminary service and assessment plan, including a proposed assessment roll,
- (C) Directing the filing of the proposed assessment roll with the Travis County Tax Assessor-Collector to make it available for public inspection,
- (D) Setting a public hearing to consider an order levying assessments on property located within the Bella Fortuna Public Improvement District, and
- (E) Directing County staff to publish and mail notice of the public hearing.

If the Court approves the resolution described above, the proposed assessment roll will need to be provided to the Travis County Tax Assessor-Collector to make it available for public inspection, and a notice regarding the public hearing would need to be published in the newspaper.

After the public hearing, the Court would need to consider and take appropriate action on a resolution relating to:

- (A) Accepting and approving a service and assessment plan and an assessment roll for the Bella Fortuna Public Improvement District,
- (B) Approving a Funding Agreement,
- (C) Making a finding of special benefit to the property in the District,
- (D) Levying assessments against property within the District and establishing a lien on such property,
- (E) Providing for method of assessment and the payment of the assessment in accordance with Chapter 372, Texas Local Government Code, as amended;
- (F) Providing for penalties and interest on delinquent assessments; and
- (G) Providing an effective date

If the Court approves levying assessments, the Court would also need to consider and take appropriate action regarding:

- (A) a Landowner Agreement between Brohn Homes, the County, and the Travis County Development Authority, and
- (B)** a Billing and Collections Agreement between the County and the Travis County Development Authority.

(THIS PAGE IS INTENTIONALLY LEFT BLANK)



**TRAVIS COUNTY DEVELOPMENT AUTHORITY**  
**CONTRACT ASSESSMENT REVENUE BONDS, SERIES 2024 (BELLA FORTUNA PUBLIC IMPROVEMENT DISTRICT)**



Printed by: ImageMaster, LLC  
[www.imagemaster.com](http://www.imagemaster.com)